

2019



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For Fiscal Year Ended September 30, 2019
CITY OF HALLANDALE BEACH, FLORIDA

CITY OF HALLANDALE BEACH, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2019**

PREPARED BY THE FINANCE DEPARTMENT

Emil Lopez, Finance Director
Barbara Trinko, CPA, Assistant Finance Director
Geovanne Neste, Assistant Finance Director
Sean Li, CPA, Controller
Noemy Sandoval, Grants Manager
Isidra Morales, Accountant I
Keren Palomino, Accounts Payable Coordinator
Lola Roberts, Accounting Coordinator
Ruth Rodriguez, Accounts Receivable Coordinator
Melissa Villasis, Junior Accountant
Baloidi Albornoz, Senior Administrative Assistant

CITY OF HALLANDALE BEACH, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

TABLE OF CONTENTS

INTRODUCTORY SECTION

	Page
Letter of Transmittal	i - ix
Organizational Chart.....	x
Principal Officials.....	xi
GFOA Certificate	xii

FINANCIAL SECTION

Independent Auditor's Report	1 - 3
Management's Discussion and Analysis	4 - 20
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	21
Statement of Activities	22
Fund Financial Statements:	
Balance Sheet – Governmental Funds	23
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position.....	24
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	25
Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balances of Governmental Funds to the Statement of Activities.....	26
Statement of Net Position – Proprietary Funds	27 and 28
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	29
Statement of Cash Flows – Proprietary Funds.....	30 - 32
Statement of Fiduciary Net Position – Fiduciary Funds	33
Statement of Changes in Fiduciary Net Position – Pension Trust Funds	34
Notes to Financial Statements.....	35 - 82
Required Supplementary Information:	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual – General Fund	83
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual – Special Revenue Funds – Community Redevelopment Agency Fund.....	84
Notes to Budgetary Comparison Schedules.....	85

CITY OF HALLANDALE BEACH, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

TABLE OF CONTENTS (CONTINUED)

FINANCIAL SECTION (CONTINUED)

	Page
Required Supplementary Information (Continued):	
Schedule of Changes in the City's Net Pension Liability and Related Ratios:	
Professional/Management Retirement Plan	86
Police Officers' and Firefighters' Personnel Retirement Trust	87
General Employees' Retirement Plan	88
Schedule of Changes in the City's Total Pension Liability and Related Ratios – Excess Benefit Plan	89
Schedule of City Contributions:	
Professional/Management Retirement Plan	90
General Employees' Retirement Plan	91
Police Officers' and Firefighters' Personnel Retirement Trust	92
Schedule of Pension Investment Returns	93
Schedule of Changes in the City's Total OPEB Liability and Related Ratios	94
Combining and Individual Fund Financial Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds	95
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	96
Schedule of Revenues, Expenditures and Changes in Fund Balance	
Budget and Actual (Special Revenue Funds):	
Police Training Fund	97
Police Outside Services Fund	98
Police Equitable Sharing Fund	99
Transportation Fund	100
Golden Isles Safe Neighborhood Fund	101
Three Islands District Fund	102
Law Enforcement Trust Fund	103
Building Permits Fund	104
Schedule of Revenues, Expenditures and Changes in Fund Balance	
Budget and Actual (Debt Service Funds):	
2016 G.O. Bond Fund	105
Revenue Bond Fund	106
Combining Statement of Net Position – Internal Service Funds	107
Combining Statement of Revenues, Expenses and Changes in Net Position – Internal Service Funds	108
Combining Statement of Cash Flows – Internal Service Funds	109

CITY OF HALLANDALE BEACH, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

TABLE OF CONTENTS (CONTINUED)

FINANCIAL SECTION (CONTINUED)

Page

Combining and Individual Fund Financial Statements and Schedules (Continued):

Combining Schedule of Fiduciary Net Position – Fiduciary Funds.....	110
Combining Schedule of Changes in Fiduciary Net Position – Pension Trust Funds	111
Schedule of Changes in Assets and Liabilities – Agency Funds	112

STATISTICAL SECTION

Statistical information:

Schedule 1 - Net Position by Activity	113
Schedule 2 - Changes in Net Position	114 and 115
Schedule 3 - Fund Balances, Governmental Funds.....	116
Schedule 4 - Changes in Fund Balances, Governmental Funds	117
Schedule 5 - Tax Revenues by Source, Governmental Funds.....	118
Schedule 6 - Property Tax Rates - Direct and Overlapping Property Tax Rates.....	119
Schedule 7 - Principal Property Taxpayers.....	120
Schedule 8 - Property Tax Levies and Collections	121
Schedule 9 - Assessed Value and Estimated Actual Value of Taxable Property.....	122
Schedule 10 - Ratios of Outstanding Debt by Type	123
Schedule 11 – Ratios of General Bonded Debt Outstanding	124
Schedule 12 - Direct and Overlapping Governmental Activities Debt	125
Schedule 13 - Pledged Revenue Coverage	126
Schedule 14 - Demographic and Economic Statistics.....	127
Schedule 15 - Principal Employers	128
Schedule 16 - Budgeted Full-Time Positions for City Employees by Function/Program	129
Schedule 17 - Operating Indicators by Function/Program.....	130
Schedule 18 - Capital Asset Statistics by Function/Program	131



Hallandale Beach
PROGRESS. INNOVATION. OPPORTUNITY.

INTRODUCTORY SECTION



May 31, 2020

To the Honorable Mayor, City Commissioners and Citizens of the City of Hallandale Beach, Florida.

Office of the City
Manager

Greg Chavarria
City Manager

We are pleased to present the Comprehensive Annual Financial Report (“CAFR”) for the City of Hallandale Beach, Florida (the “City”), for the fiscal year ended September 30, 2019. Florida law requires that every general-purpose local government publish a complete set of audited financial statements within nine months of the close of each fiscal year. The financial statements were prepared in accordance with Generally Accepted Accounting Principles (GAAP) of the United States of America.

Joy F. Cooper
Mayor

The City has full responsibility for the reliability and the completeness of the information contained in this report. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and activities of the City.

Sabrina Javellana
Vice Mayor

Mike Butler
Commissioner

Mauldin & Jenkins LLC, a firm of licensed certified public accountants, has audited the City’s financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2019, are free of material misstatement. The independent auditors have issued an unmodified opinion on the City of Hallandale Beach’s financial statements for the year ended September 30, 2019. The independent auditor’s report is located at the front of the financial section of this report. The Police and Fire Pension Trust Fund was audited by other auditors.

Michele Lazarow
Commissioner

Anabelle Lima-Taub
Commissioner

The CAFR is used to assist in making economic, social and policy decisions, and to assist citizens in assessing accountability and transparency by:

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

400 S. Federal Highway
Hallandale Beach, FL 33009
Ph. (954) 457-1300
Fax (954) 457-1454

Pursuant to Government Accounting Standards Board (GASB) guidelines, the financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion from the reporting entity’s financial statements would be misleading or incomplete.

The following entities, for which the City is fiscally accountable, are required to be blended with the data of the primary government: Golden Isles Safe Neighborhood District, Three Islands Safe Neighborhood District and the Hallandale Beach Community Redevelopment Agency (HBCRA).

GAAP guidelines requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the independent auditor's report.

PROFILE OF THE CITY

The City of Hallandale Beach was incorporated in 1927 and is in the southeast corner of Broward County on the Atlantic Ocean. The City encompasses 4.4 square miles and has a population of 39,847 residents as of July 1, 2019 (U.S. Census Bureau, Population Estimates Program – PEP). The City's demographics continue to change as younger families move to Hallandale Beach for its location and quality of life attributes. The American Community Survey showed that the median age was 45.2 in 2018. Seasonal residency and tourism plays an important role in the City's economy, as the population swells to 50,000 during the winter season.

The City operates under the Commission-Manager form of government, including five elected officials (the Mayor, Vice Mayor, and City Commissioners). The City Commission determines policy, adopts legislation, and approves the City's annual budget. The City Commission also appoints the two Charter Officers, which are the City Manager and the City Attorney. The City Manager serves as the Chief Executive Officer overseeing day-to-day operations, submits the proposed annual budget and carries out the established legislative policies.

The City provides a full range of municipal services as authorized by State Statute and City Charter. Services include public safety (police, fire rescue, building inspections and code compliance), licenses and permits, streets maintenance, water, sewer, stormwater drainage, municipal cemetery, sanitation, human services, recreation, planning and zoning and general administrative services.

Mission Statement

"The City of Hallandale Beach is dedicated to enhancing the quality of life in our Community in a fiscally responsible manner by providing superior services that meet the needs of our Community as well as plan for their future needs through continued communication."

LOCAL ECONOMY

Florida growth rates continue to sustain typical levels of growth year over year. According to a February 24, 2020 presentation held by the Florida Legislature's Office of Economic and Demographic Research (EDR), Florida's economy for the third quarter of the 2019 calendar year, posted growth of 2.4 percent, modestly above the national average of 2.1 percent, and ranking the state 11th the country for real growth. The EDR projects that Florida's Real Gross Domestic Product (GDP) will slow to growth of 2.5 percent in Fiscal Year 2019-20 and continue slowing in the near term to 1.6 percent in Fiscal Years 2022-23 and 2023-24. Personal income growth, one of the main factors used to measure the economic health of an individual state, continues to be strong, driven in part by robust population growth.

Two key measures of employment are job growth and the unemployment rate. The state's unemployment rate at December 2018 was 3% compared to 3.5% in the United States. The City of Hallandale Beach unemployment rate increased from 3.2% in September 2018 to 4% in 2019. The current pandemic conditions are a concern to City Administration.

In 2019, the City recorded an increase in taxable values for the eighth consecutive year. This growth in taxable value is not reflective of the City's developments currently approved and that will be captured on the tax roll in the next few years.

MAJOR INITIATIVES

Economic Incentive

In 1996, the City Commission established the Hallandale Beach Community Redevelopment Agency (HBCRA) pursuant to Florida State Statute 163.356. The HBCRA is a Dependent Special District, representing approximately 76 percent of the City of Hallandale Beach. The City Commission serves as the HBCRA Board of Directors.

The HBCRA's primary goals are to guide quality growth by creating dynamic changes in the City's long-term livability, quality of life, and economic health. During the past few years, the HBCRA has undertaken many projects, plans and programs in order to help the City's residential and commercial sectors achieve growth. Tax Increment Financing has been used to incentivize the development of twenty (20) affordable homes, improvements to business establishments in the form of façade, interior and restaurant improvements, creating new two (2) Class A office buildings, attracting new businesses to the Fashion, Arts and Design District, and the development of a new streetscape project on NE 3rd Street.

The HBCRA's Residential Programs such as the First Time Homebuyer Program, the Neighborhood Improvement Program, Senior Mini Grant Program, Hurricane Shutter Program, Replacement Home Program, and the Enhanced Paint Program have served hundreds of residents since the program's inception. The program has helped to not only increase the availability of affordable housing in the area, but it has served to eliminate the factors that contribute to slum and blighted conditions.

Capital Outlay and Improvements

Parks and Recreation Facilities: The City issued General Obligation Bonds (GO Bond) in July 2016 to construct, renovate and improve the City's remaining parks and recreation facilities in accordance with the Parks Master Plan. The City's plan included a goal to complete the plan by fiscal year 2020.

- Ingalls Park – Ingalls Park is the 8th park of the Citywide Parks Master Plan and Second Park of the Parks GO Bond. The new renovated Ingalls Park reopened to the public on June 1, 2019
- Peter Bluesten Park – Bluesten Park is the 7th park of the Citywide Parks Master Plan (GO Bond). The park officially opened September 28, 2019 and it features an artificial turf soccer field, three baseball fields, stage, playground, tennis, basketball, bankshot basketball, racquetball, and support buildings. The Hallandale Beach YMCA is located in Peter Bluesten Park.
- Golden Isles Park and Tennis Center – This is the 9th Park of the Citywide Parks Master Plan. Groundbreaking was held on June 14, 2019. The Park and Tennis Center are currently under construction with a Late Spring 2021 anticipated opening
- Sunrise Park – Sunrise Park is the 10th park of the Citywide Parks Master Plan. The Park is currently in design and permitting.
- The Historic Village – This is the 11th Park of the Citywide Parks Master Plan. The Village is currently in

design.

- Chaves Lake – This is the 12th and final park of the Citywide Parks Master Plan. The area is currently in environmental testing.

Major Private Developments

Accesso Office Building: Project consists of a five story 27,744 square feet office building and a one story, unroofed parking structure. Cost of construction was approximately \$4 million.

Artsquare in Hallandale: Project is of mixed consisting of 268 multifamily mid-rise unites including eight live/work units in six to seven story buildings, ninety garden apartments in three story buildings, a two level parking structure with surface parking, residential amenities, and 12,755 square feet of commercial space. Cost of construction was approximately \$40 million.

Beacon Office Building: This project is complete and consists of an eight-story office building with 75,860 square feet of office and retail space in the S.E. section of the community.

Village at Atlantic Shores: Phase II - Project consists of three commercial building. A two-story building along North Federal Highway, a six-story building along NE 8th Street, and one-story building along NE 7TH Street, with a total of 37,684 square foot commercial center for retail businesses, restaurants and office use along with associated parking and landscaping. The cost of construction of the combined phases is approximately \$8.5 million. The certificate of occupancy is expected in FY19/20.

Village at Atlantic Shores: Phase III - Phase three consists of a two to six story commercial center with a total of 116,122 square feet in building area (51 ,814 square feet for retail business and restaurants and 64,308 square feet of office use). Cost of Construction is approximately \$ 18 Million. Construction groundbreaking to begin in FY19/20.

Highlights of the Current Fiscal Year 2019

New Development Processing:

- Approved four major development site plans, which will generate approximately \$515,000 in real estate tax in the next year after completed.

OB Johnson Teen Zone Program: The Parks and Recreation Department Teen Zone Program provides a combination of structure and supervision to reduce the chances that teens will make negative decisions regarding conduct and behavior. The Teen Zone is a drop-in program where teens 13 through 17 years enjoy homework assistance, recreation opportunities, and wellness activities. The Teen Zone Garden also provides nutrition and entrepreneurship opportunities. The Teen Zone program focuses on career development, academic enrichment, fitness, nutrition, education, and civic outreach to help them reach their full potential.

Hallandale Out of School Time (HOST): The Parks and Recreation Department Afterschool and Summer Camp Programs (HOST) promotes healthy lifestyle choices, combats childhood obesity and hunger, and promotes academic success and productive citizenship through special programs and activities. The state licensed program is a Fit2Play Health, Wellness, and Obesity Prevention Afterschool site where we work to make kids healthier in a fun way.

Senior Programming: The Parks and Recreation Department partners with the Aventura Hospital H2U and Memorial Seniors programs to provide free social and wellness programming for seniors, six days a week year-round at the Cultural Community Center, OB Johnson Park, and BF James Pool. Our seniors stay active, independent, and engaged while participating in free social and wellness classes that includes bridge and Zumba.

Our Senior Championships offers friendly competition. Held annually, the program ends in a popular awards breakfast where the athletes are recognized for their achievements.

Community Rentals: The Parks and Recreation Department hosted more than 1,250 rentals in 2019. From meetings to weddings, the Parks are gathering spots for our community. More than 43,060 people attended private and public events held at our unique facilities including the oldest schoolhouse in Broward County, the new Community Center at OB Johnson Park, and more.

The After School Tutorial Enrichment Program (ASP): During FY19, the ASP program services were provided to 251 participants, exceeding the program's goal by 143.42%. Program participants engage in the Smart Technology Club, utilizing Science, Technology, Engineering and Mathematics (STEM) to advance learning opportunities, exposed participants and prepare students for available STEM jobs over the next decade. The ASP Certified Teaching staff are endorsed in Exceptional Student Education (ESE), Reading, Varying Exceptionalities, Gifted and Social Sciences. They engage ASP students in club programs to include photo voice projects, hands-on contextual learning, community service learning projects, which are designed to build a variety of skills and competencies, while embedding curriculum that builds academic success.

Better Cities for Pets: The City attained the "better cities for pets" certification, which designated Hallandale Beach as one of thirty-one certified pet friendly cities across the nation.

Grant Management:

- Completed the documentation process for Hurricane Irma, processed FEMA claims, and secured a public assistance grant contract from the State's Department of Emergency Management.
- The City earned awards totaling \$6.5 million. Among the awarded grants are the SAFER Grant to fund 14 firefighters (\$5.7 million) and the Strategies for Policing Innovation (SPI) grant (\$0.7 million).

Finance Operations Improvements:

- With the assistance of the City's assessment management firm (PFM), opened a new investment account with FL PALM to maximize the City's returns on ad-valorem moneys received.
- Streamlined billing process between the Hallandale Beach Community Redevelopment Agency and City improving billing accuracy and timely recording of financial transactions.
- Improved processes for vendor payments for disaster recovery and improved expenditure tracking and accountability for better grants management.
- Overhauled DPW permit billing process, resulting in an increase of 25% of revenues, compared to prior year.
- Improved City's cash flow process, which resulted in an increase in interest income of approximately \$500,000 to the General Fund.
- Implemented new fiscal year end process within financial systems, which did not require hiring external consultants for the first time since implementation of system.
- Fully transitioned meter reading division and Utility Billing Division to electronic communication for improving efficiencies of processing, completing work orders, and turn-on and turn-off.
- Initiated a hardware technology upgrade to enhance cashier operations, cash flow, and reduce staff time for processing in-person payments.

Green initiatives: Successfully managed green initiatives social media campaigns, which included plastic straw ban and awareness for various green initiatives. Additionally, conducted monthly community clean-up events focusing on cleaning specific areas across the City and hosted first condo-beach clean-up competition.

Partnerships to Support Initiatives:

- Completed Municipal Complex Building Automation System installation for achieving efficiencies in energy utilization.
- Earned grant from Broward County for dune restoration to remove exotic invasive plants (50 linear feet for the \$500) in our dunes and replant (with volunteers) native dune species.
- Transitioned to “Four Day work week schedule” (Oct. 2019) to improve efficiencies in energy use and having extended hours for the public.

Public Safety Outreach: The Police Department implemented and hosted the first S.A.F.E. Program Class for women 13 and older. This program is an unparalleled 2-hour educational course delving into awareness; crime victim prevention, program encompassing, strategies, techniques, options and prevention course that provides teenagers and adult women with information that may reduce their risk of exposure to violence and introduces them to the physical aspects of self-defense. The Department also implemented an Autism Awareness Program that allows citizens with autistic family members to register on our system so that officers are aware prior to them arriving to the residence that a person at the residence may be autistic.

Police Public Safety Achievements

- Semi-annual overall crime rate in Hallandale Beach in 2019 (Jan-Jun) was lowered 9.2% in the first half of the year as compared to the same period in 2018.
- The Police Department earned the following awards: ASIS International Award for 2019 Team Policing award; 2019 Law Enforcement Officer of the Year award from the Broward Domestic Violence Council; Divine Divas of South Florida’s Phenomenal Woman of Empowerment award; Officer of the Year by Broward County Police Benevolent Association; and Motorola as the Woman Law Enforcement Executive of the Year.

Cybersecurity and Information Systems: Conducted cybersecurity training to over 125 staff members, focusing on high-risk areas of financial importance. Upgraded City systems and hardware to latest operating systems, including software patches and migrated to new anti-virus platforms. Additionally, implemented new firewall and sage browsing capabilities for the computers at the Teen Center at OB Johnson.

Interagency Collaboration:

- Collaboration with Drug Enforcement Agency (DEA), recovered twenty-five (25) kilograms of Fentanyl, five hundred (500) kilograms of cocaine, and five thousand (5,000) MDMA (Methylenedioxymethamphetamine) pills. The unit also seized five (5) fixed wing aircrafts, one and half million (\$1,500,000) dollars in currency and one hundred thousand (\$100,000) dollars in miscellaneous assets.

Transparency, Engagement, and Inclusion:

- Implemented new monthly key performance metrics to showcase departmental performance and organizational capacity.
- Received distinguished Budget Presentation Award for 32nd consecutive year.
- Hosted 10th Annual Green Fest event and first Condo-Beach clean-up competition
- Selected as one of the two communities in the nation to beta-test new NOAA Adapting Stormwater to Coastal Flooding tool.
- Increased Social Media engagement by 225% using platforms such as Facebook, LinkedIn, Twitter, NextDoor.
- Earned grant from Broward County for dune restoration to remove exotic invasive plants (50 linear feet for the \$500) in our dunes and replant (with volunteers) native dune species.
- Transitioned to “Four Day work week schedule” (Oct. 2019) to improve efficiencies in energy use and having extended hours for the public.

Operational Enhancements for Communication:

- Managed more than 1,400 facility rentals with approximate attendance totaling over 48,400.

Service Delivery:

- Upheld excellent ridership for the City's free community shuttle bus service at an average daily ridership of 179 riders per bus route and a total ridership of 284,190 in FY18/19.

FINANCIAL MANAGEMENT

Long-Term Financial Planning

Each year, the City Commission adopts a financial plan which projects revenue, expenditures and fund balances for major funds for the next five years. The plan is utilized as a tool to illustrate the various ad valorem and other revenue rates, as well as anticipated expenditure levels. This helps the City work diligently about the long-term impact of decisions made today and how the City can position itself strategically to deliver stable level of essential services to our community as well as invest in the City's capital infrastructure.

Accounting and Internal Control

City Administration is responsible for establishing and maintaining internal controls 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 GAAP. In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. The internal controls are designed to provide reasonable, but not absolute assurance regarding (1) safeguarding of assets against loss from unauthorized use or disposition and (2) reliability of financial records for preparing financial statements and maintaining accountability for assets. 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. All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of the proper recording of financial transactions.

Single Audit

As a recipient of federal, state, county and local financial assistance, the City is subject to an annual Single Audit in conformity with applicable federal and state laws. As part of the mandated Single Audit, tests are made to determine the adequacy of the internal controls, including the portion related to federal awards, as well as to determine that the City has complied with applicable laws and regulations. The internal control structure is subject to periodic evaluation by management and the City's external auditors.

The annual Single Audit is performed under the provisions of the Single Audit Act and U.S. Office of Management and Budget Uniform Guidance and Chapter 10.550, Rules of the Auditor General of the State of Florida. In fiscal year 2019, the state financial assistance expenditures did not meet the threshold for audit, pursuant to the Florida Single Audit Act. A separate Compliance Report includes the schedule of expenditures of federal awards, schedule of findings and questioned costs, and auditor's reports on the schedule, internal control and compliance with applicable laws and regulations.

Accounting and Budgetary Systems

The City maintains accounting and budgetary systems necessary to report financial information and to control the

expenditure of public funds. The accounting systems are required by law to follow the account structure established by the State of Florida Department of Financial Services in order to assure consistency in the statewide consolidation of local financial information. A report by the City is produced for the State each year in the required format.

Budgetary control for the City is exercised at the City Commission level. Florida law prohibits the expenditure of public funds in excess of budgetary amounts and requires that budgets be balanced. The City adopts annual budgets for the General, Special Revenue, and Enterprise Funds. The City also maintains a five-year Capital Improvement Program (CIP) that is updated annually. A copy of the current CIP is located at <https://hallandalebeachfl.gov/1289/Capital-Improvement-Plan>.

Proposed projects are prioritized, and available funds are allocated accordingly. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is established at the category level within a fund. Encumbrance accounting (under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded as a reservation of budget) is used to further enhance budgetary control.

FINANCIAL POLICIES

Fund Balance Policies

Governmental Accounting Standards Board (“GASB”) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definition establishes various classifications of funds balance based on a hierarchy which details constraints placed on the use of resources by creditors, grantors, contributors, laws or regulations of other governments. Fund balances can be classified as non-spendable, restricted, committed, assigned and unassigned. Committed fund balances can only be used for specific purposes determined by formal action of the City Commission through an ordinance or a resolution and may be changed or lifted only by the City Commission through the same formal action. Assigned fund balances are amounts that the City intends to use for a specific purpose but are neither restricted nor committed. The intent to utilize these funds shall be expressed by the City Commission or may be delegated to the City Manager. Unassigned fund balance can be viewed as the net resources available at the end of the fiscal year.

The City Commission adopted for the general fund, a target minimum unrestricted fund balance policy of sixteen percent (16%) of General Fund expenditures. The targeted minimum is expected to provide funds for two months of operations.

Debt Management

The City’s primary objective in debt management is to keep the level of indebtedness within available resources and debt limitations established by state law. The City has a general obligation legal debt limitation not to exceed 10% of the total assessed valuation of the taxable property within the City’s boundaries. The current calculated general obligation debt limit is \$559,374,600. The City’s general obligation debt for the fiscal year 2019 was \$105,271,872.

In March 2016, the City Commission approved Resolution No. 2016-42 adopting a written post- issuance compliance policy to ensure continued compliance and to identify and resolve any noncompliance that may occur or exist to preserve the tax-exempt status of tax-advantaged obligations related to bonds, loans, lines of credit and leases.

Investment Policies

The City adopted a detailed written investment policy in October 2014, in accordance with Section 218.415, Florida Statutes, that applies to all cash and investments held or controlled by the City. The investment policy does not apply

to City's funds related to the issuance of debt and to funds not under investment control of the City, such as the Police, Firefighter and the Employees' Pension Funds. The primary objective of the investment program is the safety of the principal of those funds and the availability of operating and capital funds when needed, and an investment return competitive with comparable funds and financial market indices. Return on Investment is of lesser importance compared to the safety and liquidity objectives described in the policy. The Policy was last updated in October 2018.

Risk Management

The City is exposed to various risks and losses related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City relies on a comprehensive risk management program that consolidates the City's property, liability, automobile physical damage, and workers' compensation coverages. This program provides for a self-insurance loss fund including various self-insurance retention levels and utilization of specific excess insurance coverage. The City purchases all risk property insurance for City structures.

Awards

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 Hallandale Beach for its Comprehensive Annual Financial Report for the year ended September 30, 2018. To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report (CAFR). A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to meet the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

The preparation of the Comprehensive Annual Financial Report was made possible by the efficient and dedicated services of the entire staff of the Finance Department. We wish to thank all the departments who assisted and contributed to the preparation of this report. Their hard work, effort, commitment and professionalism is admired. Special recognition is given to Geovanne Neste, Assistant Finance Director for leading the development and publication of this comprehensive report.

The guidance, cooperation, and continuous support of the City Commission in planning and conducting the financial affairs of the City is greatly appreciated.

Respectfully submitted,



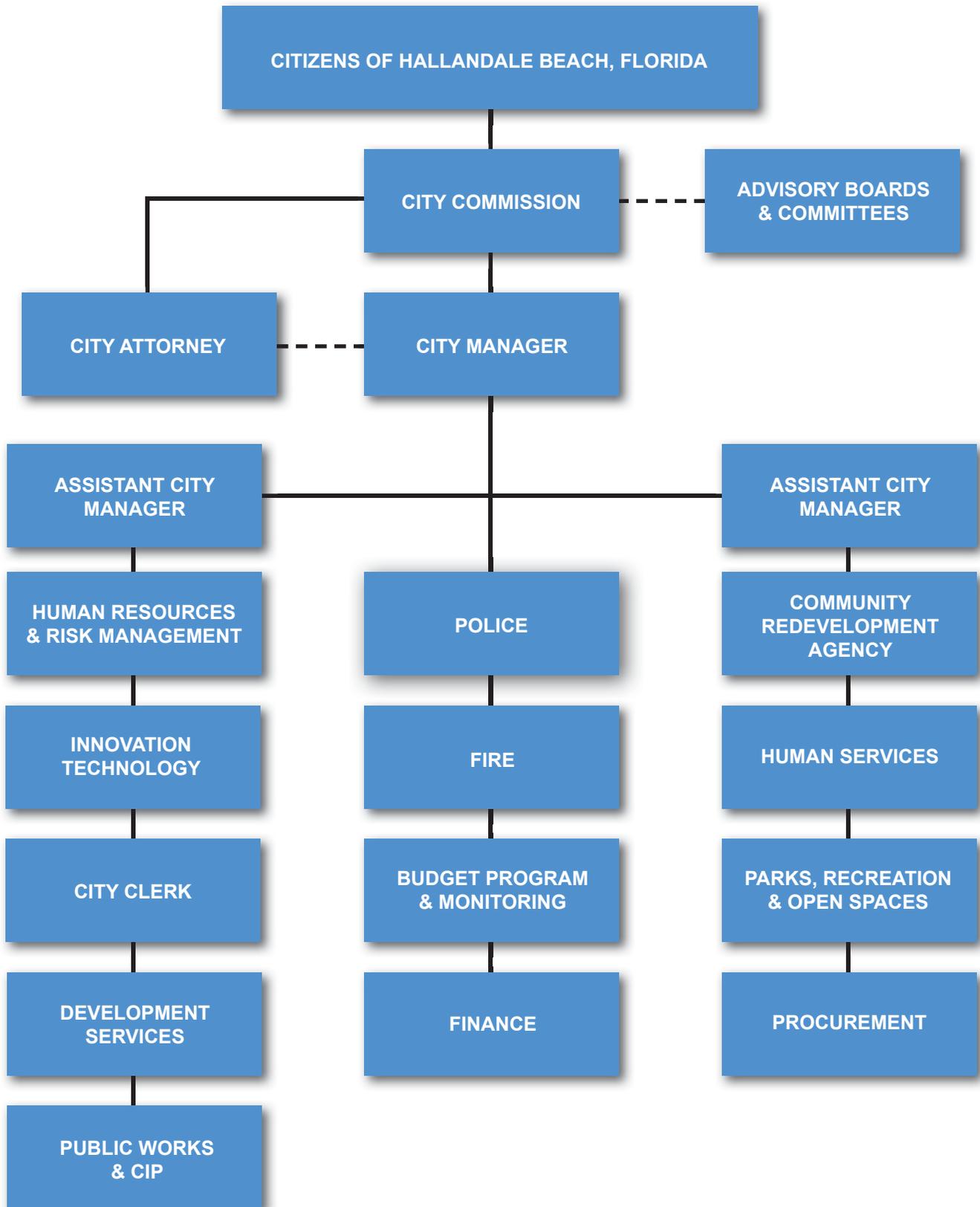
Greg Chavarria
City Manager



Emil Lopez
Finance Director

Hallandale Beach

ORGANIZATIONAL CHART
September 30, 2019



Hallandale Beach

Commission-Manager Form of Government
September 30, 2019

CITY COMMISSION



Joy Adams
Mayor



Sabrina Javellana
Vice Mayor



Mike Butler
Commissioner



Michele Lazarow
Commissioner



Anabelle Lima-Taub
Commissioner

CHARTER OFFICERS



Greg Chavarria
City Manager



Jennifer Merino
City Attorney



Jenorgen M. Guillen
City Clerk

CITY ADMINISTRATION

City Manager
Assistant City Manager
Assistant City Manager
Chief Information Officer
Chief Financial Officer
Director of Public Works
Director of Development Services
Director of Human Resources
Director of Human Services
Director of Parks and Recreation
Director of Procurement
Director of Budget & Program Monitoring
Acting Fire Chief
Police Chief
Risk Manager

Greg Chavarria
Dr. Jeremy Earle
Keven Klopp
John Christly
Emil Lopez
James Sylvain
Vanessa Leroy
Radu Dodea
Beverly Sanders-Mayweather
Cathleen Schanz
Andrea Lues
Marie Gouin
Gregg Pagliarulo
Sonia Quinones
James Buschman



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Hallandale Beach
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2018

Christopher P. Morill

Executive Director/CEO



Hallandale Beach
PROGRESS. INNOVATION. OPPORTUNITY.

FINANCIAL SECTION



Hallandale Beach
PROGRESS. INNOVATION. OPPORTUNITY.

INDEPENDENT AUDITORS REPORT



INDEPENDENT AUDITOR'S REPORT

**To the Honorable Mayor, City Commission
and City Manager
Hallandale Beach, 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 Hallandale Beach, Florida** (the "City"), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Police Officers' and Firefighters' Personnel Retirement Trust, which represents 65%, 67%, and 45%, respectively, of the assets, net position, and additions of the aggregate remaining fund information. Those statements were audited by other auditors whose report has been furnished to us, and our opinion insofar as it relates to the amounts included for the Police Officers' and Firefighters' Personnel Retirement Trust, is based solely on the report of the other auditor. 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 20), the budgetary comparison information, and the information for OPEB and the pension trust funds (on pages 82-93) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City.

The combining and individual nonmajor 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 nonmajor 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Bradenton, Florida
June 11, 2020



Hallandale Beach
PROGRESS. INNOVATION. OPPORTUNITY.

MANAGEMENTS DISCUSSION AND ANALYSIS

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 Hallandale Beach, Florida (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2019. We encourage readers to consider the information presented herein in conjunction with the additional information that we have furnished in our letter of transmittal, as well as the financial statements and notes to financial statements. The letter of transmittal can be found on pages i - ix of this report.

FINANCIAL HIGHLIGHTS

The following are highlights of financial activity for the fiscal year ended September 30, 2019:

Government wide

- The City's total net position totaled \$108.7 million at September 30, 2019. An increase of \$19.1 million or 21.3% from September 30, 2018.
- On a government-wide basis for governmental activities, net position totaled \$20.4 million, an increase of \$1.4 million or 7.3% and the net position of business-type activities totaled \$88.4, an increase of \$17.7 million or 25.1%.
- The City's total unrestricted net position resulted in a deficit of \$31.5 million. The overall deficit is attributed to the deferred outflows, deferred inflows, the pension, and other post-employment benefits liabilities now being included as required by GASB reporting requirements. At September 30, 2019, the City's total pension related liabilities was \$93.7 million.

Governmental and Proprietary Funds

- The City's governmental funds reported a combined fund balance of \$70.4 million. A decrease of \$15.9 million from September 30, 2018. The net decrease is mostly attributed to capital expenditures paid for with bond proceeds received in prior years.
- The City's Proprietary funds (internal fund excluded) reported a combined fund balance of \$88.4 million. An increase of \$17.7 million from September 30, 2018. The net increase is mostly attributed to the positive performance of the Utility and Stormwater funds

General Fund

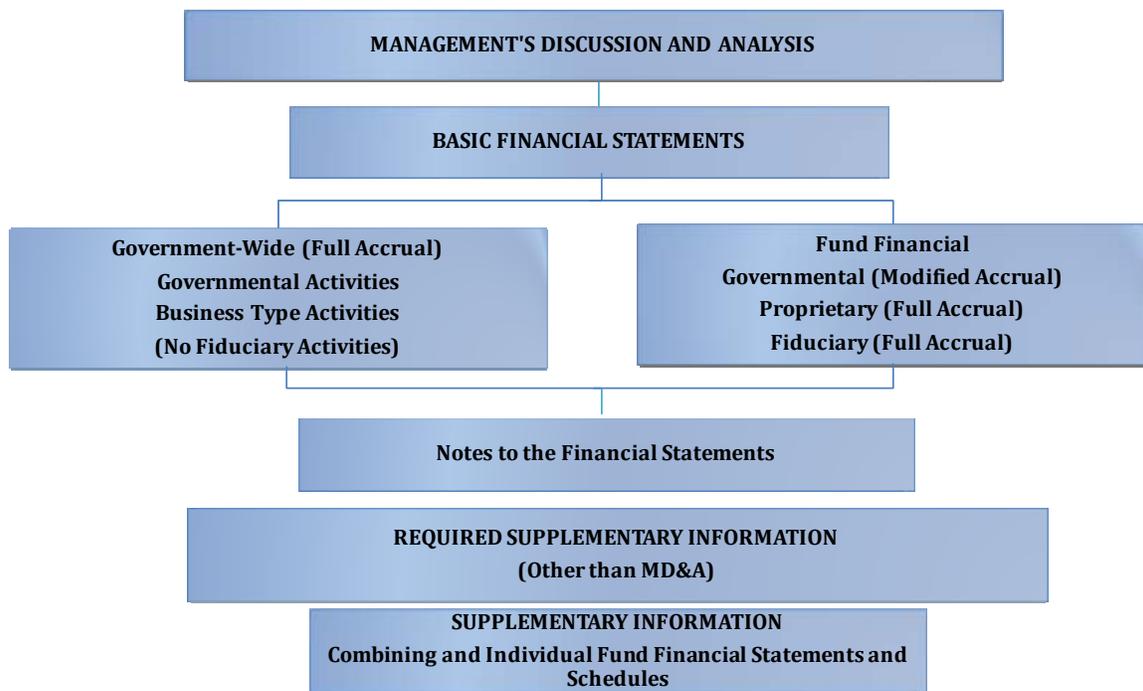
- The General Fund balance for the fiscal year ended September 30, 2019, was \$22.2 million. Of this amount, the non-spendable fund balance was \$0.06, restricted fund balance was \$2.1 million, assigned fund balance was \$7.2 million, and the unassigned fund balance was \$12.8 million.
- The unassigned fund balance was \$12,829,556 or 17.7% of General Fund expenditures. This represents an increase of \$3.4 million from September 30, 2018.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which have the following components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. Other supplementary information is also included in this report in addition to the basic financial statements.

As illustrated in the following chart, the financial section of this Annual Report consists of the following: Management's Discussion and Analysis (this section), the basic financial statements, required supplementary information, and a supplementary information section that presents combining and individual fund financial statements and schedules.

Financial Section



THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

Major Features of the Basic Financial Statements

	Government-wide Financial Statements	Fund Financial Statements		
		Governmental Funds	Propriety Funds	Fiduciary Funds
Scope	Entire City government (except fiduciary activities).	Activities of the City that are not propriety or fiduciary.	Activities of the City that are operated similar to private business.	Instances in which the City is the trustee or agent for someone else's resources.
Required financial statements	Statement of net position. Statement of activities.	Balance sheet. Statement of revenues, expenditures, and changes in fund balances.	Statement of net position. Statement of revenues, expenses, and changes in net position. Statement of cash flows.	Statement of fiduciary net position. Statement of changes in fiduciary net position.
Accounting basis and measurement focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial resources focus.	Accrual accounting and economic resources focus.	Accrual accounting and economic resources focus.
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term and deferred inflows/outflows of resources.	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets and long-term liabilities included.	All assets and liabilities, both financial and capital, and short-term and long-term and deferred inflows/outflows of resources.	All assets and liabilities, both short-term and long-term and deferred inflows/outflows of resources.
Type of inflow/outflow information	All revenue and expenses during the year, regardless of when cash is received or paid.	Revenue for which cash is received during or soon after the end of the year. Expenditures when goods or services have been received and payment is due during the year or soon thereafter.	All revenue and expenses during the year, regardless of when cash is received or paid.	All revenue and expenses during the year, regardless of when cash is received or paid.

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 Hallandale Beach. Reporting is similar to that of a private-sector business. The government-wide financial statements report information about the City as a whole and about its activities in a way that helps answer questions about the financial health of the City and whether the activities of the year contributed positively or negatively to that health.

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 activities because resources of these funds cannot be used to finance the City's activities. However, the financial statements of fiduciary activities 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 information on the assets plus deferred outflows of resources and liabilities plus deferred inflows of resources by the City, both long and short-term. Assets plus deferred outflows of resources are reported when acquired by the City and liabilities plus deferred inflows of resources are reported when they are incurred, regardless of the timing of the related cash flows to acquire these assets or liquidate such liabilities. 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, such as litigation claims, even though these liabilities might not be paid until several years into the future.

The difference between the City's total assets plus deferred outflows of resources and total liabilities plus deferred inflows of resources 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. The purpose of the City is not to accumulate net position, in general. The net position, which may increase or decrease through time, may be used as an indicator of whether the financial position of the City is improving or deteriorating, respectively.

- The *Statement of Activities* presents the revenues 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, charges for services, and intergovernmental revenue (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, public safety (law enforcement and fire-rescue), physical environment, transportation, culture and recreation, human services and economic environment. The business-type activities include the combined water and sewer utility, sanitation, stormwater drainage, and cemetery, where the fee for service typically covers all or most of the cost of operations and depreciation.

The government-wide financial statements include not only the City of Hallandale Beach (known as the primary government), but also legally separate organizations (known as *component units*) for which the City is financially accountable. These blended *component units* include the Hallandale Beach Community Redevelopment Agency (HBCRA), Golden Isles Safe Neighborhood District, and Three Islands Safe Neighborhood District.

The government-wide financial statements can be found on pages 21 and 22 of this report.

Fund 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: (1) governmental funds, (2) proprietary funds, and (3) fiduciary funds.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements. Financial statements consist of a balance sheet and a statement of revenue, expenditures, and change in fund balance.

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

In general, the governmental fund 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 but do not include capital assets such as land and buildings. The difference between a fund's total assets plus deferred outflows and total liabilities plus deferred inflows is 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 that were collected during the current period or very shortly after the end of the year. Expenditures are generally recorded when incurred.

The governmental fund financial statements can be found on pages 23-25 of this report.

Proprietary funds. Proprietary funds financial statements provide the same type of information as the government-wide, only in more detail. Financial statements consist of a statement of net position, statement of revenue, expenses, and changes in net position, and statement of cash flows. Proprietary funds are grouped into enterprise funds and internal service funds. The City presents a separate column for each of the major enterprise funds: water and sewer utility, sanitation, and stormwater drainage funds. Internal service funds are aggregated and presented in a single column.

The City uses enterprise funds to account for business-type activities that charge fees to customers for the use of specific goods or services. Internal service funds are used to account for its central services and insurance operations.

The proprietary fund financial statements can be found on pages 27-32 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the City. 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 programs. Fiduciary financial statements consist of a statement of fiduciary net position and a statement of changes in fiduciary net position and are accounted for in a manner similar to proprietary funds.

The fiduciary fund financial statements can be found on pages 33 and 34 of this report.

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. *Notes to the financial statements can be found on pages 35-82 of this report.*

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information (RSI)*, such as the budgetary comparison schedule of the general fund and its major special revenue funds, and data concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information is also presented for the City's pension plans and other post-employment benefits.

Required supplementary information can be found on pages 83-94 of this report.

Combining statements referred to earlier in connection with non-major governmental, non-major enterprise, budgetary comparison schedules for non-major governmental funds, internal service and fiduciary funds are presented immediately following the required supplementary information.

Combining and individual fund financial statements and schedules can be found on pages 95-112 of this report.

Government-Wide Financial Analysis

The table below presents a summary of net position as of September 30, 2019 and 2018, derived from the government-wide Statement of Net Position:

	Net Position (in thousands)					
	Governmental Activities		Business - type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 83,100	\$ 98,165	\$ 50,386	\$ 42,755	\$ 133,486	\$ 140,920
Capital assets	131,945	112,454	54,627	42,773	186,572	155,227
Total assets	215,045	210,619	105,013	85,528	320,058	296,147
Deferred outflows of resources	22,467	20,472	1,028	1,164	23,495	21,636
Long-term liabilities	202,068	199,375	10,996	11,680	213,064	211,055
Other liabilities	8,455	9,057	6,431	4,229	14,886	13,286
Total liabilities	210,523	208,432	17,427	15,909	227,950	224,341
Deferred inflows of resources	6,609	3,670	255	128	6,864	3,798
Net position:						
Net investment in capital assets	63,108	63,880	49,221	36,877	112,329	100,757
Restricted	25,340	19,516	2,564	1,286	27,904	20,802
Unrestricted	(68,068)	(64,407)	36,574	32,492	(31,494)	(31,915)
Total net position	\$ 20,380	\$ 18,989	\$ 88,359	\$ 70,655	\$ 108,739	\$ 89,644

The City's overall net position of \$108.8 million at September 30, 2019, increased by \$19.1 million during the fiscal year. The overall increase in the current year is primarily due to the change in net position of business-type activities from operations, which increased by \$17.7 million, with program expenses and transfers out of \$29.3 million and \$1.5 million, respectively, compared to revenues of \$48.5 million. Governmental activities revenue and transfers of \$93.9 million and \$1.5 million, respectively, also exceeded program expenses of \$93.9 million for a change in net position of \$1.4 million.

At the end of the current fiscal year, the City reported positive net positions balances in all three categories (net investment in capital assets, restricted and unrestricted) for its business-type activities. The same held true for the prior fiscal year. For the governmental activities, all of the net position is either restricted as to the purpose it can be used for or is invested in capital assets (land, buildings, equipment, etc.). As a result, unrestricted net position for governmental activities reflects a \$68.1 million deficit. The deficit is due to post-employment benefits (OPEB) and pension liabilities now being included as required by GASB reporting requirements.

The largest portion of the City's net position is its investment in capital assets at \$112.3 million or 103.3%. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. The City uses these capital assets to provide services to the citizens of the City; consequently, the net position is not available for future spending.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

City of Hallandale Beach, Florida
For the Year Ended September 30, 2019
Management's Discussion and Analysis (unaudited)

The table below presents a summary of changes in net position for the years ended September 30, 2019 and 2018, as derived from the government-wide statement of activities:

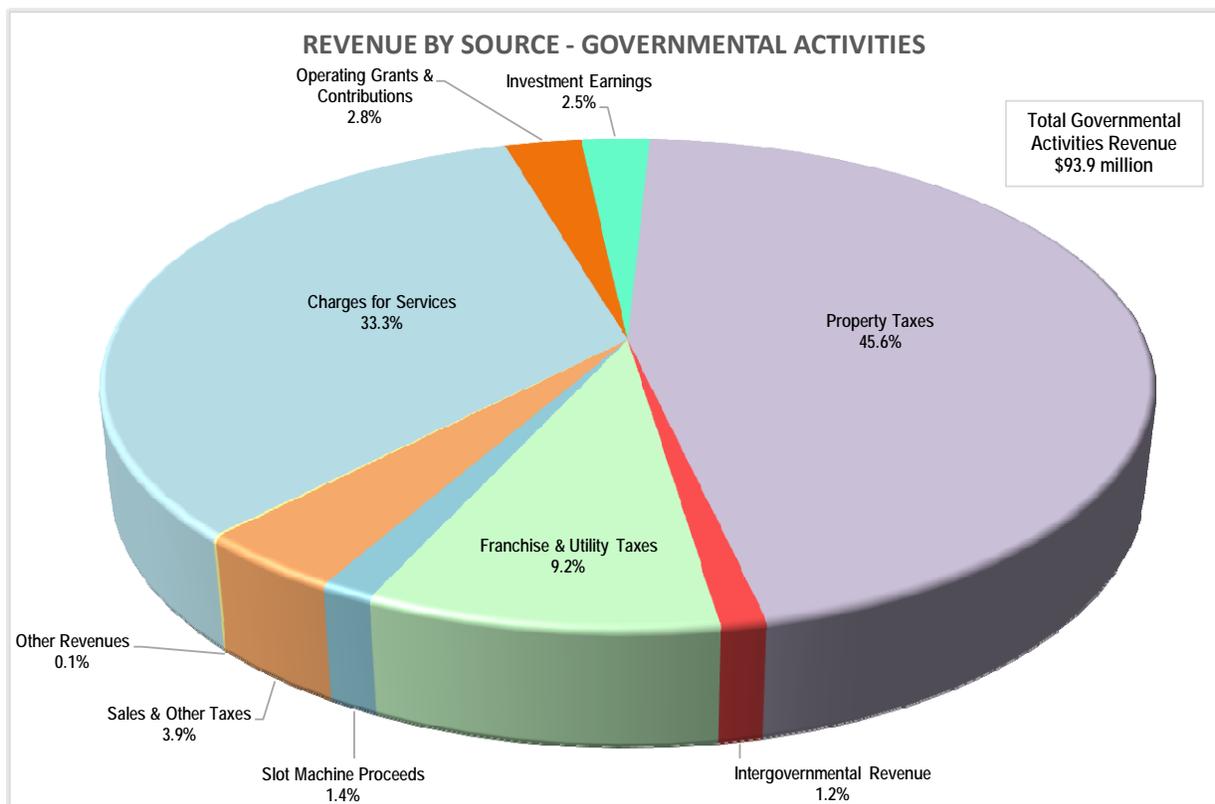
	Changes in Net Position (in thousands)					
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 31,308	\$ 29,063	\$ 36,671	\$ 36,685	\$ 67,979	\$ 65,748
Operating grants and contributions	2,657	1,069	-	-	2,657	1,069
Capital grants and contributions	-	70	9,418	501	9,418	571
General revenues:						
Property taxes	42,829	36,687	-	-	42,829	36,687
Other taxes	12,303	12,291	-	-	12,303	12,291
Other revenues	4,800	4,302	2,441	876	7,241	5,178
Total revenues	93,897	83,482	48,530	38,062	142,427	121,544
Expenses:						
General government	19,184	17,397	-	-	19,184	17,397
Public safety	52,690	45,864	-	-	52,690	45,864
Physical environment	3,012	3,565	-	-	3,012	3,565
Transportation	2,113	2,587	-	-	2,113	2,587
Economic environment	7,212	5,186	-	-	7,212	5,186
Culture and recreation	5,333	5,449	-	-	5,333	5,449
Human services	1,802	1,893	-	-	1,802	1,893
Interest and other fiscal charges	2,652	2,700	-	-	2,652	2,700
Utility	-	-	20,979	21,229	20,979	21,229
Sanitation	-	-	5,101	4,604	5,101	4,604
Stormwater drainage	-	-	3,002	2,917	3,002	2,917
Cemetery	-	-	252	223	252	223
Total expenses	93,998	84,641	29,334	28,973	123,332	113,614
Changes in net position before transfers	(101)	(1,159)	19,196	9,089	19,095	7,930
Transfers	1,492	1,395	(1,492)	(1,395)	-	-
Change in net position	1,391	236	17,704	7,694	19,095	7,930
Net position, beginning, as restated	18,989	18,753	70,655	62,961	89,644	81,714
Net position, ending	\$ 20,380	\$ 18,989	\$ 88,359	\$ 70,655	\$ 108,739	\$ 89,644

Governmental activities

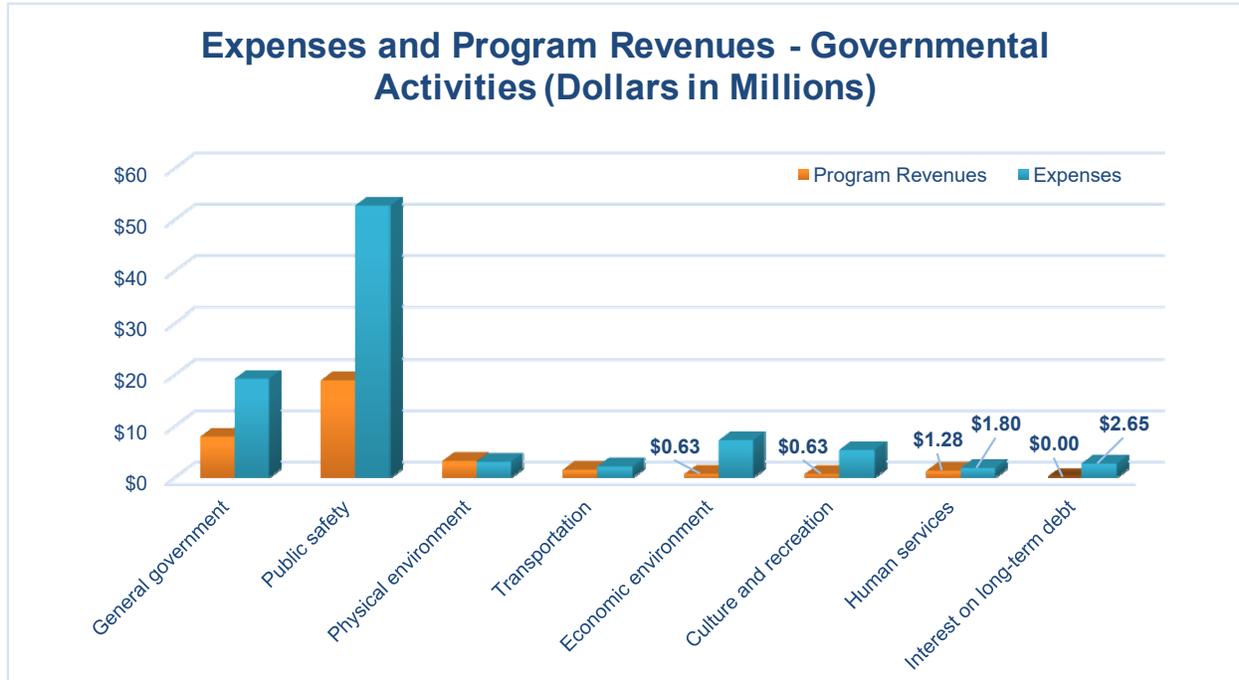
Governmental activities increased the City of Hallandale Beach's net position by \$1.4 million from operations. This contrast with the \$0.2 million increase in net position from operations in the prior fiscal year.

- Property taxes are the largest component of governmental revenues at \$42.8 million, or 45.6% of total revenues. There was a \$6.1 million or 16.7% increase from the prior fiscal year due to an increase in property tax values and the millage. Of this increase, \$1.5 million is related to the CRA.

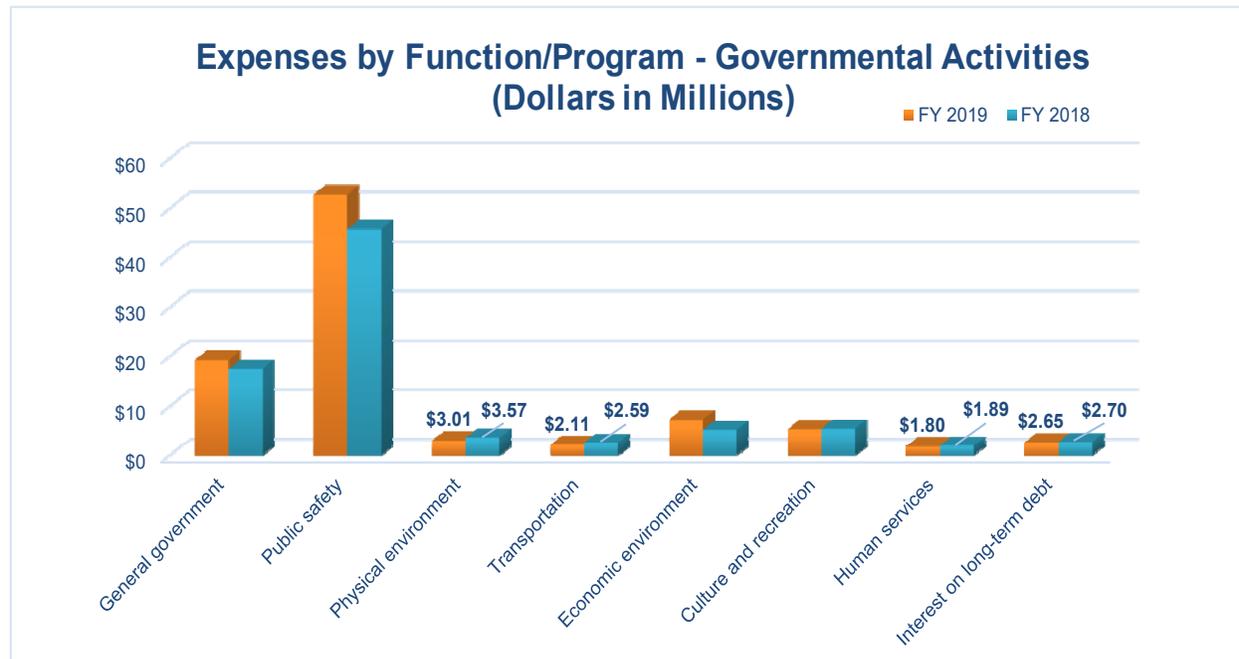
The following is a chart of revenues by source of governmental activities by percent of total revenues for fiscal year 2019:



The following chart compares expenses and program revenues for the governmental activities during fiscal year 2019:



The following is a comparative chart of expenses by function/program for governmental activities for the fiscal year 2019 and 2018:



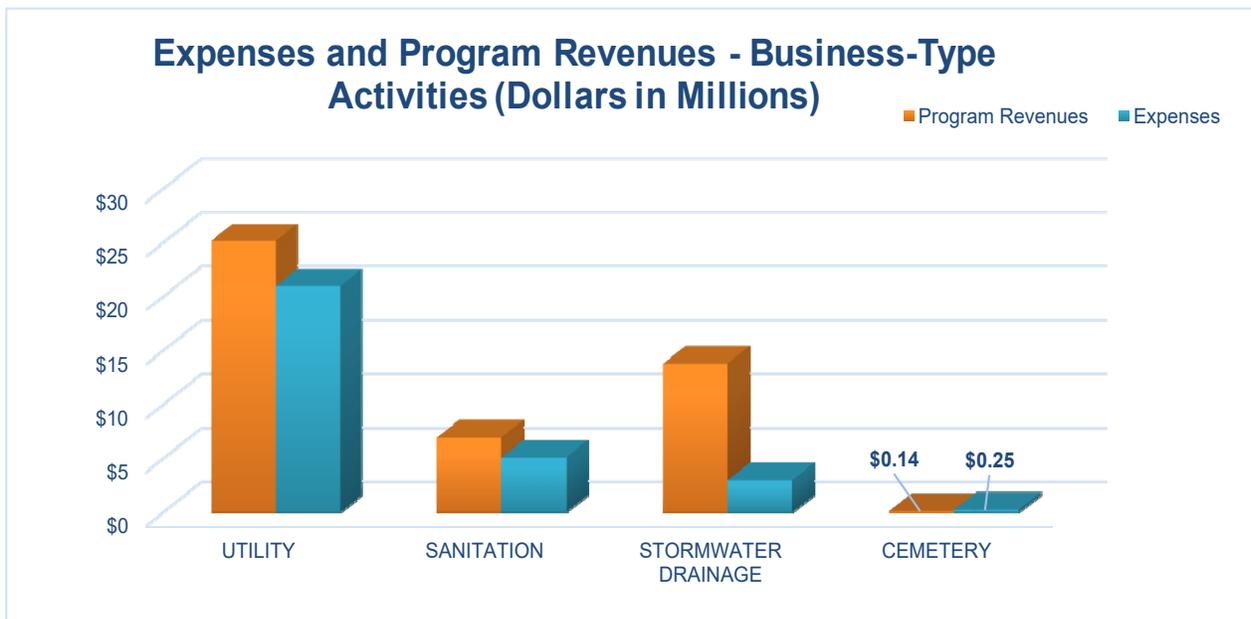
Business-type activities

Business-type activities net position increased by \$17.7 million. This contrast with the \$7.7 million increase in net position from operations in the prior fiscal year.

Key elements of this increase are as follows:

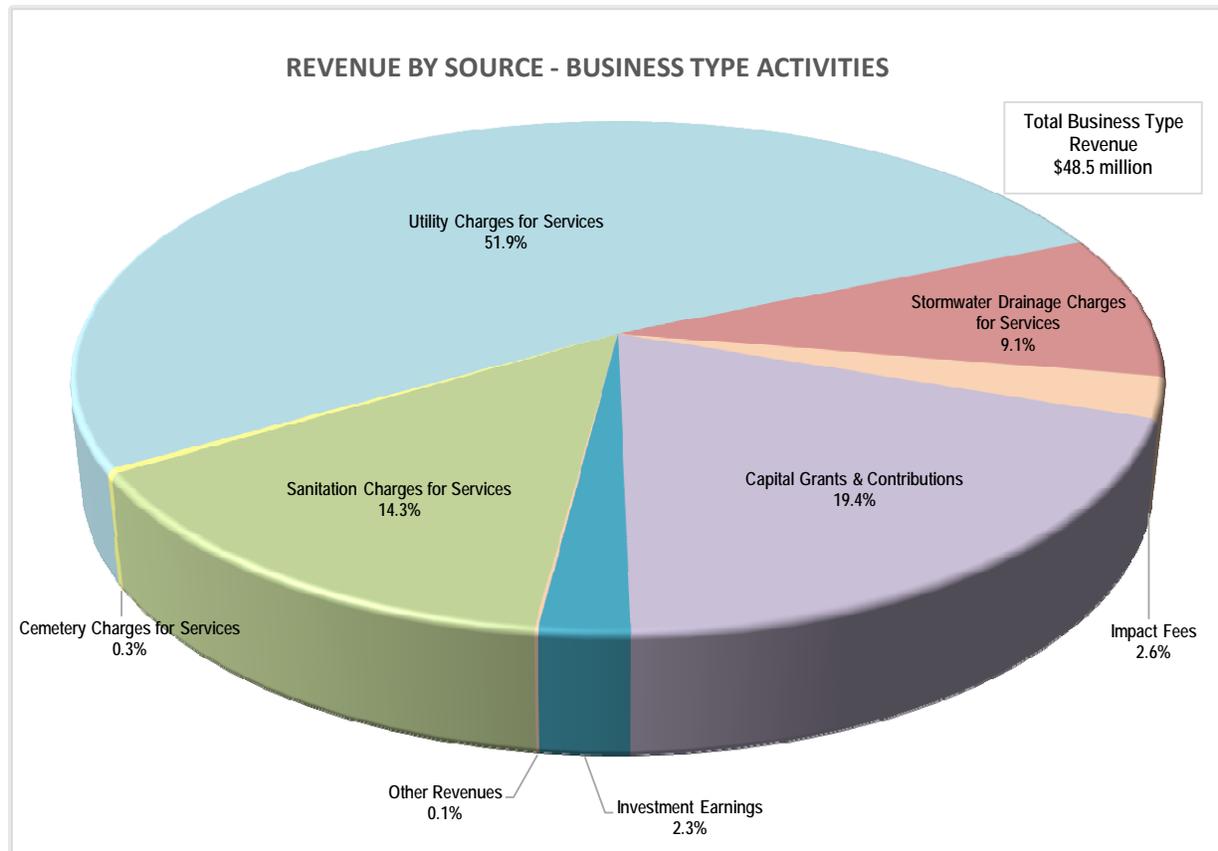
- Utility Fund (water and sewer) program revenues exceeded program expenses by \$4.2 million.
- Stormwater Drainage Fund program revenues exceeded program expenses by \$10.8 million.
- Sanitation Fund program revenues exceeded program expenses by \$1.9 million.

The following chart compares expenses and program revenues for business-type activities during fiscal year 2019.



THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

The following is a chart of revenues by source of business-type activities by percent of total revenues for fiscal year 2019:



Financial Analysis of the City of Hallandale Beach's Funds

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

Governmental funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund* balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, it had a fund balance of \$22.2 million. The unassigned fund balance of the General Fund was \$12.8 million. This is a \$3.4 million increase, or 36.2%, in unassigned fund balance when compared with the prior year. As a measure of the General Fund's liquidity, it may be useful to compare assigned fund balance, unassigned fund balance and total fund balance to total General Fund expenditures. Assigned fund balance was \$7.2 million.

The City's governmental funds reported combined ending fund balances of \$70.4 million, which is a decrease of \$15.9 million from the prior year's ending fund balance of \$86.3 million. The fund balance is categorized to indicate whether it is not available for new spending because it represents resources that are non-spendable (\$0.06 million), that are restricted for capital projects and other purposes (\$48.4 million), that have already been assigned for excess benefit plan and other purposes (\$9.2 million), or that are unassigned (\$12.8 million).

The fund balance of the City's General Fund had a net increase of \$3.6 million from operations. In comparison, fiscal year 2018 had a \$4.5 million decrease in fund balance from operations.

For the General Fund, key factors of the overall increase compared to fiscal year 2018 are as follows:

- \$4.6 million increase in property taxes revenues (assessed values);
- \$1.7 million increase in intergovernmental revenues;
- \$1.6 million increase in fire assessment revenues;
- The increases in the aforementioned revenues were partially offset by decreases in licenses and permit revenues of \$2.4 million.

The Hallandale Beach Community Redevelopment Agency ("CRA") fund, accounts for the activities of the CRA. The fund balance of the CRA totaled \$17.9 million for the fiscal ended September 30, 2019. This represents an increase of \$3.2 million from operations in comparison to the prior year. The fund balance is restricted for assets held for resale (\$8.2 million), long-term receivables (\$1.6 million) and other ongoing programs (\$8.2 million). Comparisons to prior year results include:

For the CRA fund balance, key factors of the overall increase compared to fiscal year 2018 are as follows:

- \$1.6 million increase in property taxes revenues (assessed values);
- \$0.5 million increase in intergovernmental revenues;
- Other financing sources contributed an additional \$1.5 million.

In fiscal year 2016, the City issued General Obligation Bonds, Series 2016 in the amount \$57.5 million, with a bond premium of \$4.3 million. Accordingly, the City established the General Obligation Bond capital project fund to record the debt issuance and construction costs. At fiscal year 2019, the ending fund balance is \$23.1 million. The \$23.4 million decrease in fund balance is primarily due to capital outlay expended with prior years' bond proceeds for capital projects.

The fund balance of the Capital Projects Fund totaled \$1.9 million for the fiscal year ended September 30, 2019. This represents a decreased \$0.2 million in comparing with the prior fiscal year.

Non-major governmental funds reported a combined fund balance of \$5.2 million, a \$0.9 million increase over the prior year.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in greater detail.

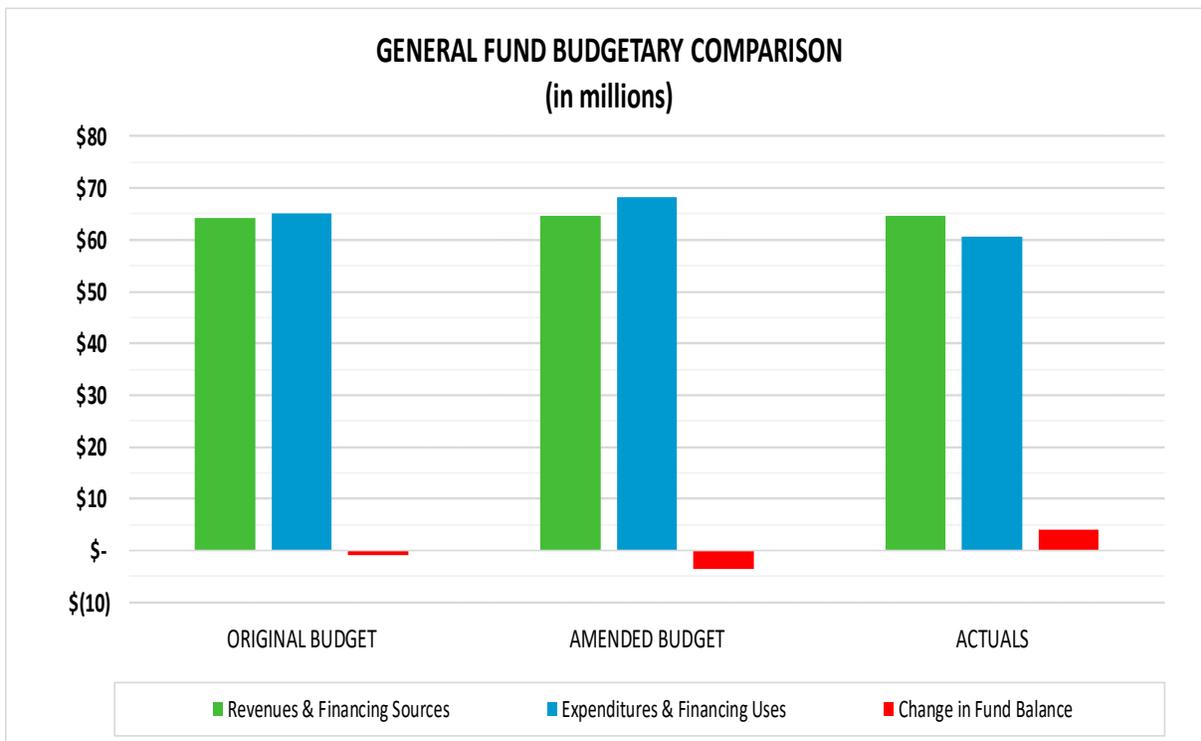
The enterprise funds net position at September 30, 2019, was \$88.4 million. An increase of \$17.7 million from the prior year. Enterprise fund unrestricted net position is \$36.6 million, a \$4.1 million increase over the prior year. The restricted net position increase of \$1.3 million was related to impact fees.

General Fund Budgetary Highlights

During the year, revenues exceeded budgetary estimates and expenditures were less than budgetary estimates, resulting in the net increase to fund balance of approximately \$4.2 million. Both the original and final budget anticipated appropriations from fund balance of \$1 million and \$3.5 million respectively. However, no actual amount was utilized.

Actual revenues (\$62.7 million) exceeded final budgeted revenues (\$62.6 million) by approximately \$0.01 million. Actual expenditures (\$59.6 million) were less than final budgeted expenditures (\$66.6 million) by approximately \$7.1 million. This was due to significant cost savings in operating (\$2.9) and personal services expenditures (\$3.0).

The following chart depicts the fiscal year 2019 original and amended budgets, as well as actual results for the fiscal year:



Capital Assets and Debt Administration

Capital assets. As of September 30, 2019 and 2018, the City had \$186.6 and \$155.2 million, respectively, invested in a variety of capital assets, as reflected in the following schedule:

	Capital Assets (in thousands, net of depreciation)					
	Governmental Activities		Business - type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 36,652	\$ 36,652	\$ 1,263	\$ 1,263	\$ 37,915	\$ 37,915
Construction in progress	35,675	16,018	14,603	3,448	50,278	19,466
Buildings	20,260	20,565	5,569	6,438	25,829	27,003
Improvements other than buildings	26,091	24,305	2,313	2,527	28,404	26,832
Vehicles and equipment	7,648	9,052	664	450	8,312	9,502
Infrastructure	5,619	5,862	30,215	28,647	35,834	34,509
Total	\$ 131,945	\$ 112,454	\$ 54,627	\$ 42,773	\$ 186,572	\$ 155,227

Major capital asset events during the year included:

- \$20.3 million spent towards the construction in progress for Peter Bluesten Park improvements (funded from the GO Bond).
- \$ 9.5 million spent towards the construction in progress for South West Drainage Improvement project.
- \$3.1 million spent on infrastructure.
- \$2.3 million spent towards the construction in progress for Ingalls Park improvements (funded from the GO Bond).
- \$1.8 million spent towards the construction in progress for the High Service and Transfer Pumps project.
- \$0.9 million spent towards the construction in progress for the Golden Isles Tennis Center and Park (funded from the GO Bond).

Additional information can be found in Note 6 - Capital Assets of the financial statements on page 55 and 56.

Long-term debt. As of year-end, the City had \$97.4 million in debt (bonds, notes, etc.) outstanding compared to the \$102.4 million last year. The \$5 million decrease is due to 2019 principal repayments.

The debt position of the City is summarized below and is more fully explained in Note 9 - Long-Term Debt of the financial statements on pages 59-62:

City of Hallandale Beach, Florida
For the Year Ended September 30, 2019
Management's Discussion and Analysis (unaudited)

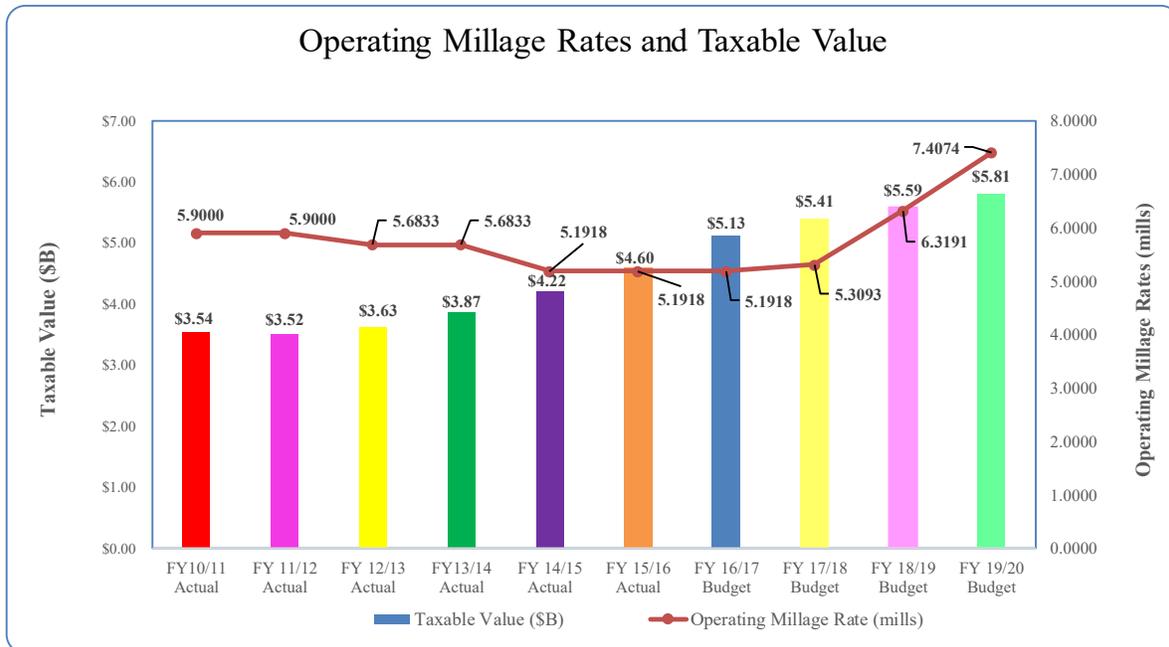
	Bonded Debt, Notes and Lease Payable (in thousands)					
	Governmental Activities		Business - Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenue bonds	\$ 20,070	\$ 21,435	\$ -	\$ -	\$ 20,070	\$ 21,435
General Obligation bonds	54,410	55,475	-	-	54,410	55,475
Notes payable	10,330	11,655	4,350	5,180	14,680	16,835
State Revolving Fund loan	-	-	492	505	492	505
Capital lease payable	1,605	1,308	-	-	1,605	1,308
Deferred amounts - premium	6,129	6,832	-	-	6,129	6,832
Total	\$ 92,544	\$ 96,705	\$ 4,842	\$ 5,685	\$ 97,386	\$ 102,390

Economic Factors and Next Year's Budgets and Rates

According to the U.S. Bureau of Labor Statistics, the unemployment rate for the Broward County area in September 2019 was 3.0%, up from 2.8% in September 2018. The largest industry of employment in Hallandale Beach continues to be in the casino industry (6.6%) with the retail industry (2.4%) following. Together these industries account for 1,628 employees.

- Florida growth rates continue to sustain typical levels of growth year over year. According to a February 24, 2020, presentation held by the Florida Legislature's Office of Economic and Demographic Research (EDR), Florida's economy for the third quarter of the 2019 calendar year, posted growth of 2.4%, modestly above the national average of 2.1%, and ranking the state 11th the country for real growth.
- The state's unemployment rate at December 2018 was 3% compared to 3.5% in the United States. The City of Hallandale Beach unemployment rate increased from 3.2% in September 2018 to 4% in 2019
- Fitch Ratings on September 26, 2019, maintained the City of Hallandale Beach's previous rating. In June 2018, Fitch Ratings affirmed Hallandale Beach GO Bonds at "AA+" and Capital Improvement Revs at "AA".
- The economic conditions in the City have shown improvement since fiscal year 2012-2013. Property values have increased from \$3.6 billion in fiscal year 2012-2013 to \$5.6 billion in fiscal year 18/19, which is a 56% increase. The City is projecting a 4.67% increase in property values for fiscal year 2019-2020 and a 2.57% in fiscal year 2020-2021. A property owner with taxable value of \$250,000 (less the \$50,000 exemption), who is homesteaded with a Save Our Homes cap of 3.0%, will pay \$1,347 (including the debt service portion) to the City in fiscal year 2019-2020.
- The Preliminary Taxable Value increased 4.60% above the prior year, from \$5,546,934,480 to \$5,802,096,232. The City is fifth from the bottom in percent change in taxable value in Broward County. Based on the new developments that are currently either in Planning and Zoning or in permitting, the City should see substantial growth in property values in the near future.

The City's operating millage rate for fiscal year 2019 was set at 6.3191, while the taxable value has increased over the same time period:



- The City faces several ongoing fiscal challenges in fiscal year 2020. The most significant are: (1) continue to increase the City's reserves; (2) the need to eliminate deficit spending; and (3) the increase in level of service in some departments.

City administration is committed to a balanced budget by allocating our resources in alignment with the City Commission's strategic priorities and departmental performance measures. Consequently, the City's budget will successfully meet the challenges faced by the City and set the stage for continued fiscal responsibility in the future.

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 City of Hallandale Beach Finance Department at the contacts listed below. A copy of this report will also be available on the City's website at:

<https://fl-hallandalebeach3.civicplus.com/530/Financial-Reports>.

City of Hallandale Beach
 Finance Department
 400 South Federal Highway
 Hallandale Beach, Florida 33009
 (954) 457-1370
 BAlbornoz@hallandalebeachfl.gov



Hallandale Beach
PROGRESS. INNOVATION. OPPORTUNITY.

BASIC FINANCIAL STATEMENTS

CITY OF HALLANDALE BEACH, FLORIDA

STATEMENT OF NET POSITION SEPTEMBER 30, 2019

ASSETS	Primary Government		
	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 33,269,793	\$ 18,153,151	\$ 51,422,944
Investments	2,455,171	21,258,624	23,713,795
Investments - excess benefit plan	6,395,719	-	6,395,719
Receivables, net of allowances	3,154,671	5,095,260	8,249,931
Due from other governments	2,586,241	1,308,461	3,894,702
Inventories	59,505	428,892	488,397
Prepays	28,778	2,014	30,792
Restricted assets:			
Cash and cash equivalents	6,330,950	4,139,849	10,470,799
Investments	20,659,905	-	20,659,905
Assets held for resale	8,159,090	-	8,159,090
Capital assets:			
Nondepreciable	72,326,867	15,866,332	88,193,199
Depreciable, net of accumulated depreciation	59,618,178	38,760,480	98,378,658
Total assets	215,044,868	105,013,063	320,057,931
DEFERRED OUTFLOWS OF RESOURCES			
Pensions	20,774,386	939,641	21,714,027
OPEB	457,660	87,872	545,532
Excess benefit plan	586,798	-	586,798
Loss on refunding	647,926	-	647,926
Total deferred outflows of resources	22,466,770	1,027,513	23,494,283
LIABILITIES			
Accounts payable and accrued liabilities	6,851,119	4,830,153	11,681,272
Accrued interest	1,126,811	19,940	1,146,751
Deposits	209,743	1,581,045	1,790,788
Unearned revenues	267,230	-	267,230
Noncurrent liabilities			
Due within one year	6,113,563	903,907	7,017,470
Due in more than one year	195,954,210	10,091,902	206,046,112
Total liabilities	210,522,676	17,426,947	227,949,623
DEFERRED INFLOWS OF RESOURCES			
Gain on refunding	-	55,138	55,138
Pensions	6,392,488	158,238	6,550,726
OPEB	216,311	41,532	257,843
Total deferred inflows or resources	6,608,799	254,908	6,863,707
NET POSITION			
Net investment in capital assets	63,108,178	49,220,920	112,329,098
Restricted for debt service	589,438	5,400	594,838
Restricted for community improvements	17,949,038	-	17,949,038
Restricted for law enforcement	1,152,417	-	1,152,417
Restricted for safe neighborhood districts	1,278,616	-	1,278,616
Restricted for developer agreements	3,519,174	-	3,519,174
Restricted for traffic mitigation	774,583	-	774,583
Restricted for grants	23,500	-	23,500
Restricted for police outside services	53,175	-	53,175
Restricted for impact fees	-	2,558,804	2,558,804
Unrestricted	(68,067,956)	36,573,597	(31,494,359)
Total net position	\$ 20,380,163	\$ 88,358,721	\$ 108,738,884

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

CITY OF HALLANDALE BEACH, FLORIDA

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 19,183,782	\$ 7,921,595	\$ -	\$ -	\$ (11,262,187)	\$ -	\$ (11,262,187)
Public safety	52,690,426	16,914,622	1,959,776	-	(33,816,028)	-	(33,816,028)
Physical environment	3,011,556	3,161,269	20,288	-	170,001	-	170,001
Transportation	2,112,963	1,167,819	284,765	-	(660,379)	-	(660,379)
Economic environment	7,211,778	634,133	-	-	(6,577,645)	-	(6,577,645)
Culture and recreation	5,332,740	625,549	-	-	(4,707,191)	-	(4,707,191)
Human services	1,802,531	883,369	392,025	-	(527,137)	-	(527,137)
Interest and other fiscal charges	2,652,328	-	-	-	(2,652,328)	-	(2,652,328)
Total governmental activities	<u>93,998,104</u>	<u>31,308,356</u>	<u>2,656,854</u>	<u>-</u>	<u>(60,032,894)</u>	<u>-</u>	<u>(60,032,894)</u>
Business-type activities:							
Utility	20,979,247	25,172,849	-	-	-	4,193,602	4,193,602
Sanitation	5,101,319	6,961,811	-	-	-	1,860,492	1,860,492
Stormwater drainage	3,001,478	4,397,275	-	9,417,786	-	10,813,583	10,813,583
Cemetery	251,846	138,914	-	-	-	(112,932)	(112,932)
Total business-type activities	<u>29,333,890</u>	<u>36,670,849</u>	<u>-</u>	<u>9,417,786</u>	<u>-</u>	<u>16,754,745</u>	<u>16,754,745</u>
Total	<u>\$ 123,331,994</u>	<u>\$ 67,979,205</u>	<u>\$ 2,656,854</u>	<u>\$ 9,417,786</u>	<u>(60,032,894)</u>	<u>16,754,745</u>	<u>(43,278,149)</u>
General revenues:							
Property taxes					42,828,867	-	42,828,867
Franchise and utility taxes					8,615,487	-	8,615,487
Sales taxes					2,642,451	-	2,642,451
Motor fuel taxes					1,031,287	-	1,031,287
Alcoholic beverage taxes					13,814	-	13,814
Intergovernmental revenue (not restricted to specific purpose)					1,147,423	-	1,147,423
Slot machine revenues					1,307,024	-	1,307,024
Impact fees					-	1,280,466	1,280,466
Unrestricted investment earnings					2,341,043	1,137,793	3,478,836
Gain on sale of capital assets					4,343	23,171	27,514
Transfers					1,492,000	(1,492,000)	-
Total general revenues and transfers					<u>61,423,739</u>	<u>949,430</u>	<u>62,373,169</u>
Change in net position					<u>1,390,845</u>	<u>17,704,175</u>	<u>19,095,020</u>
Net position, beginning					18,989,318	70,654,546	89,643,864
Net position, ending					<u>\$ 20,380,163</u>	<u>\$ 88,358,721</u>	<u>\$ 108,738,884</u>

The accompanying notes are an integral part of the financial statements

CITY OF HALLANDALE BEACH, FLORIDA

**BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019**

ASSETS	Community Redevelopment Agency Fund		Grants Fund	General Obligation Bond Fund	Capital Projects Fund	Nonmajor Governmental Funds	Totals Governmental Funds
	General	Agency Fund					
Cash and cash equivalents	\$ 11,795,330	\$ 8,954,412	\$ -	\$ -	\$ 1,969,207	\$ 5,351,675	\$ 28,070,624
Investments	2,455,171	-	-	-	-	-	2,455,171
Investments - excess benefit plan	6,395,719	-	-	-	-	-	6,395,719
Receivables, net of allowances	1,172,166	1,575,993	-	103,152	-	288,302	3,139,613
Due from other governments	2,213,491	-	257,331	-	-	115,419	2,586,241
Due from other funds	397,374	-	-	-	-	-	397,374
Inventories	59,505	-	-	-	-	-	59,505
Prepays	365	-	-	-	-	-	365
Assets held for resale	-	8,159,090	-	-	-	-	8,159,090
Restricted assets:							
Cash and cash equivalents	222,353	-	-	5,945,187	-	163,410	6,330,950
Investments	-	-	-	20,659,905	-	-	20,659,905
Total assets	<u>\$ 24,711,474</u>	<u>\$ 18,689,495</u>	<u>\$ 257,331</u>	<u>\$ 26,708,244</u>	<u>\$ 1,969,207</u>	<u>\$ 5,918,806</u>	<u>\$ 78,254,557</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
LIABILITIES							
Accounts payable and accrued liabilities	\$ 1,951,493	\$ 530,653	\$ 85,449	\$ 3,640,372	\$ 8,424	\$ 514,880	\$ 6,731,271
Deposits	127,583	-	-	-	-	82,160	209,743
Unearned revenues	221,799	22,476	22,955	-	-	-	267,230
Due to other funds	-	187,328	148,927	-	-	61,119	397,374
Total liabilities	<u>2,300,875</u>	<u>740,457</u>	<u>257,331</u>	<u>3,640,372</u>	<u>8,424</u>	<u>658,159</u>	<u>7,605,618</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	<u>182,365</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,350</u>	<u>218,715</u>
FUND BALANCES							
Nonspendable:							
Inventory	59,505	-	-	-	-	-	59,505
Prepays	365	-	-	-	-	-	365
Restricted for:							
Assets held for resale	-	8,159,090	-	-	-	-	8,159,090
Long-term receivables	-	1,575,993	-	-	-	-	1,575,993
Community redevelopment	-	8,213,955	-	-	-	-	8,213,955
Debt service	414,457	-	-	-	-	174,981	589,438
Law enforcement	-	-	-	-	-	1,152,417	1,152,417
Developer agreements	1,675,000	-	-	-	-	1,844,174	3,519,174
Traffic mitigation	-	-	-	-	-	774,583	774,583
Safe neighborhood districts	-	-	-	-	-	1,278,616	1,278,616
Police outside services	-	-	-	-	-	53,175	53,175
Grant programs	23,500	-	-	-	-	-	23,500
Capital projects	-	-	-	23,067,872	-	-	23,067,872
Assigned:							
Fire equipment	656,123	-	-	-	-	-	656,123
Excess benefit plan	6,395,719	-	-	-	-	-	6,395,719
Capital projects	119,509	-	-	-	1,960,783	-	2,080,292
Encumbrances	54,500	-	-	-	-	-	54,500
Unassigned:							
Total fund balances	<u>22,228,234</u>	<u>17,949,038</u>	<u>-</u>	<u>23,067,872</u>	<u>1,960,783</u>	<u>5,224,297</u>	<u>70,430,224</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 24,711,474</u>	<u>\$ 18,689,495</u>	<u>\$ 257,331</u>	<u>\$ 26,708,244</u>	<u>\$ 1,969,207</u>	<u>\$ 5,918,806</u>	<u>\$ 78,254,557</u>

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

CITY OF HALLANDALE BEACH, FLORIDA
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

Total fund balances for governmental funds		\$ 70,430,224
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	\$ 194,033,654	
Less accumulated depreciation	<u>(66,197,796)</u>	129,072,705
Various charges for services in the Statement of Activities that do not provide current financial resources are reported as unavailable revenue in the governmental funds financial statements.		
		218,715
Deferred outflows of resources are not current financial resources and therefore are not reported in the funds.		
Deferred outflows relating to pensions	20,621,682	
Deferred outflows relating to OPEB	443,487	
Deferred outflows relating to the excess benefit plan	586,798	
Deferred outflows relating to the loss on refunding of debt	<u>647,926</u>	22,299,893
Internal service funds are used by management to charge the costs of certain functions to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.		
		3,315,175
Deferred inflows of resources are not available to pay for current expenditures and therefore are not reported in the funds.		
Deferred inflows relating to pensions	(6,366,772)	
Deferred inflows relating to OPEB	<u>(209,612)</u>	(6,576,384)
Certain liabilities are not due and payable in the current period and are therefore not reported in the funds.		
Bond premium	(6,128,830)	
Bonds payable	(84,810,000)	
Equipment capital lease obligation	(1,605,405)	
Accrued interest payable	(1,126,811)	
Legal fee accrual	(486,637)	
Total OPEB liability	(11,495,744)	
Total pension liability - excess benefit plan	(13,551,937)	
Net pension liability	(76,090,929)	
Compensated absences	<u>(3,083,872)</u>	(198,380,165)
Net position of governmental activities		<u>\$ 20,380,163</u>

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

CITY OF HALLANDALE BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	General	Community Redevelopment Agency Fund	Grants Fund	General Obligation Bond Fund	Capital Projects Fund	Nonmajor Governmental Funds	Totals Governmental Funds
REVENUES							
Property taxes	\$ 27,309,978	\$ 6,408,791	\$ -	\$ -	\$ -	\$ 3,008,265	\$ 36,727,034
Utility taxes	4,705,322	-	-	-	-	-	4,705,322
Charges for services	8,030,995	20,705	-	-	-	2,119,393	10,171,093
Licenses and permits	758,351	-	-	-	-	2,827,538	3,585,889
Intergovernmental	5,647,893	6,295,044	836,255	-	-	1,007,681	13,786,873
Franchise taxes	3,871,066	-	-	-	-	39,099	3,910,165
Fire assessments	8,518,118	-	-	-	-	-	8,518,118
Fines and forfeitures	510,438	-	-	-	-	327,913	838,351
Investment earnings	906,653	257,209	-	1,157,035	17,143	3,003	2,341,043
Slot machine revenues	1,307,024	-	-	-	-	-	1,307,024
Other revenues	1,269,760	268,803	-	-	-	604,209	2,142,772
Total revenues	<u>62,835,598</u>	<u>13,250,552</u>	<u>836,255</u>	<u>1,157,035</u>	<u>17,143</u>	<u>9,937,101</u>	<u>88,033,684</u>
EXPENDITURES							
Current:							
General government	11,196,812	-	-	-	-	-	11,196,812
Public safety	39,548,956	-	65,235	-	-	4,891,439	44,505,630
Physical environment	2,902,282	-	20,288	-	-	3,036	2,925,606
Transportation	-	-	284,764	-	-	1,465,995	1,750,759
Economic environment	-	7,148,970	-	-	-	-	7,148,970
Culture and recreation	3,836,994	-	-	75,008	-	39,451	3,951,453
Human services	1,331,385	-	395,989	-	-	-	1,727,374
Debt service:							
Principal	151,411	1,325,000	-	-	-	2,430,000	3,906,411
Interest and other fiscal charges	81,361	317,016	-	-	-	2,948,793	3,347,170
Capital outlay:	1,103,347	22,901	73,942	23,589,967	44,715	565,450	25,400,322
Total expenditures	<u>60,152,548</u>	<u>8,813,887</u>	<u>840,218</u>	<u>23,664,975</u>	<u>44,715</u>	<u>12,344,164</u>	<u>105,860,507</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,683,050</u>	<u>4,436,665</u>	<u>(3,963)</u>	<u>(22,507,940)</u>	<u>(27,572)</u>	<u>(2,407,063)</u>	<u>(17,826,823)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	1,500,000	-	-	-	-	3,306,824	4,806,824
Transfers out	(1,012,417)	(1,287,611)	-	(874,034)	(132,762)	-	(3,306,824)
Capital lease	448,549	-	-	-	-	-	448,549
Proceeds from the sale of capital assets	3,390	-	-	-	-	-	3,390
Total other financing sources (uses)	<u>939,522</u>	<u>(1,287,611)</u>	<u>-</u>	<u>(874,034)</u>	<u>(132,762)</u>	<u>3,306,824</u>	<u>1,951,939</u>
Net change in fund balances	3,622,572	3,149,054	(3,963)	(23,381,974)	(160,334)	899,761	(15,874,884)
Fund balances, beginning of year	<u>18,605,662</u>	<u>14,799,984</u>	<u>3,963</u>	<u>46,449,846</u>	<u>2,121,117</u>	<u>4,324,536</u>	<u>86,305,108</u>
Fund balances, end of year	<u>\$ 22,228,234</u>	<u>\$ 17,949,038</u>	<u>\$ -</u>	<u>\$ 23,067,872</u>	<u>\$ 1,960,783</u>	<u>\$ 5,224,297</u>	<u>\$ 70,430,224</u>

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

CITY OF HALLANDALE BEACH, 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, 2019

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - total governmental funds \$ (15,874,884)

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Expenditures for capital assets	\$ 25,490,521	
Less depreciation	<u>(4,493,844)</u>	20,996,677

Various miscellaneous transactions relating to capital assets reported in the statement of activities are not reported in the funds because they have no effect on current financial resources.

Disposal of capital assets	(260,503)	
Capital assets transferred to the Utility Fund	<u>(8,000)</u>	(268,503)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Change in unavailable revenues		(25,511)
--------------------------------	--	----------

Internal service funds are used by management to charge the costs of certain functions to individual funds. The net revenue of certain activities in the internal service funds is reported with governmental activities.

111,777

The issuance of long-term debt 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.

Capital lease financing	(448,549)	
Capital lease repayments	151,411	
Principal repayments	<u>3,755,000</u>	3,457,862

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in accrued interest	71,332	
Change in legal fee accrual	(486,637)	
Change in deferred inflows and outflows relating to pensions and the net pension liability	(7,532,840)	
Change in deferred inflows and outflows relating to excess benefits plan and the total pension liability	498,319	
Change in deferred inflows and outflows relating to OPEB and the total OPEB liability	(473,605)	
Change in compensated absences	293,348	
Amortization of deferred loss on refunding	(79,769)	
Amortization of bond premiums	<u>703,279</u>	<u>(7,006,573)</u>

Change in net position - governmental activities		<u>\$ 1,390,845</u>
--	--	---------------------

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

CITY OF HALLANDALE BEACH, FLORIDA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2019**

	Business-type Activities - Enterprise Funds				Totals	Governmental Activities - Internal Service Funds
	Utility Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Cemetery Fund		
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 12,067,436	\$ 1,258,543	\$ 4,621,307	\$ 205,865	\$ 18,153,151	\$ 5,199,169
Investments	19,731,644	1,526,980	-	-	21,258,624	-
Restricted assets, cash	3,734,264	405,585	-	-	4,139,849	-
Receivables, net of allowances	3,999,380	566,148	509,585	20,147	5,095,260	15,058
Due from other governments	-	-	1,308,461	-	1,308,461	-
Inventories	105,300	-	-	323,592	428,892	-
Prepays	2,014	-	-	-	2,014	28,413
Total current assets	<u>39,640,038</u>	<u>3,757,256</u>	<u>6,439,353</u>	<u>549,604</u>	<u>50,386,251</u>	<u>5,242,640</u>
Noncurrent assets:						
Capital assets:						
Nondepreciable	4,714,342	-	10,776,512	375,478	15,866,332	-
Depreciable, net of accumulated depreciation	20,190,621	69,438	18,487,695	12,726	38,760,480	2,872,340
Total noncurrent assets	<u>24,904,963</u>	<u>69,438</u>	<u>29,264,207</u>	<u>388,204</u>	<u>54,626,812</u>	<u>2,872,340</u>
Total assets	<u>64,545,001</u>	<u>3,826,694</u>	<u>35,703,560</u>	<u>937,808</u>	<u>105,013,063</u>	<u>8,114,980</u>
DEFERRED OUTFLOWS OF RESOURCES						
Pensions	581,181	246,648	85,841	25,971	939,641	152,704
OPEB	59,942	18,718	8,365	847	87,872	14,173
Total deferred outflows of resources	<u>641,123</u>	<u>265,366</u>	<u>94,206</u>	<u>26,818</u>	<u>1,027,513</u>	<u>166,877</u>
LIABILITIES						
Current liabilities:						
Accounts payable and accrued liabilities	2,923,995	193,687	1,707,724	4,747	4,830,153	119,848
Accrued interest	14,800	-	5,140	-	19,940	-
Compensated absences	19,343	11,925	1,343	566	33,177	4,854
Notes payable	624,029	-	246,701	-	870,730	-
Accrued claims for self-insured risks	-	-	-	-	-	1,231,000
Payable from restricted assets:						
Deposits	1,175,460	405,585	-	-	1,581,045	-
Total current liabilities	<u>4,757,627</u>	<u>611,197</u>	<u>1,960,908</u>	<u>5,313</u>	<u>7,335,045</u>	<u>1,355,702</u>

(Continued)

CITY OF HALLANDALE BEACH, FLORIDA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2019**

	Business-type Activities - Enterprise Funds				Totals	Governmental Activities - Internal Service Funds
	Utility Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Cemetery Fund		
Noncurrent liabilities:						
Compensated absences	\$ 244,929	\$ 112,403	\$ 19,214	\$ 6,333	\$ 382,879	\$ 50,811
Accrued claims for self-insured risks	-	-	-	-	-	2,598,000
Notes payable	2,861,278	-	1,109,510	-	3,970,788	-
Net pension liability	2,140,358	908,346	316,133	95,644	3,460,481	562,374
Total OPEB liability	1,553,771	485,196	216,828	21,959	2,277,754	367,380
Total noncurrent liabilities	<u>6,800,336</u>	<u>1,505,945</u>	<u>1,661,685</u>	<u>123,936</u>	<u>10,091,902</u>	<u>3,578,565</u>
Total liabilities	<u>11,557,963</u>	<u>2,117,142</u>	<u>3,622,593</u>	<u>129,249</u>	<u>17,426,947</u>	<u>4,934,267</u>
DEFERRED INFLOWS OF RESOURCES						
Gain on refunding	36,340	-	18,798	-	55,138	-
Pensions	97,872	41,536	14,456	4,374	158,238	25,716
OPEB	28,331	8,847	3,954	400	41,532	6,699
Total deferred inflows of resources	<u>162,543</u>	<u>50,383</u>	<u>37,208</u>	<u>4,774</u>	<u>254,908</u>	<u>32,415</u>
NET POSITION						
Net investment in capital assets	21,222,806	69,438	27,540,472	388,204	49,220,920	2,872,340
Restricted for debt service	5,400	-	-	-	5,400	-
Restricted for impact fees	2,558,804	-	-	-	2,558,804	-
Unrestricted	29,678,608	1,855,097	4,597,493	442,399	36,573,597	442,835
Total net position	<u>\$ 53,465,618</u>	<u>\$ 1,924,535</u>	<u>\$ 32,137,965</u>	<u>\$ 830,603</u>	<u>\$ 88,358,721</u>	<u>\$ 3,315,175</u>

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

CITY OF HALLANDALE BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	Business-type Activities - Enterprise Funds				Totals	Governmental Activities - Internal Service Funds
	Utility Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Cemetery Fund		
OPERATING REVENUES						
Charges for services	\$ 25,165,183	\$ 6,961,811	\$ 4,395,275	\$ 138,914	\$ 36,661,183	\$ 5,884,433
Other revenues	7,666	-	2,000	-	9,666	-
Total operating revenues	<u>25,172,849</u>	<u>6,961,811</u>	<u>4,397,275</u>	<u>138,914</u>	<u>36,670,849</u>	<u>5,884,433</u>
OPERATING EXPENSES						
Personal services	5,174,700	1,927,607	718,041	137,938	7,958,286	1,160,545
Cost of sales and services	13,543,494	3,153,164	944,023	107,057	17,747,738	1,374,864
Claims expense	-	-	-	-	-	1,713,488
Depreciation	2,133,592	20,548	1,311,964	6,851	3,472,955	1,528,102
Total operating expenses	<u>20,851,786</u>	<u>5,101,319</u>	<u>2,974,028</u>	<u>251,846</u>	<u>29,178,979</u>	<u>5,776,999</u>
Operating income (loss)	<u>4,321,063</u>	<u>1,860,492</u>	<u>1,423,247</u>	<u>(112,932)</u>	<u>7,491,870</u>	<u>107,434</u>
NONOPERATING REVENUES (EXPENSES)						
Impact fees	1,280,466	-	-	-	1,280,466	-
Investment earnings	945,374	70,375	122,044	-	1,137,793	-
Interest expense	(67,130)	-	(27,450)	-	(94,580)	-
Gain (loss) on disposal of capital assets	(60,331)	23,171	-	-	(37,160)	4,343
Total nonoperating revenues (expenses)	<u>2,098,379</u>	<u>93,546</u>	<u>94,594</u>	<u>-</u>	<u>2,286,519</u>	<u>4,343</u>
Income (loss) before capital contributions and transfers	<u>6,419,442</u>	<u>1,954,038</u>	<u>1,517,841</u>	<u>(112,932)</u>	<u>9,778,389</u>	<u>111,777</u>
Capital grants and contributions	8,000	-	9,417,786	-	9,425,786	-
Transfers out	-	(1,500,000)	-	-	(1,500,000)	-
Change in net position	<u>6,427,442</u>	<u>454,038</u>	<u>10,935,627</u>	<u>(112,932)</u>	<u>17,704,175</u>	<u>111,777</u>
Net position, beginning	<u>47,038,176</u>	<u>1,470,497</u>	<u>21,202,338</u>	<u>943,535</u>	<u>70,654,546</u>	<u>3,203,398</u>
Net position, ending	<u>\$ 53,465,618</u>	<u>\$ 1,924,535</u>	<u>\$ 32,137,965</u>	<u>\$ 830,603</u>	<u>\$ 88,358,721</u>	<u>\$ 3,315,175</u>

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

CITY OF HALLANDALE BEACH, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	Business-type Activities - Enterprise Funds				Totals	Governmental Activities - Internal Service Funds
	Utility Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Cemetery Fund		
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	\$ 25,201,150	\$ 6,935,799	\$ 3,269,532	\$ 144,522	\$ 35,551,003	\$ 5,869,375
Payments to suppliers for goods, services, claims and administrative charges	(12,699,965)	(3,077,919)	287,443	(96,807)	(15,587,248)	(3,085,721)
Payments to employees	(5,013,347)	(1,741,135)	(644,034)	(126,604)	(7,525,120)	(1,084,777)
Receipts from other funds	69,612	-	-	-	69,612	-
Payments to other funds	-	-	-	-	-	(48,188)
Net cash provided by (used by) operating activities	<u>7,557,450</u>	<u>2,116,745</u>	<u>2,912,941</u>	<u>(78,889)</u>	<u>12,508,247</u>	<u>1,650,689</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers to other funds	-	(1,500,000)	-	-	(1,500,000)	-
Net cash used by noncapital financing activities	<u>-</u>	<u>(1,500,000)</u>	<u>-</u>	<u>-</u>	<u>(1,500,000)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and construction of capital assets	(2,640,730)	(38,486)	(12,708,651)	-	(15,387,867)	(311,286)
Proceeds from impact fees	1,280,466	-	-	-	1,280,466	-
Capital grants and contributions	-	-	6,487,501	-	6,487,501	-
Proceeds from the disposal of capital assets	8,742	23,171	-	-	31,913	24,374
Proceeds from notes payable	11,999	-	-	-	11,999	-
Principal paid on long-term debt	(613,217)	-	(242,244)	-	(855,461)	-
Capital contributions	-	-	2,930,285	-	2,930,285	-
Interest paid on long-term debt	(77,133)	-	(32,238)	-	(109,371)	-
Net cash used by capital and related financing activities	<u>(2,029,873)</u>	<u>(15,315)</u>	<u>(3,565,347)</u>	<u>-</u>	<u>(5,610,535)</u>	<u>(286,912)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of investments	(21,892,799)	1,694,226	-	-	(20,198,573)	-
Proceeds from the sale of investments	21,962,485	(1,688,833)	-	-	20,273,652	-
Interest and investment income received	457,619	32,628	122,044	-	612,291	-
Net cash provided by investing activities	<u>527,305</u>	<u>38,021</u>	<u>122,044</u>	<u>-</u>	<u>687,370</u>	<u>-</u>

(Continued)

CITY OF HALLANDALE BEACH, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	<u>Business-type Activities - Enterprise Funds</u>				<u>Totals</u>	<u>Governmental Activities - Internal Service Funds</u>
	<u>Utility Fund</u>	<u>Sanitation Fund</u>	<u>Stormwater Drainage Fund</u>	<u>Nonmajor Cemetery Fund</u>		
Net increase (decrease) in cash and cash equivalents	\$ 6,054,882	\$ 639,451	\$ (530,362)	\$ (78,889)	\$ 6,085,082	\$ 1,363,777
Cash and cash equivalents, beginning	<u>9,746,818</u>	<u>1,024,677</u>	<u>5,151,669</u>	<u>284,754</u>	<u>16,207,918</u>	<u>3,835,392</u>
Cash and cash equivalents, ending	<u>\$ 15,801,700</u>	<u>\$ 1,664,128</u>	<u>\$ 4,621,307</u>	<u>\$ 205,865</u>	<u>\$ 22,293,000</u>	<u>\$ 5,199,169</u>
Reconciliation to Statement of Net Position:						
Cash and cash equivalents	\$ 12,067,436	\$ 1,258,543	\$ 4,621,307	\$ 205,865	\$ 18,153,151	\$ 5,199,169
Restricted assets, cash and cash equivalents	3,734,264	405,585	-	-	4,139,849	-
	<u>\$ 15,801,700</u>	<u>\$ 1,664,128</u>	<u>\$ 4,621,307</u>	<u>\$ 205,865</u>	<u>\$ 22,293,000</u>	<u>\$ 5,199,169</u>

(Continued)

CITY OF HALLANDALE BEACH, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	Business-type Activities - Enterprise Funds				Totals	Governmental Activities - Internal Service Funds
	Utility Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Cemetery Fund		
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 4,321,063	\$ 1,860,492	\$ 1,423,247	\$ (112,932)	\$ 7,491,870	\$ 107,434
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	2,133,592	20,548	1,311,964	6,851	3,472,955	1,528,102
Changes in assets and liabilities:						
(Increase) decrease in receivables	6,608	(34,636)	(76,674)	5,608	(99,094)	(15,058)
(Increase) decrease in due from other governments	-	-	(1,051,069)	-	(1,051,069)	-
(Increase) decrease in inventories	(25,607)	-	-	10,196	(15,411)	-
(Increase) decrease in due from other funds	69,612	-	-	-	69,612	-
(Increase) decrease in prepaids and other assets	(32)	-	-	-	(32)	(10,588)
(Increase) decrease in deferred outflows of resources	112,980	15,247	5,884	2,085	136,196	13,563
Increase (decrease) in accounts payable	869,168	75,245	1,231,466	54	2,175,933	72,219
Increase (decrease) in accrued liabilities	-	-	-	1,454	1,454	-
Increase (decrease) in customer deposits	21,693	8,624	-	-	30,317	-
Increase (decrease) in compensated absences	(17,297)	5,891	1,348	-	(10,058)	2,517
Increase (decrease) in self insured claims liability	-	-	-	-	-	(59,000)
Increase (decrease) in net pension liability	(211,766)	12,965	1,607	515	(196,679)	250
Increase (decrease) in total OPEB liability	194,414	114,962	52,130	3,396	364,902	37,461
Increase (decrease) in due to other funds	-	-	-	-	-	(48,188)
Increase (decrease) in deferred inflows of resources	83,022	37,407	13,038	3,884	137,351	21,977
Net cash provided by (used by) operating activities	<u>\$ 7,557,450</u>	<u>\$ 2,116,745</u>	<u>\$ 2,912,941</u>	<u>\$ (78,889)</u>	<u>\$ 12,508,247</u>	<u>\$ 1,650,689</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES						
Unrealized gain on investments	\$ 452,149	\$ 34,991	\$ -	\$ -	\$ 487,140	\$ -
Gain on debt refunding	6,922	-	3,580	-	10,502	-
Contributed capital from governmental activities	8,000	-	-	-	8,000	-
	<u>\$ 467,071</u>	<u>\$ 34,991</u>	<u>\$ 3,580</u>	<u>\$ -</u>	<u>\$ 505,642</u>	<u>\$ -</u>

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

CITY OF HALLANDALE BEACH, FLORIDA

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2019**

	Agency Funds	Pension Trust Funds
ASSETS		
Cash and cash equivalents	\$ 519,202	\$ 7,865,559
Accounts receivable	769	-
Accrued interest and dividends	-	280,447
Due from brokers	-	388,703
Investments:		
Corporate bonds	-	12,110,462
Equity securities	-	111,894,451
U.S. obligations	-	19,607,143
Hedge funds	-	17,494,080
Equity pooled separate accounts	-	35,168,142
Private equity fund	-	3,435,436
Fixed income pooled separate accounts	-	38,365,220
Real estate pooled separate accounts	-	6,394,658
Real estate investment trust	-	8,125,911
Total investments	519,971	261,130,212
Prepays	-	7,708
Total assets	519,971	261,137,920
LIABILITIES		
Accounts payable	29,565	366,328
Due to others	490,406	-
Unearned revenue	-	24,852
Due to brokers	-	238,363
Total liabilities	519,971	629,543
NET POSITION		
Restricted for pension benefits	\$ -	\$ 260,508,377

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

CITY OF HALLANDALE BEACH, FLORIDA

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

ADDITIONS		
Contributions:		
Employer	\$	13,942,389
Plan members		1,782,123
State of Florida		653,582
Total contributions		16,378,094
Investment income:		
Interest and dividends		4,052,972
Net increase in fair value of investments		7,186,338
Total investment income		11,239,310
Less investment expense		(1,535,562)
Net investment income		9,703,748
Total additions		26,081,842
DEDUCTIONS		
Benefits		18,839,076
Professional services		233,562
Total deductions		19,072,638
Change in net position		7,009,204
Net position, beginning		253,499,173
Net position, ending	\$	260,508,377

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



Hallandale Beach
PROGRESS. INNOVATION. OPPORTUNITY.

NOTES TO FINANCIAL STATEMENTS

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Hallandale, Florida was incorporated in 1927 by Laws of Florida 12791 Acts of 1927. On August 17, 1999, the City Commission approved an ordinance amending the City Charter to change the name of the City to Hallandale Beach, Florida (the "City"). The City operates under the Commission-Manager form of government and provides the following services as authorized by its charter and state statute: general government, public safety (police and fire), public works, physical environment, water, sewer, stormwater drainage, municipal cemetery, sanitation, human services, culture and recreation, planning and zoning and general administrative.

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") applicable to state and local governmental units, which are promulgated by the Governmental Accounting Standards Board ("GASB"). Significant accounting and reporting policies and practices used by the City are described below:

A. Reporting Entity

In accordance with GAAP, these basic financial statements present the City (the primary government) and its component units.

The criteria, which define a component unit and establish requirements for reporting and disclosure of a component unit, is set forth in GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASBS No. 39, *Determining Whether Certain Organizations are Component Units*, GASBS No. 61, *The Financial Reporting Unit: Omnibus*, GASBS No. 80, *Blending Requirements for Certain Component Units*, and GASBS No. 85, *Omnibus 2017*. A component unit is a legally separate organization for which the City is determined to either be financially accountable for, or for organizations for which the nature and significance of their relationship with the City is such that exclusion would cause the City's financial statements to be misleading or incomplete. The City is financially accountable if it appoints a voting majority of the organization's governing board and: (1) it is able to impose its will on the organization, or (2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the City, or the City has operational responsibility. The City is also financially accountable if the entity is fiscally dependent on the City. An organization's relationship with the City which does not meet the criteria of financial accountability, can warrant inclusion in the reporting unit if the organization is determined to be closely related to, or financially integrated with the City. This determination is a matter of professional judgement as to the nature and significance of the relationship. The City has three blended component units presented as special revenue funds in the City's financial statements.

Blended Component Units:

A blended component unit is an organization whose governing body is substantively the same as the City Commission, or the component unit provides services entirely, or almost entirely, to the primary government or otherwise exclusively, or almost exclusively, benefits the City even if it does not provide services directly to the City. A blended component unit is legally separate, but is so intertwined with the City that they are, in substance, part of the City. The following component units, because of the closeness of their relationship with the City, are blended as special revenue funds in the City's financial statements.

Golden Isles Safe Neighborhood District

The Golden Isles Safe Neighborhood District was established in 1989 by City ordinance 89-24 pursuant to Section 163.506, *Florida Statutes*, as a local government neighborhood improvement district. The Golden Isles Safe Neighborhood District is governed by a board comprised of the City's elected commissioners. The commissioners approve the District's budgets, levy taxes, and must approve any debt issuances. The City has operational responsibility for this District.

Three Islands Safe Neighborhood District

Three Islands Safe Neighborhood District was established in 1993 by City ordinance 93-08 pursuant to Section 163.506, *Florida Statutes*, as a local government neighborhood improvement district. The Three Islands Safe Neighborhood District is governed by a board comprised of the City's elected commissioners. The commissioners approve the District's budgets, levy taxes and must approve any debt issuances. The City has operational responsibility for this District.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Hallandale Beach Community Redevelopment Agency

Pursuant to Section 163.387, *Florida Statutes*, the City of Hallandale Beach established a Redevelopment Trust Fund for the Community Redevelopment Agency ("CRA", "HBCRA" or "Agency"), effective December 1996. The City Commission, acting as the agency Board of Directors, approved a Community Redevelopment Plan, which will primarily utilize Tax Increment Financing to fund community redevelopment within the designated area. The specific area incorporates approximately two thirds of the City with the exception of the most easterly portion of the City. The base year established of January 1, 1996, will be utilized in determining the base amount of property valuation. Each year the City, County and Children's Services Council must contribute 95% of the incremental increase, if any, in ad valorem taxes levied over and above the base year. The Hospital District has made a separate agreement for a flat amount. The CRA is governed by a board comprised of the City's elected officials and there is a financial benefit and burden relationship between the City and the CRA. Although the Agency is legally separate from the City, the CRA is reported as part of the primary government because its sole purpose is to finance and redevelop the City's designated redevelopment areas. The CRA issues a publicly available financial statement which can be obtained by contacting the CRA's office.

B. Government-Wide and Fund Financial Statements

The basic financial statements consist of the government-wide financial statements and fund financial statements. The 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 complete financial picture of the government. 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 financial statements.

The government-wide 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 revenue. 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 revenue. 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, (2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment, and (3) grants and contributions that are restricted to meeting 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 fund based 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 financial statements, reconciliations are provided that briefly explain the adjustments necessary to reconcile the governmental fund financial statements to the government-wide governmental activities financial statements.

Internal service funds of a government are presented in summary form as part of the proprietary fund financial statements. Since the principal users of the internal services are the City's governmental activities, financial statements of internal service funds are consolidated into the governmental activities column when presented at the government-wide level. To the extent possible, the costs of these services are reflected in the appropriate governmental activities.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide, the proprietary fund and 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. The Agency funds report only assets and liabilities using the accrual basis of accounting but have no measurement focus.

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 generally 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 year. Revenues for expenditure driven grants are recognized when the qualifying expenditure is made. 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. Expenditures related to pension and other post-employment benefits are recognized when the City has made a decision to fund those obligations with current available resources.

In the governmental funds, property taxes when levied, public services taxes, franchise taxes, intergovernmental grants when eligibility requirements are met, charges for services and interest income associated with the current fiscal period are all considered to be measurable and have been recognized, if available. Licenses and permits and miscellaneous revenue are recorded as revenue when received in cash, because they are generally not measurable until actually received.

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, deferred outflows of resources, liabilities, deferred inflows of resources, fund equities, revenue 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.

Effective October 1, 2018, the City implemented the following GASB Pronouncements:

GASB Statement No. 83, *Certain Asset Retirement Obligations*, addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The implementation of this pronouncement did not result in a financial impact to the City. The City has applied the requirements, as applicable.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

GAAP sets forth minimum criteria (percentage of the assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenue or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor, internal service, and fiduciary funds are each presented in the aggregate in the applicable fund financial statements.

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 Fund accounts for the tax increment revenue assessed on properties in the specified CRA area and capital improvements, neighborhood improvement loans, and other economic incentives that help improve the appearance of property and equality of life for area residents and businesses.

The Grants Fund accounts for City projects financed by federal, state and local grants.

The General Obligation Bond Fund accounts for capital improvements financed by proceeds from the City's General Obligation Bonds, Series 2016.

The Capital Projects Fund accounts for major capital projects funded by City appropriations and debt issuances.

The City reports the following major enterprise funds:

The Utility Fund accounts for the provision of water and sanitary sewer services to residents and businesses of the City.

The Sanitation Fund accounts for the provision of waste and trash collection and disposal services to residents and businesses of the City.

The Stormwater Drainage Fund accounts for the provision of stormwater maintenance and capital improvements to residents and businesses of the City.

Additionally, the City reports the following fund types:

Internal Service Funds are used to account for the financing of workers' compensation, general liability insurance and fleet services provided to the various funds of the City.

Fiduciary Funds include pension trust funds and agency funds. Pension trust funds account for certain of the City's retirement plans. Agency funds are used for assets held by the City on behalf of others for payroll related costs and other miscellaneous assets.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are 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 revenue for the various functions concerned.

Amounts reported as program revenues include: (1) charges to customers for goods, services or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. 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 revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating revenues consist primarily of charges for services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All items not meeting this definition are reported as nonoperating revenues and expenses.

D. Deposits

The City considers cash on hand, cash with fiscal agents, and overnight investments with original maturities of less than three months to be cash and cash equivalents. In addition, each fund's equity in the City's investment pool has been treated as a cash equivalent since cash may be deposited or withdrawn from the pool at any time without prior notice or penalty. Interest earned on pooled cash and investments is allocated to funds based on average monthly balances.

E. Investments

Investments, including investments in the pension trust funds, are reported at fair value, with the exception of insurance pooled separate accounts, real estate investment trusts, and hedge funds which are reported at their net asset value (NAV) which is their fair value.

F. Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "due to/from other funds" (current portion of loans) or "advances to/from other funds" (non-current portion of loans). Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

Receivables are recorded and where appropriate, an associated allowance for uncollectible accounts has been established in the related fund. All receivables are shown net of an allowance for uncollectible accounts. Based on past experience, the City deems all balances greater than 60 days to be uncollectible unless a lien can be placed against the property of the customer.

G. Inventories/Prepays

Inventories consist of supplies and equipment replacement parts, valued using the weighted average cost method, which are purchased in one period and consumed in a future period. Prepays represent goods and services which are paid for in one period, but benefit a future period. Inventories and prepays are recorded as an expenditure/expense in the fund level and government-wide financial statements in the period benefited. Inventories/prepays for governmental fund types are reported as an asset of the fund with a corresponding amount recorded as non-spendable fund balance.

Inventory in the Cemetery Fund consists of crypts. Inventory is valued at cost and is reduced by crypts sold during the year, calculated based on a weighted-average basis. Water Fund inventory consists of water meters on hand for future installation.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Restricted Assets

Restricted assets, consisting of cash and cash equivalents, represent assets restricted to a particular usage. In the governmental funds, restricted cash consists primarily of unspent bond proceeds. In business-type funds, restricted assets consist mainly of the amount of utility deposits and unspent impact fees collected.

I. Capital Assets

Capital assets, including land, buildings and improvements, infrastructure, vehicles and equipment, and intangibles, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are those that have a useful life of greater than one year and a value of greater than \$1,000 for all capital assets other than intangibles, which have a value of greater than \$25,000 are capitalized for financial reporting purposes. Capital assets are stated at cost in the government-wide and proprietary fund financial statements. Donated capital assets are stated at their acquisition value on the date contributed. Depreciation is recorded as an operating expense for all assets meeting the City's capitalization threshold. 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, but are expensed as incurred.

Depreciation is provided over estimated useful lives using the straight-line method. Estimated useful lives are as follows:

Vehicles and equipment	5 years
Water plant components	10 years
Buildings and improvements other than buildings	20 years
Enterprise infrastructure	20 years
Government infrastructure	42 years

J. Assets Held for Resale

The HBCRA acquires and develops property in economically depressed areas, for the intention of rendering the property suitable for economic development and then reselling or conveying it to private sector purchasers meeting certain criteria. Since these properties are acquired with the express intent of resale and/or development, they are reported at lower of cost/donated value or net realizable value. Assets donated from the City or other related entities are recorded at the carrying value of the donor entity. Donated assets from other sources are recorded at the lower of cost/donated value or net realizable value. The cost basis of assets held for resale and development include costs incurred to acquire the asset and prepare the asset for resale and development, such as purchase price, fees, surveys, lot clearing, demolition, judgments levied through suits, costs of construction, permits etc. These assets include land, land improvements and buildings. Upon the sale of these assets, a gain or loss is recognized. When the net realizable amount is less than the carrying amount, a loss would be recognized. Gains are recorded as economic environment charges for services in the government-wide statements and other revenues in the fund financial statements and losses are recorded as economic environment expenses/expenditures.

K. Compensated Absences

City employees are granted vacation pay and sick leave in varying amounts based on employee classification and length of service. Employees may elect to use sick leave as earned or receive cash payments in lieu of time off at reduced amounts. A portion of unused vacation pay and sick-leave pay are paid upon an employee's termination.

The City accrues for vacation and sick leave based on anticipated use or payout (i.e., amounts that are due and payable). Accumulated and unpaid vacation pay and sick leave are recorded as expenses in the government-wide and proprietary funds when earned. Expenditures for accumulated compensated absences have been recorded in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Unearned/Unavailable Revenue

Unearned revenue arises when resources are received by the City before it has a legal claim to them. In addition, inflows that do not yet meet the criteria for revenue recognition are recorded as unearned revenue or a deferred inflow in the government-wide and the fund financial statements. In subsequent periods, when the City has a legal claim to the resources, the liability for unearned revenue or a deferred inflow is removed and revenue is recognized. In the governmental funds, unavailable revenue may also arise if the funds are not received in the availability period; the funds are then not considered a current available resource.

M. Long-Term Obligations

In the government-wide financial statements, and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as 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, and debt principal payments are reported as debt service expenditures.

N. Fund Equity/Net Position

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 imposed on the use of resources reported in governmental funds. Amounts that are restricted to specific purposes either by: (a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation are classified as restricted fund balances. Amounts that can only be used for specific purposes pursuant to constraints imposed by the City Commission through an ordinance or resolution (equally binding), are classified as committed fund balances. These constraints remain binding unless removed or changed in the same manner employed to commit those resources. Amounts that are constrained by the City's intent to be used for specific purposes, however, are neither restricted, nor committed are classified as assigned fund balances. With the exception of the General Fund, this is the residual fund balance classification for all governmental funds with positive balances. Assignments are approved by the City Commission through adoption of the budget. Non-spendable fund balances include amounts that cannot be spent because they are either: (a) not in spendable form, or (b) legally or contractually required to be maintained intact. 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.

Net position of the government-wide financial statements and proprietary fund financial statements are categorized as net investment in capital assets, restricted or unrestricted. The first category represents capital assets net of accumulated depreciation, less outstanding related debt net of unspent bond proceeds and any deferred inflows/outflows related to the debt for acquisition or construction of the capital assets.

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 from restricted assets. Unrestricted net position represents resources that are available for spending.

Minimum Fund Balance Policy

The General Fund has adopted a target minimum unrestricted fund balance policy of 16% of General Fund expenditures, which approximates two months of operations as recommended by the Governmental Finance Officers Association. This target is inclusive of any committed, assigned, and unassigned amounts.

The City met all of its fund balance targets at September 30, 2019.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted resources are available for use, it is the City's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

P. Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last, unless the City Commission has provided otherwise in its commitment or assignment actions by either ordinance or resolution.

Q. Pension Plans

The City provides separate defined benefit pension plans for general employees, professional/management, and uniformed police and fire department personnel. The City provides a defined-contribution plan for those management employees who did not elect to transfer to the Professional/Management Retirement Plan. Additionally, all new professional and management employees are required to enter the defined contribution pension plan, as the defined benefit plan will be phased out as employees retire or resign. It is the City's policy to fund the normal cost and the amortization of the unfunded prior service cost.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Hallandale Beach Police Officers' and Firefighters' Personnel Retirement Trust (Police and Fire Retirement Plan), the City of Hallandale Beach Retirement Plan (General Employees Retirement Plan), and the City of Hallandale Beach Professional/Management Retirement Plan (Professional/Management Retirement Plan) (collectively, the Plans) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit term.

R. Other Post-Employment Benefits

The City is self-funded for other post-employment benefits in accordance with Florida Statute. The City permits eligible retirees and their eligible dependents to participate in the City's health insurance program at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. As a result, the City incurs an implicit subsidy for these retirees. The total OPEB liability, represents the actuarially determined present value of projected benefits to be provided to current active and inactive employees that is attributed to those employees' past periods of service. Projections of benefits, the implicit rate, are required to be based on claims costs, or age-adjusted premiums approximating claims costs, and the benefit terms and legal agreements existing at the measurement date. There is no trust in which assets are accumulated to fund the OPEB benefit payments when due.

S. Self-Insurance

The City is currently self-insured for all workers' compensation and general liability claims. Operating funds are charged premiums by the internal service funds. The accrued liability for estimated insurance claims represents an estimate of the eventual loss on claims arising prior to year-end, including those incurred but not yet reported.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

T. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources and liabilities and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

U. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports a deferred loss on the refunding of 2007A Revenue Bonds, pension related, and OPEB related deferred outflows in this category.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City also reports a deferred gain on the refunding of the 2005A Revenue Bonds, pension related, and OPEB related deferred inflows in this category.

Within the government-wide Statement of Net Position, the City reports as deferred inflows or outflows amounts representing the difference between expected and actual experience, changes in assumptions and the net difference between projected and actual earnings of its pension plan. The amounts will be amortized over a five year closed period beginning in the year in which the difference occurred or over the remaining service lives of all employees, as applicable. Additionally, any contributions made before year end but subsequent to the measurement date of the City's net pension liability and total OPEB liability are reported as deferred outflows of resources.

NOTE 2. PROPERTY TAXES

The City's property tax is levied and becomes a lien on real and personal property located in the City, including the Golden Isles Safe Neighborhood District and the Three Islands Safe Neighborhood District, on October 1 of each year based upon the assessed value listed as of the prior January 1. Assessed values are established by the Broward County Property Appraiser.

The City is permitted by state law to levy taxes up to 10 mills of assessed valuation for the General Fund. Taxes were levied at 6.3191 mills, 1.0934 mills, and 0.6600 mills for the General Fund, the Golden Isles Safe Neighborhood District and the Three Islands Safe Neighborhood District, respectively, for the 2018-2019 fiscal year.

All taxes are due from property holders on March 31, become delinquent on April 1, and become subject to the issuance of tax sale certificates on June 1.

CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 3. DEPOSITS AND INVESTMENTS

The City's cash, cash equivalents and investments consist of the following at September 30, 2019:

Cash and cash equivalents:	
Money market funds	\$ 13,150,691
Deposits with financial institutions	17,319,664
FL PALM	11,477,463
Florida PRIME	20,465,127
	<u>62,412,945</u>
Investments:	
U.S. Government agencies	3,379,656
Corporate notes	14,179,191
U.S. Government treasuries	22,724,566
Municipal bonds	279,001
Domestic equity investment funds	4,972,125
Collateralized mortgage obligations	3,811,286
International equity investment funds	775,566
Domestic fixed income investment funds	648,028
	<u>50,769,419</u>
Total cash, cash equivalents, and investments	<u>\$ 113,182,364</u>

The City's cash and investments are classified in the accompanying financial statements as follows:

Amounts as presented on the entity wide statement of net position:	
Cash and cash equivalents	\$ 51,422,944
Investments	23,713,795
Investments - excess benefit plan	6,395,719
Restricted cash and cash equivalents	10,470,799
Restricted investments	20,659,905
Amounts as presented on the fiduciary statement of net position:	
Cash and cash equivalents - agency funds	<u>519,202</u>
Total cash, cash equivalents, and investments	<u>\$ 113,182,364</u>

Deposits: The City's policy is to follow Florida Statutes which authorize the deposit of City funds in demand deposits or time deposits of financial institutions approved by the State Treasurer. These are defined as public deposits. All City public deposits are held in qualified public depositories pursuant to Chapter 280, *Florida Statutes, Florida Security for Public Deposits Act*. Under the Act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The collateral pledging level may range from 50% to 125% depending upon the depository's financial condition and the length of time that the depository has been established. All collateral must be deposited with the State Treasurer. Any losses to public depositors resulting from insolvency are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessment against other qualified public depositories of the same type as the depository in default. The City's bank balances were insured either by the Federal Depository Insurance or collateralized in the bank's participation in the Florida Security for Public Deposits Act.

The State Board of Administration (SBA) administers the Florida PRIME which is 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. 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.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2019

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

The Florida Public Assets for Liquidity Management Trust ("FL PALM") is a common law trust organized under Florida Statutes. FL PALM is an investment opportunity for State school districts, political subdivisions of the State or instrumentalities of political subdivisions of the State. FL PALM has not provided or obtained any legally binding guarantees to support the value of shares and all participation in the trust is voluntary. FL PALM is not registered with the SEC; however, the FL PALM Board of Trustees 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 NAV of \$1 per share.

In accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, the City's investment in Florida PRIME and FL PALM meets the definition of qualifying investment pools that measure, for financial reporting purposes, all of its investments at amortized cost and should disclose the presence of any limitations or restrictions on withdrawals. As of September 30, 2019, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account values.

The investments in Florida PRIME and FL PALM are not insured by FDIC or any other governmental agency.

Concentration of credit risk: Under the City's investment policy, authorized investments may consist of investments in the following:

- Florida Local Government Surplus Funds Trust Fund ("SBA") — up to 25% of available funds
- United States Government Securities — up to 100% of available funds; a maximum of 10% of treasury strips
- United States Government Agencies — up to 100% of available funds
- Federal Instrumentalities — up to 100% of available funds
- Interest Bearing Time Deposits or Savings Accounts — up to 10% of available funds
- Repurchase Agreements — up to 20% of available funds (excluding one-business day agreements and overnight sweep agreements)
- Commercial Paper — up to 35% of available funds
- Corporate Notes — up to 15% of available funds
- Bankers Acceptances — up to 25% of available funds
- State and/or Local Government Debt — up to 25% of available funds, a maximum of 10% of the various municipalities of the State of Florida
- Money Market Mutual Funds — up to 20% of available funds
- Intergovernmental Investment Pool — up to 25% of available funds
- Foreign Government Debt Issues — up to 5% of available funds
- City assets relating to the excess benefit plan offered to Professional/Management Retirement Plan employees may consist of the following additional investments:
 - Equities – ownership in the common equity of any one corporation shall not exceed 5%
 - Fixed income securities
 - Real Estate – Real Estate Investment Trust ("REIT") an/or non-publicly traded private real estate
 - Treasury Inflation Protected Securities ("TIPS")
 - Commodities or Commodity Contracts

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

In addition, the City's policy limits overall investment in any one issuer to 5% or less, except for United States Government Agencies (40%), Federal Instrumentalities (40%) and Interest Bearing Time Deposits or Savings Accounts (10%).

The City's Professional/Management Retirement Plan and the General Employees Retirement Plan invests in insurance pooled separate accounts under a group annuity contract with an insurance company. As of September 30, 2019, the following are investments in any one organization that represent 5% or more of the pension plan's fiduciary net position:

<u>General Employees Retirement Plan</u>	
Principal Financial Group	<u>\$ 61,280,980</u>
<u>Professional/Management Employees Retirement Plan</u>	
Principal Financial Group	<u>\$ 18,647,040</u>

The City of Hallandale Beach's three defined benefit plans authorized investments may consist of the following:

- Time, savings and money market deposit accounts of a national bank, or a savings and loan association insured by the Federal Deposit Insurance Corporations.
- Obligations issued by the U.S. Government, or an agency or instrumentality of the U.S. Government, including mortgage-related securities.
- Equities (not to exceed 5% of the total portfolio being invested in the common stock of any one issuing company with the exception of a co-mingled investment portfolio such as a mutual fund or insurance company separate account).
- Fixed income investments defined as preferred issues and fixed income securities.
- Money Market Funds (defined as fixed income securities having a maturity of less than one year that meet or exceed Standard & Poor's A1, or Moody's P1 credit rating).
- Master Limited Partnerships (not to exceed 5% of the portfolio).
- Real assets-co-mingled investment portfolios, such as a mutual fund or insurance company separate account consisting of real assets (including owned real estate, real estate investment trusts and/or other comingled real estate equity investment options).
- Funds of Hedge Funds (private investment funds investing primarily in the global equity and fixed income markets (excluded from the General Employees Retirement Plan and Professional/Management Retirement Plan).

CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Interest rate risk: Interest rate risk is the risk that changes in market interest rates that will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. In accordance with the City's and pension plans' investment policies, they minimize the interest rate risk of investments in the portfolios by structuring them so that funds are available to meet reasonably anticipated cash flow requirements in an orderly manner.

Information about the sensitivity of the reported values of the City's and the defined benefit pension plan's fixed income investments to market interest rate fluctuations of its debt type investments using the segmented time distribution model is as follows:

Summary of Investments and Interest Rate Risk	Investment Maturities (in Years)				
	Fair Value	Less than 1 Year	1 - 5 Years	6 - 10 Years	Greater than 10 Years
<u>City</u>					
U.S. Government agencies	\$ 3,379,656	\$ -	\$ 2,455,597	\$ 802,832	\$ 121,227
Corporate notes	14,179,191	7,739,796	6,439,395	-	-
U.S. Government treasuries	22,724,566	14,791,314	7,933,252	-	-
Collateralized Mortgage Obligations	3,811,286	-	3,811,286	-	-
Municipal bonds	279,001	-	279,001	-	-
Florida PRIME	20,465,127	20,465,127	-	-	-
FL PALM	11,477,463	11,477,463	-	-	-
Domestic fixed income investment funds	648,028	-	-	648,028	-
Total	<u>\$ 76,964,318</u>	<u>\$ 54,473,700</u>	<u>\$ 20,918,531</u>	<u>\$ 1,450,860</u>	<u>\$ 121,227</u>
<u>Professional/Management Employees Retirement Plan</u>					
Fixed income pooled separate accounts	<u>\$ 7,519,560</u>	<u>\$ -</u>	<u>\$ 372,744</u>	<u>\$ 7,146,816</u>	<u>\$ -</u>
<u>General Employees Retirement Plan</u>					
Fixed income pooled separate accounts	<u>\$ 30,845,660</u>	<u>\$ -</u>	<u>\$ 1,528,828</u>	<u>\$ 29,316,832</u>	<u>\$ -</u>
<u>Police and Fire Retirement Plan</u>					
U.S. Government agencies	\$ 10,525,024	\$ -	\$ 522,185	\$ 49,423	\$ 9,953,416
U.S. Government treasuries	9,082,119	1,809,926	1,803,628	3,604,755	1,863,810
Corporate bonds	12,110,462	551,310	4,634,035	2,154,645	4,770,472
Total	<u>\$ 31,717,605</u>	<u>\$ 2,361,236</u>	<u>\$ 6,959,848</u>	<u>\$ 5,808,823</u>	<u>\$ 16,587,698</u>

CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Credit risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investment policy limits investments to those instruments rated at or better than A-1. The Police and Fire Retirement Plan limits investments to those instruments in one of the four highest classifications by a major rating service. The General Employees Retirement Plan and Professional Management Retirement Plans' limit investments to securities ranked in Standard & Poor's, AAA, AA, A, BBB or Moody's Aaa, Aa, A and Baa except for below investment grade bonds held in a co-mingled investment portfolio, such as a mutual fund or insurance company pooled separate account.

As of September 30, 2019, the General Employees Retirement Plan and Professional Management Pension Plans' investments are invested in insurance company pooled separate accounts which are commingled pools, rather than individual securities. As a result, insurance company pooled separate accounts are not rated and are not subject to concentration of credit risk, custodial credit risk or foreign currency risk.

Presented below is the minimum rating as required for each debt type instrument relating to the City's investments as of September 30, 2019:

Average Rating	Corporate Bonds and Notes	US Govt Obligations	Collateralized Mortgage Obligations	Domestic Fixed Income Investment Funds	Municipal Bonds	FL PALM	Florida PRIME	Total
AAA	\$ 50,023	\$ -	\$ 2,375,971	\$ -	\$ -	\$ 11,477,463	\$ 20,465,127	\$34,368,584
AA+	161,431	26,104,222	-	-	-	-	-	26,265,653
AA	1,432,491	-	-	-	-	-	-	1,432,491
AA-	1,647,589	-	-	-	279,001	-	-	1,926,590
A+	2,669,049	-	-	-	-	-	-	2,669,049
A	4,990,317	-	-	-	-	-	-	4,990,317
A-	2,671,600	-	-	-	-	-	-	2,671,600
BBB+	556,691	-	-	-	-	-	-	556,691
Unrated	-	-	1,435,315	648,028	-	-	-	2,083,343
TOTAL	\$14,179,191	\$ 26,104,222	\$ 3,811,286	\$ 648,028	\$279,001	\$ 11,477,463	\$ 20,465,127	\$76,964,318

Presented below is the minimum rating as required for each debt type instrument relating to the Police and Fire Retirement Plan's investments as of September 30, 2019:

Average Rating	Total
Aaa	\$ 11,998,985
A1	102,090
A2	1,393,199
A3	1,233,941
Aa3	250,245
Baa1	1,817,991
Baa2	1,463,259
Baa3	2,587,665
Ba1	345,207
Unrated	10,525,023
Total	\$ 31,717,605

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2019

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial credit risk: “Custodial credit risk” is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a formal policy, but its practice is to ensure that all investments are held by the City or its counterparty in the City’s name, with the exception of its pension investments. In the Police and Fire Retirement Plan, consistent with its investment policy, the investments are held by the Plan’s custodial bank and registered in the Plan’s name. Investments in the General Employees Retirement Plan and Professional/Management Retirement Plan, consist of investments pooled as separate investment accounts, under a group annuity contract and operate similar to a mutual fund. These investments are not subject to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

Foreign currency risk: “Foreign currency risk” is the risk that fluctuations in currency exchange rate may affect transactions conducted in currencies other than U.S. dollars as well as the carrying value of foreign investments. The City and the pension plans are not subject to foreign currency risk as all investments are denominated in U.S. dollars.

Fair value hierarchy: Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City and the City’s pension plans categorize their fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 - Investments' fair values based on prices quoted in active markets for identical assets.

Level 2 - Investments' fair values based on observable inputs for the assets either directly or indirectly, other than those considered Level 1 inputs, which may include quoted prices for identical assets in markets that are not considered to be active, and quoted prices of similar assets in active or inactive markets.

Level 3 - Investments' fair values based upon unobservable inputs.

The City and the City’s pension plans have established a framework to consistently measure the fair value of assets and liabilities in accordance with applicable accounting, legal and regulatory guidance. This framework has been provided by establishing a valuation policy and procedures that will provide reasonable assurance that applicable assets and liabilities are carried at fair value. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment’s level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement requires judgment and considers factors specific to the investment.

Net asset value (NAV) is a common measurement of fair value for Level 1, Level 2 and Level 3 investments. A fund’s NAV is simply its assets less its liabilities, and is often reported as a per share amount for fair value measurement purpose. The plans would multiply the NAV per share owned to arrive at fair value. Level 1 investments in funds such as mutual funds report at a daily NAV per share and are actively traded. NAV also comes into play for Level 2 and 3 investments. As a matter of convenience (or referred to in accounting literature as a “practical expedient”), the plan may use the NAV per share for investment in a non-governmental entity that does not have a readily determined fair value, such as an alternative investment. Investments measured at NAV as a practical expedient would be excluded from the fair value hierarchy because the valuation is not based on actual market inputs but rather is quantified using the fund’s reported NAV as a matter of convenience.

CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

The following table summarizes the valuation of the City's investments in accordance with the above mentioned fair value hierarchy levels as of September 30, 2019:

<u>Investment</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value at 9/30/2019</u>
Debt securities:				
U.S. Government agencies	\$ -	\$ 3,379,656	\$ -	\$ 3,379,656
Corporate notes	-	14,179,191	-	14,179,191
U.S. Government treasuries	-	22,724,566	-	22,724,566
Collateralized mortgage obligations	-	3,811,286	-	3,811,286
Municipal bonds	-	279,001	-	279,001
Domestic fixed income investment funds	648,028	-	-	648,028
Total debt securities	648,028	44,373,700	-	45,021,728
Equity securities:				
Domestic equity investment funds	4,972,125	-	-	4,972,125
International equity investment funds	775,566	-	-	775,566
Total equity securities	5,747,691	-	-	5,747,691
Total investments measured at fair value	\$ 6,395,719	\$ 44,373,700	\$ -	50,769,419
Investments not subject to level disclosure:				
Florida PRIME (exempt)				20,465,127
FL PALM (exempt)				11,477,463
Money market funds (exempt)				13,150,691
Deposits with financial institutions (exempt)				17,319,664
Total investments and cash equivalents				\$ 113,182,364

Following is a description of the valuation methodologies used for assets measured at fair value:

Equity securities, U.S. Treasury securities, domestic fixed income investment funds and commercial paper classified in Level 1, are valued using prices quoted in active markets for those securities.

U.S. Agency and Treasury securities, collateralized mortgage obligations and municipal bonds, classified in Level 2, are valued using pricing models maximizing the use of observable inputs for similar securities.

Corporate notes, classified in Level 2, are valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing the value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yield of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks or a broker quote, if available.

The City does not value any of its investments using Level 3 inputs.

CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

As of September 30, 2019, Professional/Management Retirement Plan assets are invested in insurance pooled separate accounts. As a result, all investments related to the Plan are measured at NAV:

Investments Measured at NAV	9/30/2019	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Equity pooled separate accounts	\$ 9,633,874	\$ -	Daily	1 Day
Fixed income pooled separate accounts	7,519,560	-	Daily	1 Day
Real estate pooled separate accounts	1,493,606	-	Daily	1 Day
Total investments measured at NAV	<u>\$ 18,647,040</u>	<u>\$ -</u>		

As of September 30, 2019, General Employees Retirement Plan assets are invested in insurance pooled separate accounts. As a result, all investments related to the Plan are measured at NAV:

Investments Measured at NAV	9/30/2019	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Equity pooled separate accounts	\$ 25,534,268	\$ -	Daily	1 Day
Fixed income pooled separate accounts	30,845,660	-	Daily	1 Day
Real estate pooled separate accounts	4,901,052	-	Daily	1 Day
Total investments measured at NAV	<u>\$ 61,280,980</u>	<u>\$ -</u>		

The various insurance pooled separate accounts in the Professional/Management Retirement Plan and General Employees Retirement Plan are managed by Principal Financial Group, Inc. The NAV of the separate accounts are calculated in a manner consistent with U.S. GAAP for investment companies and are determinative of their fair value. Equity pooled separate accounts invest in publicly quoted mutual funds or actively managed stocks. The fair value of the underlying mutual funds or stock is used to determine the NAV of the separate account, which is not publicly quoted. Fixed income separate accounts invest in fixed income securities. The fair value of the underlying securities is based on quoted prices of similar assets and used to determine the NAV of the separate account. Real estate pooled separate accounts invest in real estate properties. The fair value is based on discounted cash flow valuation models that utilize public real estate market data inputs such as transaction prices, market rent growth, vacancy levels, leasing absorption, market capitalization rates and discount rates.

CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

The following tables summarize the valuation of the Police and Fire Retirement Plan's investments in accordance with the above mentioned fair value hierarchy levels as of September 30, 2019:

<u>Investment</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value at 9/30/19</u>
Debt securities:				
U.S. Government agencies	\$ -	\$ 10,525,024	\$ -	\$ 10,525,024
Corporate bonds	-	12,110,462	-	12,110,462
U.S. Government treasuries	-	9,082,119	-	9,082,119
Total debt securities	-	31,717,605	-	31,717,605
Equity securities:				
Common stocks	109,684,620	-	-	109,684,620
Mutual funds	2,209,831	-	-	2,209,831
Total equity securities	111,894,451	-	-	111,894,451
Total investments measured at fair value	<u>\$ 111,894,451</u>	<u>\$ 31,717,605</u>	<u>\$ -</u>	143,612,056
Investments measured at NAV*				
Real estate fund				8,125,911
Private equity fund				3,435,436
Hedge funds				17,494,080
Total investments measured at NAV				29,055,427
Investments not subject to level disclosure:				
Money market funds (exempt)				7,865,559
Total investments and cash equivalents				<u>\$ 180,533,042</u>

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

Following is a description of the valuation methodologies used for assets measured at fair value:

Common stock, classified in Level 1, is valued at the closing price reported on the New York Stock Exchange.

Mutual funds classified in Level 1, are valued at the daily closing price as reported by the Plan. Mutual funds held by the Plan are open-ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Debt securities classified in Level 1 and 2, are valued using pricing models maximizing the use of observable inputs for similar securities.

Corporate bonds classified in Level 2, are valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing the value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yield of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks or a broker quote, if available.

Real estate fund is valued at the net asset value of shares held by the Plan at year-end. The Plan has investment in a private market real estate investment for which no liquid public market exists.

CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Real estate funds and hedge funds are valued at net asset value of shares held by the Plan at year-end.

Investments Measured at NAV	9/30/2019	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Real estate fund ⁽¹⁾	\$ 8,125,911	\$ -	Daily	24 Hours
Hedge fund ⁽²⁾	8,876,714	-	Semiannual	95 Days
Hedge fund ⁽³⁾	8,617,366	-	Quarterly	95 Days
Private equity fund ⁽⁴⁾	3,435,436	7,089,023	N/A	N/A
Total investments measured at NAV	<u>\$ 29,055,427</u>	<u>\$ 7,089,023</u>		

⁽¹⁾ Real estate fund: This fund is an open-end, commingled private real estate fund consisting primarily of high quality, well-leased real estate properties in multifamily, industrial, office, retail and hotel sectors throughout the United States. The investment is valued at NAV and redemption requests must be received at least 24 hours before the effective date of the redemption.

⁽²⁾ Hedge fund: This hedge fund of funds invests its assets with a group of selected private investment companies seeking capital appreciation with limited variability of returns. The investment is valued at NAV and redemption requests can be made semiannually subject to a 95 day notice period.

⁽³⁾ Hedge fund: The purpose of this fund is to invest, reinvest and trade securities and other financial instruments mainly through limited partnerships. The investment is valued at NAV and redemption requests must be received by the fund 95 days prior to quarter end.

⁽⁴⁾ Private equity fund: This is a pooled private equity investment fund investing primarily in real assets, private equity, credit and opportunistic alternative asset management strategies. The investment is valued at NAV and redemptions are not allowed unless distributions are determined by the general partner.

NOTE 4. RECEIVABLES

Receivables for the City's governmental activities and each major governmental fund and nonmajor governmental and internal service funds in the aggregate, with the related allowance for uncollectible accounts, as of September 30, 2019, were as follows:

Governmental activities	General	Community Redevelopment Agency Fund	General Obligation Bond Fund	Nonmajor Funds	Internal Service Funds	Total Governmental Activities
Utility and sales tax	\$ 529,943	\$ -	\$ -	\$ -	\$ -	\$ 529,943
Franchise fees	501,378	-	-	-	-	501,378
Sales and user fees	88,321	-	-	402,611	-	490,932
Miscellaneous	102,432	-	-	-	325,054	427,486
Interest	11,172	3,103	103,152	-	-	117,427
CRA loans	-	1,650,784	-	-	-	1,650,784
Gross receivables	1,233,246	1,653,887	103,152	402,611	325,054	3,717,950
Less: allowance for uncollectibles	(61,080)	(77,894)	-	(114,309)	(309,996)	(563,279)
Net total receivables	<u>\$ 1,172,166</u>	<u>\$ 1,575,993</u>	<u>\$ 103,152</u>	<u>\$ 288,302</u>	<u>\$ 15,058</u>	<u>\$ 3,154,671</u>

CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 4. RECEIVABLES (CONTINUED)

Affordable Housing Loan Program: The HBCRA assists homebuyers with the cost of construction of a new single family home, condominium, or townhouse by providing gap funding and closing costs of up to \$80,000 for affordable housing buyers. The program also offers an incentive of up to \$10,000 in down payment assistance for workforce housing buyers. An additional \$5,000 is available for workforce housing buyers who are first responders, teachers and nurses. Repayment is not required if the buyer maintains (homesteads) the property as a primary resident for ten (10) years. Due to the nature of these types of loans, the CRA expenses the loan amount at the time of issuance due to the uncertainty as to the date or amount of future collections.

Receivables for the City's business-type activities and each enterprise fund, with the related allowance for uncollectible accounts, as of September 30, 2019, were as follows:

	Utility Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Cemetery Fund	Total Business-type Activities
<u>Business-type activities</u>					
Water sales	\$ 1,829,539	\$ -	\$ -	\$ -	\$ 1,829,539
Sewer service charges	2,404,410	-	-	-	2,404,410
Garbage and trash	-	702,480	-	-	702,480
Special trash	-	55,874	-	-	55,874
Recycling	-	21,524	-	-	21,524
Stormwater drainage	-	-	734,746	-	734,746
Interest receivable	89,791	6,949	-	-	96,740
Burial rights contracts	-	-	-	19,928	19,928
Other	17,100	-	-	219	17,319
Gross receivables	<u>4,340,840</u>	<u>786,827</u>	<u>734,746</u>	<u>20,147</u>	<u>5,882,560</u>
Less: allowance for uncollectibles	(341,460)	(220,679)	(225,161)	-	(787,300)
Net total receivables	<u>\$ 3,999,380</u>	<u>\$ 566,148</u>	<u>\$ 509,585</u>	<u>\$ 20,147</u>	<u>\$ 5,095,260</u>

NOTE 5. DUE FROM OTHER GOVERNMENTS

Due from other governments for the City's governmental activities and each major governmental fund and nonmajor governmental funds in the aggregate as of September 30, 2019, include the following:

	General Fund	Grants Fund	Nonmajor Governmental Funds	Total Governmental Activities	Stormwater Drainage Fund
<u>Governmental activities</u>					
Federal Government	\$ 1,175,261	\$ 99,284	\$ -	\$ 1,274,545	\$ 1,308,461
Florida Dept of Revenue	801,726	21,423	115,419	938,568	-
Local Governments	236,504	136,624	-	373,128	-
	<u>\$ 2,213,491</u>	<u>\$ 257,331</u>	<u>\$ 115,419</u>	<u>\$ 2,586,241</u>	<u>\$ 1,308,461</u>

CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 6. CAPITAL ASSETS

The following is a summary of capital asset activity for the year ended September 30, 2019:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers ⁽¹⁾</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 36,651,562	\$ -	\$ -	\$ -	\$ 36,651,562
Construction in progress	16,017,697	24,340,709	(90,308)	(4,592,793)	35,675,305
Total capital assets, not being depreciated	<u>52,669,259</u>	<u>24,340,709</u>	<u>(90,308)</u>	<u>(4,592,793)</u>	<u>72,326,867</u>
Capital assets, being depreciated:					
Buildings	38,788,166	26,555	(11,426)	945,226	39,748,521
Improvements other than buildings	35,089,554	7,420	(11,264)	3,360,465	38,446,175
Vehicles and equipment	28,432,148	1,427,124	(1,168,568)	279,102	28,969,806
Infrastructure	26,168,573	-	-	-	26,168,573
Total capital assets, being depreciated	<u>128,478,441</u>	<u>1,461,099</u>	<u>(1,191,258)</u>	<u>4,584,793</u>	<u>133,333,075</u>
Less accumulated depreciation for:					
Buildings	(18,222,838)	(1,276,587)	11,164	-	(19,488,261)
Improvements other than buildings	(10,784,222)	(1,581,950)	11,264	-	(12,354,908)
Vehicles and equipment	(19,380,164)	(2,919,941)	978,603	-	(21,321,502)
Infrastructure	(20,306,758)	(243,468)	-	-	(20,550,226)
Total accumulated depreciation	<u>(68,693,982)</u>	<u>(6,021,946)</u>	<u>1,001,031</u>	<u>-</u>	<u>(73,714,897)</u>
Total capital assets, being depreciated, net	<u>59,784,459</u>	<u>(4,560,847)</u>	<u>(190,227)</u>	<u>4,584,793</u>	<u>59,618,178</u>
Governmental activities capital assets, net	<u>\$ 112,453,718</u>	<u>\$ 19,779,862</u>	<u>\$ (280,535)</u>	<u>\$ (8,000)</u>	<u>\$ 131,945,045</u>

(1) Net transfers of \$8,000 relate to assets constructed by governmental activities contributed to enterprise funds.

Internal service funds predominantly serve the governmental funds. Accordingly, capital assets for them are included as part of the above totals for governmental activities. At September 30, 2019, \$2,872,340 of internal service fund related capital assets are included in the above amounts.

CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 6. CAPITAL ASSETS (CONTINUED)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers ⁽¹⁾</u>	<u>Ending Balance</u>
Business-type activities					
Capital assets, not being depreciated:					
Land	\$ 1,263,102	\$ -	\$ -	\$ -	\$ 1,263,102
Construction in progress	3,447,899	11,990,238	(60,622)	(774,285)	14,603,230
Total capital assets, not being depreciated	<u>4,711,001</u>	<u>11,990,238</u>	<u>(60,622)</u>	<u>(774,285)</u>	<u>15,866,332</u>
Capital assets, being depreciated:					
Buildings	20,546,831	-	-	-	20,546,831
Improvements other than buildings	4,905,565	-	(94,682)	-	4,810,883
Vehicles and equipment	8,266,445	328,654	(448,829)	62,913	8,209,183
Infrastructure	70,603,750	3,068,975	-	719,372	74,392,097
Total capital assets, being depreciated	<u>104,322,591</u>	<u>3,397,629</u>	<u>(543,511)</u>	<u>782,285</u>	<u>107,958,994</u>
Less accumulated depreciation for:					
Buildings	(14,108,715)	(869,266)	-	-	(14,977,981)
Improvements other than buildings	(2,379,435)	(212,838)	94,682	-	(2,497,591)
Vehicles and equipment	(7,816,017)	(169,755)	440,378	-	(7,545,394)
Infrastructure	(41,956,452)	(2,221,096)	-	-	(44,177,548)
Total accumulated depreciation	<u>(66,260,619)</u>	<u>(3,472,955)</u>	<u>535,060</u>	<u>-</u>	<u>(69,198,514)</u>
Total capital assets, being depreciated, net	<u>38,061,972</u>	<u>(75,326)</u>	<u>(8,451)</u>	<u>782,285</u>	<u>38,760,480</u>
Business-type activities capital assets, net	<u>\$ 42,772,973</u>	<u>\$ 11,914,912</u>	<u>\$ (69,073)</u>	<u>\$ 8,000</u>	<u>\$ 54,626,812</u>

(1) Net transfers of \$8,000 relate to assets constructed by governmental activities contributed to enterprise funds.

Depreciation expense was charged to function/programs of the primary government as follows:

Governmental activities:	
General government	\$ 3,133,598
Public safety	1,099,683
Physical environment	9,599
Transportation	301,357
Economic environment	54,326
Culture and recreation	1,381,511
Human services	41,872
Total depreciation expense - governmental activities	<u>\$ 6,021,946</u>
Business-type activities:	
Utility	\$ 2,133,592
Sanitation	20,548
Stormwater drainage	1,311,964
Cemetery	6,851
Total depreciation expense - business-type activities	<u>\$ 3,472,955</u>

CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 7. INTERFUND ACTIVITIES

Interfund receivable and payable balances as of September 30, 2019, are as follows:

Due From	Due To
	General
Community Redevelopment	\$ 187,328
Grants	148,927
Nonmajor Governmental	61,119
Total	\$ 397,374

Transfers: The composition of interfund transactions for the year ended September 30, 2019, is as follows:

	Transfers In		Total Transfers Out
	General Fund	Nonmajor Governmental Funds	
Transfers Out			
General Fund	\$ -	\$ 1,012,417	\$ 1,012,417
Community Redevelopment	-	1,287,611	1,287,611
Capital Projects Fund	-	132,762	132,762
General Obligation Bond Fund	-	874,034	874,034
Sanitation Fund	1,500,000	-	1,500,000
Total	\$ 1,500,000	\$ 3,306,824	\$ 4,806,824

The transfer into the General Fund from the Sanitation Fund represents net revenues used to support various operating costs. The transfers into the nonmajor governmental funds represents transfers from various funds to the 2016 G.O. Bond Fund to cover debt service payments and transfers into the Revenue Bond Fund to provide funding for the repayment of the Capital Improvement Refunding Revenue Bonds, Series 2016.

CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities for the City's governmental activities, each major governmental fund and nonmajor governmental and internal service funds in the aggregate as of September 30, 2019, were as follows:

	General Fund	Community Redevelopment Agency Fund	Grants Fund	General Obligation Bond Fund
Governmental activities				
Vendor payables	\$ 150,623	\$ 476,613	\$ 85,449	\$ 2,408,357
Retainage payables	-	22,607	-	1,232,015
Other liabilities	1,800,870	31,433	-	-
Total payables	<u>\$ 1,951,493</u>	<u>\$ 530,653</u>	<u>\$ 85,449</u>	<u>\$ 3,640,372</u>

	Capital Projects Fund	Nonmajor Governmental Funds	Internal Service Funds	Total Governmental Activities
Vendor payables	\$ 8,424	\$ 514,880	\$ 119,848	\$ 3,764,194
Retainage payables	-	-	-	1,254,622
Other liabilities	-	-	-	1,832,303
Total payables	<u>\$ 8,424</u>	<u>\$ 514,880</u>	<u>\$ 119,848</u>	<u>\$ 6,851,119</u>

Accounts payable and accrued liabilities for the City's business-type activities, each major and nonmajor enterprise fund as of September 30, 2019, were as follows:

	Utility Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Cemetery Fund	Total Business-type Activities
Business-type activities					
Vendor payables	\$ 1,896,905	\$ 193,687	\$ 1,358,998	\$ 4,747	\$ 3,454,337
Retainage payables	160,510	-	348,726	-	509,236
Accrued wastewater treatment expense	866,212	-	-	-	866,212
Other liabilities	368	-	-	-	368
Total payables	<u>\$ 2,923,995</u>	<u>\$ 193,687</u>	<u>\$ 1,707,724</u>	<u>\$ 4,747</u>	<u>\$ 4,830,153</u>

CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 9. LONG-TERM DEBT AND OTHER OBLIGATIONS

The following is a summary of long-term debt and other obligation transactions for the year ended September 30, 2019:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable					
Refunding revenue bonds - Series 2016	\$ 21,435,000	\$ -	\$ (1,365,000)	\$ 20,070,000	\$ 1,435,000
HBCRA Redevelopment Revenue Bonds	11,655,000	-	(1,325,000)	10,330,000	1,360,000
G.O. bonds - Series 2016	55,475,000	-	(1,065,000)	54,410,000	1,120,000
Unamortized bond premium	6,832,109	-	(703,279)	6,128,830	-
	<u>95,397,109</u>	<u>-</u>	<u>(4,458,279)</u>	<u>90,938,830</u>	<u>3,915,000</u>
Other long-term liabilities:					
Equipment capital lease obligations	1,308,267	448,549	(151,411)	1,605,405	239,093
Accrued claims for self-insured risks	3,888,000	1,565,873	(1,624,873)	3,829,000	1,231,000
Legal fee accrual	-	486,637	-	486,637	486,637
Net pension liability	69,779,587	40,326,142	(33,452,426)	76,653,303	-
Total pension liability - excess benefit plan	14,230,039	621,753	(1,299,855)	13,551,937	-
Total OPEB liability	11,341,823	1,010,273	(488,972)	11,863,124	-
Compensated absences	3,430,368	4,192,625	(4,483,456)	3,139,537	241,833
	<u>103,978,084</u>	<u>48,651,852</u>	<u>(41,500,993)</u>	<u>111,128,943</u>	<u>2,198,563</u>
Governmental activity					
Long-term liabilities	<u>\$ 199,375,193</u>	<u>\$ 48,651,852</u>	<u>\$ (45,959,272)</u>	<u>\$ 202,067,773</u>	<u>\$ 6,113,563</u>
Business-type activities:					
Revenue note - Series 2014	\$ 3,905,000	\$ -	\$ (520,000)	\$ 3,385,000	\$ 530,000
Revenue note - Series 2012	1,275,000	-	(310,000)	965,000	315,000
SRF note payable	504,980	11,999	(25,461)	491,518	25,730
	<u>5,684,980</u>	<u>11,999</u>	<u>(855,461)</u>	<u>4,841,518</u>	<u>870,730</u>
Other long-term liabilities:					
Net pension liability	3,657,160	2,096,558	(2,293,237)	3,460,481	-
Total OPEB liability	1,912,852	458,786	(93,884)	2,277,754	-
Compensated absences	424,660	479,151	(487,755)	416,056	33,177
	<u>5,994,672</u>	<u>3,034,495</u>	<u>(2,874,876)</u>	<u>6,154,291</u>	<u>33,177</u>
Business-type activity					
Long-term liabilities	<u>\$ 11,679,652</u>	<u>\$ 3,046,494</u>	<u>\$ (3,730,337)</u>	<u>\$ 10,995,809</u>	<u>\$ 903,907</u>

Governmental Activities

Revenue Bonds and Notes: On July 20, 2016, the City issued Capital Improvement Refunding Revenue Bonds, Series 2016 in the amount of \$21,720,000 to partially advance refund outstanding principal related to the Revenue Bonds, Series 2007A and to finance the acquisition, construction and equipping of the City's Main Fire Station. The bonds, including the payment of interest are secured by a pledge from the City to budget and appropriate an amount from non-ad valorem revenues. The interest rates range from 2% to 5% and the final maturity is October 1, 2035.

On July 20, 2016, the City issued General Obligation Bonds, Series 2016, per City Ordinance No. 2014-33 in the amount of \$57,500,000. The bonds were issued to fund the costs of construction, expansion, renovation and improvements of City-wide parks and recreation facilities in accordance with the City's City-Wide Parks Master Plan dated February 10, 2012. Revenue for ad valorem taxes levied on all taxable property in the City will be used to pay the debt service on the note. The interest rates range from 3% to 5% and the final maturity is July 1, 2046.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2019

NOTE 9. LONG-TERM DEBT AND OTHER OBLIGATIONS (CONTINUED)

On November 18, 2015, the HBCRA Board authorized the issuance of HBCRA Redevelopment Revenue Note, Series 2015 in the amount of \$15,400,000 for the purpose of financing and reimbursing the cost of the acquisition, construction and equipping of certain capital improvements consistent with the Agency's Redevelopment Plan. Pledged revenues consist of the HBCRA's tax increment revenues paid by the City, Broward County, the South Broward Hospital District and the Children's Services Council of Broward County, as well as the water public service tax revenues. The note bears an interest rate of 2.72% and the final maturity is February 1, 2026.

Capital Lease Obligations: On September 1, 2019, the City entered into a lease agreement to finance the acquisition of radio equipment for public safety. This lease qualifies as a capital lease for accounting purposes, and therefore, has been recorded at the value of future minimum lease payments as of the date of its inception. The lease agreement carries a nominal interest rate of 3.867%. Principal and interest payments are due September 1 of each year, commencing September 1, 2020, and every year thereafter until the end of the lease term on September 1, 2026.

On November 16, 2018, the City entered into a capital lease agreement to finance the acquisition of city-wide surveillance equipment. This lease qualifies as a capital lease for accounting purposes and therefore, has been recorded at the value of future minimum lease payments as of the date of inception. The equipment acquired through the lease agreement were recorded under governmental activities as capital assets during the fiscal year 2019 with a cost of \$448,549. The lease agreement carries a nominal interest rate of 5.75%. Principal and interest payments are due on the 5th of every month, commencing on December 5, 2018, and every month thereafter until the end of the lease term on November 5, 2023. The capital lease agreement has a bargain purchase option of \$1.

Business-Type Activities

Revenue Bonds and Notes: The Revenue Note, Series 2012 was issued in the amount of \$2,770,000 at 1.5% interest. Interest on the note is to be paid semiannually on each May 1 and November 1, commencing November 1, 2012, and continuing until the note is paid in full. The principal amount of the bonds will be due and payable on November 1, 2012, and each November 1 thereafter until the maturity date. Pledged revenues include the net revenues of the City's water, sewer and stormwater utility systems. The difference in cash flows produced nominal savings of \$434,668 and an economic gain on the transaction of \$402,331 which represents a 13.661% savings of the refunded bonds. The note matures on November 1, 2021.

The Revenue Bonds, Series 2005A were refunded on December 30, 2014. The City issued the Refunding Revenue Note, Series 2014 in the amount of \$5,390,000 for the purpose of refinancing the City's outstanding obligations pursuant to the loan agreement dated February 7, 2005, between the City and the Florida Municipal Loan Council. The Refunding Revenue Note, Series 2014 is subject to a fixed rate of interest equal to 2.25% and secured solely by pledged revenues. Pledged revenues include net revenues of the City's water and sewer system, the gross revenues of the City's stormwater system and legally available City's utility impact fees. Interest on the Series 2014 Note is to be paid semiannually on each February 1 and August 1, commencing February 1 2015, and continuing until the note is paid in full. The principal amount of the Series 2014 Note will be due and payable on February 1, 2016, and each February 1 thereafter until the maturity date. The note matures on February 1, 2025.

State Revolving Loan: Under the State of Florida Revolving Fund program, the City has received various loan commitments for improvements to the City's wastewater collection system. Draws against the committed loan totaled \$491,518 as of as of September 30, 2019. The City can draw up to a total principal amount of \$550,000. The interest rate on the unpaid principal of the loan balance is 1.38% per annum.

Related payments of principal and interest as presented in the table of annual debt service requirements have not been finalized. The annual debt service requirements represent a projected estimate of payment requirements. The City has agreed to maintain rates, together with other pledged revenues, sufficient to provide "net revenues" equal to at least 1.15 times the annual loan payments after meeting the primary debt service requirements. Reserve and debt service funding requirements pursuant to the agreements were met in fiscal year 2019.

CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 9. LONG-TERM DEBT AND OTHER OBLIGATIONS (CONTINUED)

Other Long-Term Liabilities

Within governmental activities, the General Fund has primarily been used to liquidate other long-term liabilities such as compensated absences, other post-employment benefits, and the related pension liabilities. Internal service funds predominantly serve the governmental funds. Therefore, long-term liabilities for them are included as part of the totals for governmental activities.

A summary of annual debt service requirements as of September 30, 2019, is as follows:

Year Ending September 30,	Governmental Activities							
	Refunding Revenue Bonds Series 2016		HBCRA Redevelopment Revenue Note		General Obligation Bonds Series 2016		Equipment Capital Lease Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 1,435,000	\$ 864,787	\$ 1,360,000	\$ 280,976	\$ 1,120,000	\$ 1,960,756	\$ 239,093	\$ 67,101
2021	1,505,000	791,287	1,395,000	243,984	1,175,000	1,904,756	250,043	56,151
2022	1,580,000	714,163	1,435,000	206,040	1,230,000	1,846,006	261,516	44,679
2023	1,660,000	633,163	1,475,000	167,008	1,295,000	1,784,506	273,539	32,655
2024	1,740,000	548,163	1,515,000	126,888	1,360,000	1,719,756	198,061	21,937
2025 - 2029	8,395,000	1,387,263	3,150,000	129,064	7,880,000	7,509,281	383,152	22,365
2030 - 2034	2,585,000	422,681	-	-	9,815,000	5,573,961	-	-
2035 - 2039	1,170,000	35,400	-	-	11,415,000	3,969,881	-	-
2040 - 2044	-	-	-	-	13,240,000	2,151,131	-	-
2045 - 2046	-	-	-	-	5,880,000	277,031	-	-
	<u>\$20,070,000</u>	<u>\$ 5,396,907</u>	<u>\$10,330,000</u>	<u>\$ 1,153,960</u>	<u>\$54,410,000</u>	<u>\$28,697,065</u>	<u>\$ 1,605,404</u>	<u>\$ 244,888</u>

Year Ending September 30,	Business-type Activities					
	Revenue Note Series 2012		Revenue Note Series 2014		State Revolving Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 315,000	\$ 14,721	\$ 530,000	\$ 70,200	\$ 25,730	\$ 6,672
2021	320,000	8,933	545,000	58,106	26,086	6,316
2022	330,000	3,008	560,000	45,675	26,446	5,956
2023	-	-	565,000	33,019	26,810	5,592
2024	-	-	585,000	20,081	27,180	5,222
2025 - 2029	-	-	600,000	6,750	141,633	20,377
2030 - 2034	-	-	-	-	151,679	10,331
2035 - 2038	-	-	-	-	65,954	1,161
	<u>\$ 965,000</u>	<u>\$ 26,662</u>	<u>\$ 3,385,000</u>	<u>\$ 233,831</u>	<u>\$ 491,518</u>	<u>\$ 61,627</u>

CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 9. LONG-TERM DEBT AND OTHER OBLIGATIONS (CONTINUED)

Pledged Revenue: General long-term debt bonds and the notes are collateralized by multiple sources. The City has pledged certain revenue to repay revenue bonds and the notes outstanding as of September 30, 2019. The following table reports the revenue, net of related operating expenses for business-type activities, pledged for each debt issue, the amounts of such revenue received in the current year, the current year principal and interest paid and/or accrued on the debt, the date through which the revenue is pledged under the debt agreement, and the total pledged future revenue for each debt, which is the amount of the remaining principal and interest on the bonds and notes at September 30, 2019:

Description of Bonds	Pledged Revenue	Revenue Received	Principal and Interest Paid	Percentage of Current Year Debt Service To Pledged Revenue	Outstanding Principal and Interest	Pledged Through
Governmental Activities:						
Refunding Revenue Bonds, Series 2016	Non Ad Valorem	\$ 25,127,595	\$ 2,299,788	9.15%	\$25,466,907	2036
General Obligation Bonds, Series 2016	Ad Valorem	33,968,769	3,079,006	9.06%	83,107,035	2046
HBCRA Redevelopment Revenue Note	Tax Increment	13,667,269	1,642,104	12.01%	11,483,960	2026
Business-type Activities						
Revenue Note, Series 2014	Net revenues of water, sewer and stormwater utility	9,189,866	602,013	6.55%	3,618,831	2025
Revenue Note, Series 2012	Net revenues of water, sewer and stormwater utility	9,189,866	330,418	3.60%	991,662	2022
State Revolving Fund Loan	Net revenues of water and sewer utility, less payment of senior obligations	5,522,224	32,402	0.59%	553,145	2036

Defeased and Refunded Debt: On July 20, 2016, the City defeased a portion of the Series 2007A bonds through an advance refunding. An advance refunding occurs by placing the proceeds of new bond issuances in an irrevocable trust with an escrow agent (third party financial institution), sufficient to provide for all future debt service requirements on the old bond issuance. The defeasance of these bonds resulted in the City removing the assets placed in the trust and related debt from the City's financial statements. At September 30, 2019, \$14,045,000 of bonds outstanding are considered defeased.

NOTE 10. PENSION PLANS

The City provides three separate defined benefit single-employer pension plans (General Employees Retirement Plan, Police and Fire Retirement Plan, and the Professional/Management Retirement Plan). The City accounts for these plans as pension trust funds.

Summary of Significant Accounting Policies

Basis of Accounting

The pension plans are accounted for on the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 10. PENSION PLANS (CONTINUED)

Investments

Plan investments are valued as described in Note 3, Fair Value Hierarchy. Unrealized gains and losses are presented as net increase (decrease) in fair value of investments on the statement of changes in fiduciary net position along with the gains and losses realized on the sales of investments. Purchases and sales of investments are recorded on a trade-date basis.

Administrative Expenses

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

Risks and Uncertainties

The Plans invest in various investment securities. As noted in Note 3, investment securities are exposed to various risks such as interest rate, market, credit, and foreign currency 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 fiduciary net position for each plan. The plans, through their investment advisors, monitor plan investments and the risks associated therewith on a regular basis to minimize these risks.

General Employees' Retirement Plan

Plan description: The City of Hallandale Beach Retirement Plan is a single-employer defined-benefit plan. The Plan covers all City employees except police officers, firefighters and management/professional employees. Effective October 1, 2007, the Plan was closed to new non-bargaining employees. Effective January 5, 2011, the Plan was closed to bargaining employees. Accordingly, no new participants have entered the Plan after January 5, 2011. The City does not issue a stand-alone financial report for the Plan. As of September 30, 2019, employee membership data related to the plan was as follows:

Inactive plan members or beneficiaries currently receiving benefits	152
Inactive plan members entitled to, but not receiving benefits	72
Active plan members	81
Total	<u>305</u>

Benefits provided: The Plan provides enhanced retirement as well as death benefits. Benefits vest 20% after three years of active participation, plus 20% for each additional year to 100% after seven years. Employees who retire at or after age 60 with 15 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 73-75% of average compensation times the accrued benefit adjustment. Average compensation is equal to the monthly average of total pay within the three-year period ending on the day prior to the normal retirement date.

Employees with 20 years of credited service may retire at or after age 55 and receive reduced retirement benefits. The City Commission has the authority to create or amend benefit provisions.

If an employee leaves covered employment or dies before five years of credited service, accumulated employee contributions plus related investment earnings are refunded to the employee or designated beneficiary.

CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 10. PENSION PLANS (CONTINUED)

General Employees' Retirement Plan (Continued)

The Deferred Retirement Option Plan (DROP) is available to all plan members who have become eligible for early or normal retirement. Upon electing to participate in the DROP, members are considered to have retired for pension purposes but continue to remain in active employment with 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. However, instead of paying the benefit to the member, a DROP account is established, and the benefit is deposited into the account every month for up to five years. These deposits continue to accumulate interest. Upon actual 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. At September 30, 2019, there were 19 DROP participants, with a total balance of \$1,940,134. These funds are included in the Plan's Fiduciary Net Position.

Contributions: The Plan's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate sufficient assets to pay benefits when due. Level percentages of payroll contribution rates are determined using the entry age normal cost method. The City Commission has the authority to establish and amend contribution requirements of plan members. Covered employees are required by City ordinance to contribute 3% of monthly earnings. The City is required to contribute the remaining amounts necessary to fund the plan, based on an actuarially determined amount each year.

The employees, in accordance with City ordinance, made contributions for the year ending September 30, 2019, totaling \$172,187. Employer contributions for same period, as determined by the October 1, 2017, actuarial valuation, totaled \$2,505,013 or 100% of the actual amount required.

Target allocations: The Plan's investment policy establishes authorized investment classes, concentration limits, maturity constraints, investment ratings, and liquidity parameters. The policy and actual investment mix is monitored by the Board and the Plan's investment consultants. The target asset allocations as determined through monitoring for the years ended September 30, 2019 and 2018, are as follows.

<u>Asset Class</u>	<u>Target Allocation</u>	
	<u>2019</u>	<u>2018</u>
U.S. equity	27.3%	27.3%
International equity	14.7%	14.7%
Fixed income - core bonds	47.5%	45.0%
Fixed income - high yield	2.5%	5.0%
Real estate	6.0%	6.0%
Conservative asset allocation	2.0%	2.0%
Total	100.0%	100.0%

Police Officers' and Firefighters' Personnel Retirement Trust

Plan description: The City of Hallandale Beach Police Officers' and Firefighters' Personnel Retirement Trust is a single-employer defined benefit plan, which covers all police officers and firefighters. The Police and Fire Retirement Plan issues a stand-alone financial report. Copies of this report are available in the Finance Department in the Municipal Complex. As of September 30, 2019, employee membership data related to the plan was as follows:

Inactive plan members or beneficiaries currently receiving benefits	173
Inactive plan members entitled to, but not receiving benefits	10
Active plan members	137
Total	<u>320</u>

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2019

NOTE 10. PENSION PLANS (CONTINUED)

Police Officers' and Firefighters' Personnel Retirement Trust (Continued)

Benefits provided: The plan provides retirement benefits as well as death and disability benefits. Employees vest after ten years of service. Employees who retire at or after age 52 with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 3.2% of average rate of pensionable earnings (salary) for the two most recent completed calendar years prior to retirement or termination with the City, times years and completed months of service, not to exceed 80% of final salary. Employees with ten years of credited service may retire at or after age 45 and receive reduced retirement benefits. Employees who attain the 80% maximum multiplier (25 credited years of service) may retire at any age and receive normal retirement pension accrued. The Plan includes a Deferred Retirement Option, Medical Stipend, Cost of Living Adjustment and Additional Accrual Service purchase benefits.

If an employee leaves covered employment or dies before ten years of credited service, accumulated employee contributions plus related investment earnings are refunded to the employee or designated beneficiary. The service-incurred benefit is 30% of monthly compensation at time of death or the accrued monthly retirement benefit, whichever is greater. The nonservice incurred benefit requires ten years of service and is the accrued monthly retirement benefit. The City is required by State of Florida statute to contribute the remaining amounts necessary to finance the coverage of its employees.

The Deferred Retirement Option Plan (DROP) is available to all plan members who have become eligible for normal retirement. Upon electing to participate in the DROP, members are considered to have retired for pension purposes but continue to remain in active employment with the City. Monthly payments are deposited into a DROP account and credited with interest based on actual earnings of the plan assets, less 0.5% per year for administrative expenses. Maximum period of participation in the DROP is five years. Upon actual 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 may leave their accrued DROP balance (or a portion thereof) in the fund, earning interest, until age 70.5. As of the date of the most recent actuarial valuation, there were 21 active employees in the DROP plan. The balance in the DROP account for these employees as well as for those already retired is \$30,709,849. These funds are included in the Plan's Fiduciary Net Position.

Retired police officers hired before March 20, 2013, and firefighters hired before August 7, 2013, are eligible for certain automatic cost of living adjustment (COLA) increases. There is no automatic COLA structure for police officers or firefighters hired on or after the aforementioned dates. The automatic COLA increases for eligible retirees are dependent on the hire and retirement dates of individual retirees as outlined in the Plan document and are applied if the Consumer Price Index for Urban Areas (CPIU) is equal to or greater than 0.5% for the 12 month period at September 30.

Contributions: The plan's funding policy provides for periodic employer contributions at actuarially determined rates which, expressed as percentages of annual covered payroll, are sufficient to accumulate sufficient assets to pay benefits when due. Level percentages of payroll contribution rates are determined using the entry age normal actuarial cost method. The City Commission has the authority to establish and amend contribution requirements of plan members. Covered employees are required by ordinance to contribute 9.5% of their salary to the plan.

Pursuant to Florida Statutes, Chapter 175 and Chapter 185, contributions from the State of Florida Department of Insurance consist of a 1.85% excise tax imposed by the City upon certain property insurance companies on the gross amount of premiums from policy holders on all property insurance policies covering property within the City. This amount totaled \$653,582 for the year ended September 30, 2019. This amount was recognized as an expenditure and revenue in the General Fund. Contributions for year ended September 30, 2019, consisting of \$10,705,946 for the employer, or 100% of the required employer contribution and \$1,565,590 for the employees, were made in accordance with the state statute and in accordance with actuarially determined contribution requirements determined through an actuarial valuation performed at October 1, 2017.

CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 10. PENSION PLANS (CONTINUED)

Police Officers' and Firefighters' Personnel Retirement Trust (Continued)

Target allocations: The Plan's investment policy establishes authorized investment classes, concentration limits, maturity constraints, investment ratings, and liquidity parameters. The policy and actual investment mix is monitored by the Board and the Plan's investment consultants. The target asset allocations as determined through monitoring for the years ended September 30, 2019 and 2018, are as follows.

<u>Asset Class</u>	<u>Target Allocation</u>
Equities	62.5%
Fixed income	17.5%
Real estate	5.0%
Private equity	5.0%
Hedge funds	10.0%
Total	<u>100.0%</u>

Professional/Management Retirement Plan

Plan description: The City of Hallandale Beach Professional/Management Retirement Plan is a single-employer defined-benefit plan, established by City Ordinance 2004-22, as amended. The Plan covers most professional/management employees hired before January 1, 2007, as indicated in the Personnel Resource System. Such employees hired after that date are covered by the ICMA defined contribution plan, a description of which follows. The City does not issue a stand-alone financial report for the plan.

As of September 30, 2019, employee membership data related to the plan was as follows:

Inactive plan members or beneficiaries currently receiving benefits	24
Inactive plan members entitled to, but not receiving benefits	9
Active plan members	<u>5</u>
Total	<u><u>38</u></u>

Benefits provided: The Plan provides enhanced retirement benefits as well as death and disability benefits. Benefits vest 100% after four years. Employees can retire at or after age 60 with four years of credited service or age 52 with ten years of credited service or upon attaining the maximum benefit regardless of age. The benefit amount is calculated as 3.2% for each year of eligible service multiplied by a two-year average compensation up to a maximum benefit of 80% of average compensation. Employees who retire early with ten years of service and age 45 incur a reduction of 6% for each year the early retirement date precedes the normal retirement date. The Plan includes a Deferred Retirement Option, Medical Stipend, Excess Benefit Plan, Cost of Living Adjustment and Additional Accrual Service purchase benefits.

If an employee leaves covered employment or dies before four years of credited service, accumulated employee contributions plus related investment earnings are refunded to the employee or designated beneficiary.

The Deferred Retirement Option Plan (DROP) is available to all plan members who have become eligible for early or normal retirement. Upon electing to participate in the DROP, members are considered to have retired for pension purposes but continue to remain in active employment with 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. However, instead of paying the benefit to the member, a DROP account is established, and the benefit is deposited into the account every month for up to five years. These deposits continue to accumulate interest. Upon actual 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. At September 30, 2019, there were three DROP participants, with a total asset balance of \$534,338. These funds are included in the Plan's Fiduciary Net Position.

CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 10. PENSION PLANS (CONTINUED)

Professional/Management Retirement Plan (Continued)

Each January 1, beginning January 1, 2004, eligible retirees will receive a COLA increase if the Consumer Price Index published by the US Department of Labor has increased by at least 0.5%. The maximum increase for fiscal years 2004 and 2005 was 1% and the maximum increase thereafter is 2%

Contributions: The Plan's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate sufficient assets to pay benefits when due. Level percentages of payroll contribution rates are determined using the entry age normal-frozen initial liability actuarial cost method. The City Commission has the authority to establish and amend contribution requirements of plan members. Covered employees are required by plan documents to contribute 7% of monthly compensation. The City is required to contribute the remaining amounts necessary to fund the plan, based on an actuarially determined amount each year.

The employees, in accordance with plan documents, made contributions for the year ended September 30, 2019, totaling \$44,346. Employer contributions for the same period, as determined by the October 1, 2017, actuarial valuation totaled \$731,430 or 100% of the actual amount required. Payments of contributions, benefits and refunds are recognized in the financial statements as they are paid.

Target allocations: The Plan's investment policy establishes authorized investment classes, concentration limits, maturity constraints, investment ratings, and liquidity parameters. The policy and actual investment mix is monitored by the Board and the Plan's investment consultants. The target asset allocations as determined through monitoring for the years ended September 30, 2019 and 2018, are as follows.

Asset Class	Target Allocation	
	2019	2018
U.S. equity	33.8%	33.8%
International equity	18.2%	18.2%
Fixed income - core bonds	36.0%	36.0%
Fixed income - high yield	4.0%	4.0%
Real estate	6.0%	6.0%
Conservative asset allocation	2.0%	2.0%
Total	100.0%	100.0%

CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 10. PENSION PLANS (CONTINUED)

Professional/Management and General Employees' Retirement Plans

The following is financial information for the pension plans that do not issue stand-alone financial statements:

**Statements of Fiduciary Net Position and Changes in Fiduciary Net Position
As of and for the Year Ended September 30, 2019**

	General Employees' Retirement Plan	Professional/ Management Retirement Plan
Assets		
Investments:		
Equity pooled separate accounts	\$ 25,534,268	\$ 9,633,874
Fixed income pooled separate accounts	30,845,660	7,519,560
Real estate pooled separate accounts	4,901,052	1,493,606
Total investments	<u>61,280,980</u>	<u>18,647,040</u>
 Total assets	 <u>61,280,980</u>	 <u>18,647,040</u>
 Net position		
Restricted for pension benefits	 <u>\$ 61,280,980</u>	 <u>\$ 18,647,040</u>
	General Employees' Retirement Plan	Professional/ Management Retirement Plan
Additions		
Contributions:		
Employer	\$ 2,505,013	\$ 731,430
Plan members	172,187	44,346
Total contributions	<u>2,677,200</u>	<u>775,776</u>
 Investment income:		
Net increase in fair value of investments	3,132,820	805,258
Less: investment expense	(66,794)	(37,788)
Net investment income	<u>3,066,026</u>	<u>767,470</u>
Total additions	5,743,226	1,543,246
 Deductions		
Benefits	<u>3,653,987</u>	<u>1,072,615</u>
 Change in net position	 2,089,239	 470,631
 Net position, beginning	 59,191,741	 18,176,409
Net position, ending	<u>\$ 61,280,980</u>	<u>\$ 18,647,040</u>

CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 10. PENSION PLANS (CONTINUED)

Changes in Net Pension Liability of the City

The Changes in the components of the net pension liability of the City for the fiscal year ended September 30, 2019, were as follows for the General Employees' Retirement Plan:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
Balances at 9/30/18	\$ 69,146,540	\$ 57,149,032	\$ 11,997,508
Changes for the year:			
Service cost	1,007,543	-	1,007,543
Interest on total pension liability	4,771,881	-	4,771,881
Differences between expected and actual experience	(1,060,336)	-	(1,060,336)
Benefit payments, including refunds of employee contributions	(3,626,109)	(3,626,109)	-
Contributions - employer	-	2,506,098	(2,506,098)
Contributions - employee	-	179,523	(179,523)
Net investment income	-	3,027,545	(3,027,545)
Administrative expenses	-	(44,348)	44,348
Net change	<u>1,092,979</u>	<u>2,042,709</u>	<u>(949,730)</u>
Balances at 9/30/19	<u>\$ 70,239,519</u>	<u>\$ 59,191,741</u>	<u>\$ 11,047,778</u>

The Changes in the components of the net pension liability of the City for the fiscal year ended September 30, 2019, were as follows for the Police Officers' and Firefighters' Retirement Trust:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
Balances at 9/30/18	\$ 219,162,984	\$ 160,524,518	\$ 58,638,466
Changes for the year:			
Service cost	2,866,703	-	2,866,703
Interest on total pension liability	17,317,517	-	17,317,517
Changes of benefit terms	9,897,461	-	9,897,461
Differences between expected and actual experience	3,386,280	-	3,386,280
Change in assumptions	1,225,338	-	1,225,338
Benefit payments, including refunds of employee contributions	(11,108,749)	(11,108,749)	-
Contributions - employer	-	9,277,568	(9,277,568)
Contributions - employee	-	1,252,541	(1,252,541)
Contributions - buy back	208,015	208,015	-
Net investment income	-	16,196,463	(16,196,463)
Administrative expenses	-	(219,333)	219,333
Net change	<u>23,792,565</u>	<u>15,606,505</u>	<u>8,186,060</u>
Balances at 9/30/19	<u>\$ 242,955,549</u>	<u>\$ 176,131,023</u>	<u>\$ 66,824,526</u>

The Changes in the components of the net pension liability of the City for the fiscal year ended September 30, 2019, were as follows for the Professional/Management Retirement Plan:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
Balances at 9/30/18	\$ 20,495,104	\$ 17,694,331	\$ 2,800,773
Changes for the year:			
Service cost	224,807	-	224,807
Interest on total pension liability	1,443,460	-	1,443,460
Differences between expected and actual experience	(325,174)	-	(325,174)
Benefit payments, including refunds of employee contributions	(1,420,308)	(1,420,308)	-
Contributions - employer	-	725,270	(725,270)
Contributions - employee	-	53,805	(53,805)
Net investment income	-	1,141,340	(1,141,340)
Administrative expenses	-	(18,029)	18,029
Net change	<u>(77,215)</u>	<u>482,078</u>	<u>(559,293)</u>
Balances at 9/30/19	<u>\$ 20,417,889</u>	<u>\$ 18,176,409</u>	<u>\$ 2,241,480</u>

CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 10. PENSION PLANS (CONTINUED)

Net Pension Liability of the City – All Defined Benefit Pension Plans

As of September 30, 2019, the City reported the following net pension liability (NPL) which was measured as of September 30, 2018, (measurement date in accordance with GASB Statement No. 68) associated with each plan:

	<u>General Employees' Retirement Plan</u>	<u>Police Officers' and Firefighters' Retirement Trust</u>	<u>Professional/ Management Retirement Plan</u>
Total pension liability	\$ 70,239,519	\$ 242,955,549	\$ 20,417,889
Plan fiduciary net position	(59,191,741)	(176,131,023)	(18,176,409)
Net pension liability	<u>\$ 11,047,778</u>	<u>\$ 66,824,526</u>	<u>\$ 2,241,480</u>
 Plan fiduciary net position as a percentage of the total pension liability	 84.27%	 72.50%	 89.02%
 Total net pension liability			 <u>\$ 80,113,784</u>

In addition, in accordance with GASB Statement No. 67, information related to each plan measured as of September 30, 2019, has been disclosed:

	<u>General Employees' Retirement Plan</u>	<u>Police Officers' and Firefighters' Retirement Trust</u>	<u>Professional/ Management Retirement Plan</u>
Total pension liability	\$ 71,090,312	\$ 255,918,329	\$ 20,738,305
Plan fiduciary net position	(61,280,980)	(180,580,357)	(18,647,040)
Net pension liability	<u>\$ 9,809,332</u>	<u>\$ 75,337,972</u>	<u>\$ 2,091,265</u>
 Plan fiduciary net position as a percentage of the total pension liability	 86.20%	 70.56%	 89.92%
 Total net pension liability			 <u>\$ 87,238,569</u>

Significant actuarial assumptions: The total pension liability of the City was determined for each plan utilizing the following assumptions:

	<u>General Employees' Retirement Plan</u>	<u>Police and Fire Retirement Plan</u>	<u>Professional/ Management Retirement Plan</u>
Measurement date:	September 30, 2018	September 30, 2018	September 30, 2018
Actuarial valuation:	October 1, 2017	October 1, 2017	October 1, 2017
Interest rates:			
Single discount rate:	7.00%	7.60%	7.25%
Inflation rate:	2.00%	2.30%	2.00%
Salary increases:	4.68% to 6.98%, depending on age	4.5% to 10%, depending on service	6.38% to 8.68%, depending on age
Mortality tables:	RP-2000 Combined Healthy Annuitant Participant table for males or females, with mortality improvement projected to all future years using Scale BB.	RP-2000 Combined Healthy Annuitant Participant table for males or females, with mortality improvement projected to all future years using Scale BB.	RP-2000 Combined Healthy Annuitant Participant table for males or females, with mortality improvement projected to all future years using Scale BB.

CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 10. PENSION PLANS (CONTINUED)

Net Pension Liability of the City – All Defined Benefit Pension Plans (Continued)

	General Employees' Retirement Plan	Police and Fire Retirement Plan	Professional/ Management Retirement Plan
Measurement date:	September 30, 2019	September 30, 2019	September 30, 2019
Actuarial valuation:	October 1, 2018	October 1, 2018	October 1, 2018
Interest rates:			
Single discount rate:	7.00%	7.55%	7.00%
Inflation rate:	2.25%	2.30%	2.28%
Salary increases:	4.68% to 6.98%, depending on age	4.5% to 10%, depending on service	6.38% to 8.68%, depending on age
Mortality tables:	RP-2000 Combined Healthy Annuitant Participant table for males or females, with mortality improvement projected to all future years using Scale BB.	RP-2000 Combined Healthy Annuitant Participant table for males or females, with mortality improvement projected to all future years using Scale BB.	RP-2000 Combined Healthy Annuitant Participant table for males or females, with mortality improvement projected to all future years using Scale BB.

Long-term expected rate of return: The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2019 and 2018, are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return - 2019		
	General Employees' Retirement Plan	Police Officers' and Firefighters' Retirement Trust	Professional/ Management Retirement Plan
U.S. equities	5.60%	6.97%	5.60%
International equities	7.60%	6.70%	7.60%
Fixed income - core bonds	3.10%	2.00%	3.10%
Fixed income - high yield	5.20%	-	5.20%
Hedge fund of funds	-	3.84%	-
Real estate	5.80%	6.40%	5.80%
Conservative asset allocation	4.60%	-	4.60%
Private equity fund	-	7.85%	-

Asset Class	Long-term Expected Real Rate of Return - 2018		
	General Employees' Retirement Plan	Police Officers' and Firefighters' Retirement Trust	Professional/ Management Retirement Plan
U.S. equities	7.55%	8.42%	7.55%
International equities	8.00%	8.10%	8.00%
Fixed income - core bonds	3.70%	2.80%	3.70%
Fixed income - high yield	5.40%	-	5.40%
Hedge fund of funds	-	3.40%	-
Real estate	7.80%	5.40%	7.80%
Conservative asset allocation	6.95%	-	6.95%
Private equity fund	-	8.60%	-

CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 10. PENSION PLANS (CONTINUED)

Net Pension Liability of the City – All Defined Benefit Pension Plans (Continued)

Rate of return: The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the years ended September 30, 2019 and 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, were as follows for each pension plan:

<u>Year Ending September 30,</u>	<u>Professional/ Management Retirement Plan</u>	<u>Police and Fire Retirement Plan</u>	<u>General Employees' Retirement Plan</u>
2019	4.43%	3.36%	5.33%
2018	6.71%	10.03%	5.41%

Discount rate: The discount rate used to measure the total pension liability at September 30, 2019 and 2018, was 7.00% and 7.25%, respectively, for the Professional/Management Retirement Plan, 7.55% and 7.60%, respectively, for the Police and Fire Retirement Plan, and 7.00%, for the General Employees' Retirement Plan. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for all plans.

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability for each of the three plans, calculated using the discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

		<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
General Employees' Retirement Plan				
September 30, 2019	City's net pension liability	\$ 17,624,701	\$ 9,809,332	\$ 3,216,796
September 30, 2018	City's net pension liability	18,889,036	11,047,778	4,441,358
Police Officers' and Firefighters' Retirement Trust				
September 30, 2019	City's net pension liability	104,085,381	75,337,972	51,694,817
September 30, 2018	City's net pension liability	93,814,658	66,824,526	44,619,296
Professional/Management Retirement Plan				
September 30, 2019	City's net pension liability	4,534,591	2,091,265	64,027
September 30, 2018	City's net pension liability	4,747,200	2,241,480	176,691

CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 10. PENSION PLANS (CONTINUED)

Net Pension Liability of the City – All Defined Benefit Pension Plans (Continued)

Pension expense, deferred outflows of resources and deferred inflows of resources related to pensions: For the year ended September 30, 2019, based on a September 30, 2018, measurement date, the City recognized total pension expense of \$22,234,458, which includes \$153,965 for the Professional/Management Retirement Plan, \$19,534,495 for the Police and Fire Retirement Plan, and \$2,545,998 for the General Employees' Retirement Plan. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for each plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
General Employees' Retirement Plan		
City contributions subsequent to the measurement date	\$ 2,505,013	\$ -
Differences between expected and actual experience	63,481	505,186
Changes in assumptions	-	-
Differences between expected and actual investment earnings	431,363	-
Police Officers' and Firefighters' Retirement Trust		
City contributions subsequent to the measurement date	11,359,528	-
Differences between expected and actual experience	2,948,470	1,143,675
Changes in assumptions	3,674,742	-
Differences between expected and actual investment earnings	-	4,774,604
Professional/Management Retirement Plan		
City contributions subsequent to the measurement date	731,430	-
Differences between expected and actual experience	-	-
Changes in assumptions	-	-
Differences between expected and actual investment earnings	-	127,261
Totals	<u>\$ 21,714,027</u>	<u>\$ 6,550,726</u>

The deferred outflows of resources associated with the City's contributions to each Plan subsequent to the measurement date of September 30, 2018, in the amount of \$731,430 for the Professional/Management Retirement Plan, \$11,359,528 for Police and Fire Retirement Plan, and \$2,505,013 for the General Employees' Retirement Plan will be recognized as a reduction to the City's net pension liability in the year ended September 30, 2020. The remaining amounts related to differences between expected and actual investment earnings, changes in assumptions, and differences between expected and actual experience will be recognized in pension expense as follows:

Year Ending September 30,	General Employees' Retirement Plan	Police Officers' and Firefighters' Retirement Trust	Professional/ Management Retirement Plan
2020	\$ 138,028	\$ 3,664,680	\$ 121,269
2021	(176,091)	(1,160,658)	(138,079)
2022	(153,692)	(1,011,504)	(131,432)
2023	181,413	(787,585)	20,981
	<u>\$ (10,342)</u>	<u>\$ 704,933</u>	<u>\$ (127,261)</u>

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 10. PENSION PLANS (CONTINUED)

Money-Purchase Plan and Trust

The City maintains a single-employer money-purchase plan created in accordance with Internal Revenue Code Section 401(a). This defined contribution plan is comprised of seven plans with varying levels of employer and employee contributions. Professional/Management employees and non-represented employees hired after January 1, 2007, as well as general employees hired after June 19, 2013, are required to enter this plan instead of the defined benefit plans. The plan requires the City to contribute 7.5% to 17% of the members' base pay depending on plan membership. Employee required contributions are 3% to 5.5%. The City Commission has the authority to establish and amend contribution requirements of plan members. The plans are administered by an independent third party administrator.

The City's contributions were calculated using the covered payroll amount of approximately \$10,437,000. The City's contribution amounted to approximately \$1,082,000, or 10.4%, of covered payroll.

The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

NOTE 11. EXCESS BENEFIT PLAN

Plan description: The City established, under Ordinance No. 2004-23, effective date September 21, 2004, the Excess Benefit Plan to be a separate, unfunded, nonqualified excess benefit plan, and intended to be a qualified governmental excess benefit arrangement as defined in Section 415 (m) (3) of the Internal Revenue Code. As of the date of the most recent actuarial valuation, October 1, 2019, employee membership data related to the plan was as follows:

Inactive plan members or beneficiaries currently receiving benefits	25
Inactive plan members entitled to, but not receiving benefits	9
Active plan members	5
Total	<u>39</u>

Basis of accounting: The City implemented GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are Not within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB 67 and 68*, as it relates to the Excess Benefit Plan. The objective of this statement is to improve financial reporting by establishing a single framework for the presentation of information about pensions which will enhance the comparability of pension-related information reported by state and local government pension plans. The following disclosures related to the Excess Benefit Plan are in accordance with the requirements of GASB Statement No. 73.

Excess benefit participants: Any member whose retirement benefit, as determined on the basis of all qualified plans maintained by the City without regard to the limitations set forth in the Code and comparable provisions of other qualified plans of the City, exceeds the maximum benefit under Section 415 of the Code.

Benefits provided: An employee benefit participant shall be eligible to receive benefits from the excess benefit plan after termination of employment, as an unrestricted benefit on a monthly basis as would be received under the terms of qualified plans of the City, that otherwise would have been paid in the absence of IRS Code Section 415 limits.

Funding policy: The City cannot advance fund assets, or any benefit currently payable under the Plan, and any assets held by the plan during any period can only pay benefits coming due or the expenses of the plan during the period. Contributions by the City are not allowed to accumulate from year to year for purposes of advance funding of any of the Excess Plan liabilities. The City cannot restrict any assets, including cash for the purpose of providing funding for these benefits. However, the City has in the past and will continue to stand by its obligation to pay these benefits from its annual budgeted funds, as the liability becomes payable under this plan.

CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 11. EXCESS BENEFIT PLAN (CONTINUED)

The Excess Benefit Plan is utilized when a retiree's calculated benefit under the Plan is limited by Internal Revenue Service Section 415 calculations. In this instance, the portion of the limited benefit is paid to the retiree from the Excess Benefit Plan. This unfunded Plan is administered by Principal Financial Group and annual benefit payment contribution requirements are paid directly from the City's treasury. At September 30, 2019, the City has set aside \$6,395,719 in the General Fund for future pension benefits.

Total pension liability: The Excess Benefit Plan's total pension liability was measured as of September 30, 2018, and determined by an actuarial valuation as of that date.

Changes in the total pension liability: As of September 30, 2019, the City reported a total pension liability of \$13,551,937 for the Excess Benefit Plan. Changes in the City's total pension liability are as follows:

Balance at October 1, 2018	\$ 14,230,039
Changes for the year:	
Service cost	86,708
Interest	535,045
Benefit payments	(766,581)
Differences between expected and actual experience	(148,223)
Changes in assumptions	(385,051)
Net changes	<u>(678,102)</u>
Balance at September 30, 2019	<u>\$ 13,551,937</u>
Covered Payroll	N/A
Total Pension Liability as a Percentage of Covered Payroll	N/A

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of September 30, 2018, using the following actuarial assumptions:

Actuarial cost method:	Entry Age Normal
Inflation rate:	2.0%
Annual salary increases:	Not applicable
Discount rate:	4.04%
Retirement age:	Not applicable
Mortality:	RP-2000 Combined Healthy Annuitant Participant table for males or females, with mortality improvement projected to all future years after 2000 using Scale BB.

Discount rate: Projected benefit payments are discounted to their actuarial present values using a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Bond Buyer) as of the measurement date. The discount rate used to measure the total pension liability was 4.04%.

CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 11. EXCESS BENEFIT PLAN (CONTINUED)

Sensitivity of the total pension liability to changes in the discount rate: The following presents the total pension liability calculated using the discount rate, as well as what the total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (3.04%)	Current Discount Rate (4.04%)	1% Increase (5.04%)
City's total pension liability	\$ 15,578,656	\$ 13,551,937	\$ 11,929,859

Pension expense, deferred outflows of resources and deferred inflows of resources related to pensions: For the year ended September 30, 2019, based on a September 30, 2018, measurement date, the City recognized negative pension expense of \$88,479 for the Excess Benefit Plan. In addition, the City reported \$586,798 in deferred outflows for benefit payments made subsequent to the measurement date which will be recognized as a reduction to the City's total pension liability in the year ended September 30, 2020. There were no deferred inflows of resources related to this plan.

NOTE 12. OTHER POST-EMPLOYMENT BENEFITS

Plan description: Pursuant to Section 112.0801, *Florida Statutes*, the City is required to permit eligible retirees and their eligible dependents to participate in the City's health insurance program at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. Accordingly, the City administers a post-employment healthcare benefits plan (the "Plan"), other than pension benefits. The plan is a single-employer defined benefit OPEB plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 and the plan does not issue a separate financial statement.

Benefits provided: The Plan allows its eligible retirees and their eligible dependents to continue to obtain health insurance (medical, prescription drug, and dental). Coverage of medical, prescription drug, and dental benefits continues for participating retirees and their dependents until Medicare age, death, or the payment of contributions ceasing. The Plan also provides life insurance coverage to eligible retirees. Life insurance coverage for dependents of retirees is not offered. Retirees have a life insurance benefit of \$13,000 or \$15,000 depending on the date of retirement.

Eligibility provisions are as follows:

Law Enforcement and Firefighters

Employees must be age 52 or older and have at least ten years of service or 25 years of service regardless of age at retirement.

Management Personnel

Employees must be age 52 or older and have at least ten years of service at retirement.

All Other Employees

Employees at retirement must be age 60 or older and have at least ten years of service, or age 55 or older and have at least 20 years of service.

CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 12. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Participating retirees pay 100% of the blended rate for active and retired employees with no explicit subsidy from the City. Because the blended rates are greater than that of a plan including active employees only and less than that of a plan including retirees only, the amount the City expends for active employees includes an implicit subsidy for participating retirees and dependents.

While the City does not directly contribute toward the costs of retiree premiums via an explicit subsidy, GAAP requires an actuarial liability to be calculated using claims cost, or age-adjusted premiums approximating claims cost for retirees separate from active eligible members. Accordingly, retiree premiums were estimated by the actuary for the City's pre-Medicare retirees as if they were rated on a stand-alone basis and the results were then disaggregated into age-specific starting costs based on average ages and assumptions on the relationship between costs and increasing age to determine the implicit subsidy. This implicit subsidy is considered to be an OPEB liability of the City under GAAP.

Employees covered by benefit terms: As of September 30, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	46
Inactive employees entitled to, but not receiving benefits	-
Active employees	422
Total	<u>468</u>

Total OPEB Liability: The City's total OPEB liability of \$14,140,877 as of September 30, 2019 was determined by an actuarial valuation as of October 1, 2017, with the actuary using standard techniques to roll forward the liability to the measurement date of September 30, 2018.

Actuarial assumptions and other inputs: Actuarial valuations used to measure the total OPEB liability involve significant estimates and assumptions, including assumptions about inflation, healthcare cost and trend rates, and salary changes. The projection of future post-employment benefits are based on the types of benefits provided under the terms of the substantive plan at the time of each evaluation and on the pattern of sharing costs between the employer and plan members to that point. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The liability reflects a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities.

The total OPEB liability in the October 1, 2017, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method:	Entry Age Normal
Inflation:	3.00%
Salary increases:	4.00%
Discount rate:	3.58%
Healthcare cost trend rates:	7.50% for fiscal year 2019, decreasing 0.28% per year to an ultimate rate of 5.00% for 2028 and later years

The discount rate was based on the S&P Municipal Bond 20-Year High Grade Rate Index as of September 30, 2019.

Mortality rates for law enforcement and firefighters were based on the RP-2000 Combined Health Mortality Table for Males or Females, as appropriate and disabled members set forward 5 years. Mortality rates for management and all other employees were based on the RP-2006 Mortality Table, 50% blue collar and 50% white collar for males and 100% white collar for females, as appropriate, with adjustments for morality improvements based on a Scale BB.

CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 12. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Changes in the Total OPEB Liability:

	<u>Total OPEB Liability</u>
Balance at 9/30/2018	\$ 13,254,675
Changes for the Year:	
Service cost	920,282
Interest on total OPEB liability	471,862
Changes in assumptions or other inputs	76,914
Benefit payments	<u>(582,856)</u>
Net Changes	<u>886,202</u>
Balance at 9/30/2019	\$ <u>14,140,877</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.64% in 2018 to 3.58% in 2019. Benefits payments represent the implicit rate subsidy, which was calculated by the actuary based on the average ages of eligible employees and retirees in the census data and a morbidity assumption of 4.25%. The implicit rate subsidy was 71.80% in 2019.

The required schedule of changes in the City's total OPEB liability and related ratios in the Required Supplementary Information immediately following the notes to the financial statements presents multi-year trend information about the total OPEB liability.

Sensitivity of the total OPEB liability to changes in the charges in the discount rate: The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.58%) or 1-percentage point higher (4.58%) than the current discount rate:

	1% Decrease (2.58%)	Discount Rate (3.58%)	1% Increase (4.58%)
Total OPEB Liability	\$ 12,946,801	\$ 14,140,877	\$ 15,494,707

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates: The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.50% decreasing to 4.00%) or 1-percentage-point higher (8.50% decreasing to 6.00%) than the current healthcare cost trend rates:

	1% Decrease (6.50% Decreasing to 4.00%)	Healthcare Cost Trend Rates (7.50% Decreasing to 5.00%)	1% Increase (8.50% Decreasing to 6.00%)
Total OPEB Liability	\$ 15,810,749	\$ 14,140,877	\$ 12,711,609

CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 12. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB: For the year ended September 30, 2019, the City recognized OPEB expense of \$1,450,559. At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 93,551	\$ -
Changes of assumptions or other inputs	451,981	257,843
Total	\$ 545,532	\$ 257,843

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year Ended September 30:	Amount
2020	\$ 58,414
2021	58,414
2022	58,414
2023	58,414
2024	48,793
Thereafter	5,240
Total	\$ 287,689

NOTE 13. RISK MANAGEMENT

The City is exposed to various risk of loss related to torts: theft of, damage to and destruction of assets; error and omissions; injuries to employees and natural disasters. The City's self-insurance Internal Service Funds are used to account for and finance both uninsured and insured risks of loss. Coverage is provided for workers' compensation and general liability, as specified by applicable federal and state statutes. The City purchases commercial excess insurance for workers' compensation claims in excess of \$350,000. The City relies on the liability limits of \$200,000/300,000 imposed by Florida Statute and therefore does not carry any other coverage. Other insured risks for loss are budgeted in various operating funds. The City purchases all risk property insurance for City structures (estimated \$79,000,000 replacement value) with a \$25,000 deductible. Other minor liabilities for small City programs or operations are budgeted in the operating funds. The settlements in the past three years were less than insurance coverage.

CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 13. RISK MANAGEMENT (CONTINUED)

All operating funds of the City participate in the program and make payments to the fund based on estimates of the amounts needed to pay prior and current claims and to provide fund equity for catastrophic losses. The estimated liability for self-insured risks at September 30, 2019, of \$3,829,000 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicate 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.

As of September 30, 2019 and 2018, the total estimated liabilities on pending claims were as follows:

	2019	2018
Claims payable - beginning	\$ 3,888,000	\$ 4,226,000
Incurred claims	1,565,873	1,373,624
Payments on claims	(1,624,873)	(1,711,624)
Claims payable - ending	<u>\$ 3,829,000</u>	<u>\$ 3,888,000</u>

NOTE 14. COMMITMENTS AND CONTINGENT LIABILITIES

Construction and purchase commitments: The City has active construction and economic development projects as of September 30, 2019. The projects include park development, street and beautification projects, water distribution and stormwater drainage improvements, and sanitary sewer and capacity improvements. As of September 30, 2019, the City's significant commitments with contractors are as follows:

Project Classification	Spent-to-Date	Remaining Commitments
Infill Housing	\$ 43,796	\$ 171,018
Lanscaping and Beautification	33,000	1,374,690
City Wide Parks Master Plan	29,971,461	12,127,920
Stormwater Drainage Improvements	6,777,113	2,667,057
Transportation Improvements	122,800	877,062
Water and Wastewater	3,149,716	4,244,324
Total	<u>\$ 40,097,886</u>	<u>\$ 21,462,071</u>

The water membrane plant is partially financed by revenue bonds secured by water revenue. Parks and recreation projects are partially financed with state and county grants, by revenue bonds secured by non-ad valorem, ad valorem and tax increment financing revenues, as well as City funding. All other commitments are financed from existing City and HBCRA resources.

Claims and lawsuits: There are several pending claims and lawsuits in which the City is involved. The estimated liability related to these claims has been accrued in the City's general liability self-insurance fund. In the opinion of City management, the ultimate resolution of these claims will not materially exceed the amounts recorded in the financial statements.

Grantor agencies: Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including the amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures/expenses which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

CITY OF HALLANDALE BEACH, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 15. HALLANDALE BEACH 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 year ended September 30, 2019:

	<u>Deposits</u>	<u>Withdrawals</u>
Source of deposits:		
Tax increment revenues - Hallandale Beach	\$ 6,408,791	\$ -
Tax increment revenues - other agencies	6,257,544	-
Loan repayments	385,152	-
Loan application fees	20,705	-
Investment income	272,699	-
Other revenue	234,443	-
Purpose of withdrawals:		
Salaries and benefits	-	701,688
Materials and supplies	-	39,690
Repairs and maintenance	-	3,550
Community redevelopment programs	-	1,517,483
Grants to community organizations	-	37,197
Professional and outside services	-	2,057,008
Other service charges	-	113,463
Subsidized loan programs	-	1,677,902
Capital outlay	-	197,442
Debt service	-	1,642,016
Payments to other funds	-	212,427
Transfer to City of Hallandale Beach Capital Projects Fund	-	1,287,611
	<u>\$ 13,579,334</u>	<u>\$ 9,487,477</u>

NOTE 16. ASSETS HELD FOR RESALE

Assets held for resale consist of properties available for affordable housing and redevelopment. Activity for the year ended September 30, 2019, is summarized in the following table:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Assets held for resale	\$ 9,171,652	\$ 269,426	\$ (1,281,988)	\$ 8,159,090

NOTE 17. DEFICIT FUND EQUITY

The Building Permits Fund and General Liability Trust Fund, each present a deficit fund equity of \$46,678 and \$112,750, respectively, at September 30, 2019. The deficits related to the Building Permits Fund will be resolved by an increase in building permit fees. The deficit related to the General Liability Trust Fund will be resolved through administrative charges to other funds.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2019

NOTE 18. SUBSEQUENT EVENTS

Florida Retirement System

On February 1, 2020, the City terminated six mandatory 401(a) defined contribution plans and transitioned all participants to the Florida Retirement System ("FRS"). Any unvested participant balances remaining in the plans were fully vested. The City's 401(a) match plan remains active. As a result, general, unrepresented, management, and part-time employees were required to participate except for employees participating in single-employer defined benefit plans. As provided by Chapter 121 and 112, *Florida Statutes*, FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan and the Retiree Health Insurance Subsidy. In addition to the FRS Pension Plan, FRS has a defined contribution plan, the FRS Investment Plan, administered by the State Board of Administration. Participants are required to select a plan option during enrollment.

Broward County Sheriff's Office Merger

On January 4, 2020, the City entered into a merger agreement with Broward County Sheriff's Office ("BSO") for emergency medical, fire protection and fire prevention services. The City maintains authority and control over such services. The agreement term is through September 30, 2025, with a five year term renewal option. As part of the agreement, title to various unrestricted vehicles and equipment were transferred over to BSO and all real property remained with the City. The annual cost of this agreement is approximately \$14,200,000 and excludes the cost of water, solid waste, and utilities which are paid directly by the City.

COVID-19

In December 2019, COVID-19 emerged in Wuhan, Hubei Province, China, and has spread around the world, with resulting business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020, and subsequently a Pandemic on March 9, 2020. In addition, on March 13, 2020, the President of the United States proclaimed the COVID-19 outbreak to be a National Emergency.

The operations and business results of the City could be significantly adversely affected. The extent to which the coronavirus may impact the business activity of the City will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the results of the actions required to contain the coronavirus or treat its impact, among others. The specific financial impact to the City is not readily determinable as of the date of these financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.



Hallandale Beach
PROGRESS. INNOVATION. OPPORTUNITY.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF HALLANDALE BEACH, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ 27,609,474	\$ 27,609,474	\$ 27,309,978	\$ (299,496)
Other taxes	4,921,288	4,921,288	4,705,322	(215,966)
Charges for services	8,628,418	8,628,418	8,030,995	(597,423)
Licenses and permits	740,600	740,600	758,351	17,751
Intergovernmental	4,157,485	4,157,485	5,647,893	1,490,408
Franchise fees	4,047,682	4,047,682	3,871,066	(176,616)
Fire assessments	8,714,732	8,714,732	8,518,118	(196,614)
Fines and forfeitures	522,500	522,500	510,438	(12,062)
Investment earnings	335,000	335,000	849,765	514,765
Slot machine revenues	1,560,000	1,560,000	1,307,024	(252,976)
Other revenues	1,399,029	1,399,029	1,269,760	(129,269)
Total revenues	<u>62,636,208</u>	<u>62,636,208</u>	<u>62,778,710</u>	<u>142,502</u>
EXPENDITURES:				
Personal services	52,717,393	53,040,279	50,148,650	2,891,629
Operating expenditures	10,140,910	10,688,431	7,779,796	2,908,635
Debt service	185,885	237,885	232,772	5,113
Grants and aids	307,381	349,231	303,930	45,301
Capital outlay	183,875	2,318,207	1,103,347	1,214,860
Total expenditures	<u>63,535,444</u>	<u>66,634,033</u>	<u>59,568,495</u>	<u>7,065,538</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(899,236)</u>	<u>(3,997,825)</u>	<u>3,210,215</u>	<u>7,208,040</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,612,409	1,612,409	1,500,000	(112,409)
Transfers out	(1,538,708)	(1,538,708)	(1,012,417)	526,291
Capital leases	-	448,549	448,549	-
Proceeds from the sale of capital assets	100	100	3,390	3,290
Appropriations from fund balance	825,435	3,475,475	-	(3,475,475)
Total other financing uses	<u>899,236</u>	<u>3,997,825</u>	<u>939,522</u>	<u>(3,058,303)</u>
Net change in fund balances	-	-	4,149,737	4,149,737
Fund balances, beginning	<u>18,605,662</u>	<u>18,605,662</u>	<u>18,605,662</u>	<u>-</u>
Fund balances, ending	<u>\$ 18,605,662</u>	<u>\$ 18,605,662</u>		<u>\$ 4,149,737</u>
Excess benefit plan (see Note 2)			<u>(527,165)</u>	
Fund balances, ending			<u>\$ 22,228,234</u>	

See Notes to Required Supplementary Information.

CITY OF HALLANDALE BEACH, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS - COMMUNITY REDEVELOPMENT AGENCY FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ -	\$ -	\$ 6,408,791	\$ 6,408,791
Charges for services	35,000	35,000	20,705	(14,295)
Intergovernmental	12,685,175	12,685,175	6,295,044	(6,390,131)
Investment earnings	183,671	183,671	257,209	73,538
Other revenues	766,517	516,517	639,657	123,140
Total revenues	<u>13,670,363</u>	<u>13,420,363</u>	<u>13,621,406</u>	<u>201,043</u>
EXPENDITURES:				
Personal services	1,319,101	811,105	709,551	101,554
Operating expenditures	10,849,222	12,306,983	6,646,034	5,660,949
Debt service	2,929,627	2,929,627	2,929,627	-
Capital outlay	1,000,087	1,165,522	197,442	968,080
Total expenditures	<u>16,098,037</u>	<u>17,213,237</u>	<u>10,482,654</u>	<u>6,730,583</u>
Excess (deficiency) of revenues over (under) expenditure	<u>(2,427,674)</u>	<u>(3,792,874)</u>	<u>3,138,752</u>	<u>6,931,626</u>
OTHER FINANCING SOURCES				
Appropriations of fund balance	<u>2,427,674</u>	<u>3,792,874</u>	<u>-</u>	<u>(3,792,874)</u>
Net change in fund balances	-	-	3,138,752	3,138,752
Fund balances, beginning	<u>14,799,984</u>	<u>14,799,984</u>	<u>14,799,984</u>	<u>-</u>
Fund balances, ending	<u>\$ 14,799,984</u>	<u>\$ 14,799,984</u>		<u>\$ 3,138,752</u>
CRA loan program and assets held for resale transactions (see Note 3)			<u>10,302</u>	
Fund balances, ending			<u>\$ 17,949,038</u>	

See Notes to Required Supplementary Information.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO BUDGETARY COMPARISON SCHEDULES (UNAUDITED)
SEPTEMBER 30, 2019

NOTE 1. BUDGETARY DATA

The City Commission follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to August 1, the City Manager submits to the City Commission a proposed operating and capital budget for the fiscal year commencing October 1. The operating and capital budget includes proposed expenditures and means of financing them.
2. The City Commission holds public workshops on the prepared budget.
3. In September, formal public hearings are conducted to obtain taxpayers' comments.
4. Prior to October 1, the budget is legally enacted.

The legal level of control, the level at which expenditures may not exceed the budget, is at the category level within a fund. Categories, as used here, include personal services, operating expenditures, grants and aids, and capital outlay. The City Manager is authorized to make transfers of budgeted funds within categories except contingencies and debt service. City Commission authorization is required for all transfers between categories in excess of \$10,000. Unencumbered balances of appropriation lapse at year-end.

Budgets have been adopted for the General Fund and Community Redevelopment Agency Fund on a basis consistent with GAAP, except for unbudgeted amounts related to the excess benefit plan's investments and certain CRA transactions that are included and excluded respectively, for financial statement purposes.

The "final" reported budgetary data represents the approved budget after amendments approved by the City Commission. There were supplemental appropriations in the General Fund and Community Redevelopment Agency Fund of \$2,650,040 and \$1,365,200, respectively.

The City and the CRA provide funds allocated to specific projects for two main categories: (1) community redevelopment programs (operating expenditures), and (2) construction projects (capital outlay). Funds are provided through the original adoption of a budget line item. Often the projects overlap several years, and the unspent funds from the prior year are normally rolled forward into the final budget of the current year, which can result in significant differences between the original and final budgets.

NOTE 2. RECONCILIATION OF EXCESS BENEFIT PLAN

Excess benefit plan investment earnings	\$ 56,888
Excess benefit payments	<u>(584,053)</u>
Net Change in Fund Balance - Excess Benefit Plan	<u>\$ (527,165)</u>

NOTE 3. RECONCILIATION OF CRA TRANSACTIONS

CRA loan payments received	\$ (370,854)
CRA non-forgivable loans issued	111,730
Purchases of assets held for resale	<u>269,426</u>
	<u>\$ 10,302</u>

For budgetary purposes, the CRA includes transfers out to cover debt service payments as a part of its debt service expenditures.

CITY OF HALLANDALE BEACH, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS
PROFESSIONAL/MANAGEMENT RETIREMENT PLAN**

	September 30,					
	2019	2018	2017	2016	2015	2014
Total pension liability						
Service cost	\$ 125,200	\$ 224,807	\$ 245,137	\$ 217,129	\$ 278,376	\$ 271,262
Interest on total pension liability	1,448,726	1,443,460	1,418,847	1,358,496	1,346,589	1,211,250
Differences between expected and actual experience	(722,848)	(325,174)	(55,424)	(219,313)	(387,152)	1,606,105
Changes of assumptions	541,953	-	-	1,028,958	-	-
Benefit payments, including refunds of employee contributions	(1,072,615)	(1,420,308)	(946,826)	(954,956)	(1,402,625)	(849,115)
Net change in total pension liability	<u>320,416</u>	<u>(77,215)</u>	<u>661,734</u>	<u>1,430,314</u>	<u>(164,812)</u>	<u>2,239,502</u>
Total pension liability - beginning	<u>20,417,889</u>	<u>20,495,104</u>	<u>19,833,370</u>	<u>18,403,056</u>	<u>18,567,868</u>	<u>16,328,366</u>
Total pension liability - ending (a)	<u>\$ 20,738,305</u>	<u>\$ 20,417,889</u>	<u>\$ 20,495,104</u>	<u>\$ 19,833,370</u>	<u>\$ 18,403,056</u>	<u>\$ 18,567,868</u>
Plan fiduciary net position						
Contributions - employer	\$ 731,430	\$ 725,270	\$ 569,324	\$ 691,355	\$ 748,978	\$ 912,745
Contributions - employee	44,346	53,805	51,654	61,774	55,316	85,052
Net investment income	793,614	1,162,244	1,901,704	1,158,157	(140,977)	1,282,016
Benefit payments, including refunds of member contributions	(1,072,615)	(1,420,308)	(946,826)	(954,956)	(1,402,625)	(849,115)
Administrative expenses	(26,144)	(38,933)	(25,144)	(26,140)	(21,723)	(22,133)
Net change in plan fiduciary net position	<u>470,631</u>	<u>482,078</u>	<u>1,550,712</u>	<u>930,190</u>	<u>(761,031)</u>	<u>1,408,565</u>
Plan fiduciary net position - beginning	<u>18,176,409</u>	<u>17,694,331</u>	<u>16,143,619</u>	<u>15,213,429</u>	<u>15,974,460</u>	<u>14,565,895</u>
Plan fiduciary net position - ending (b)	<u>\$ 18,647,040</u>	<u>\$ 18,176,409</u>	<u>\$ 17,694,331</u>	<u>\$ 16,143,619</u>	<u>\$ 15,213,429</u>	<u>\$ 15,974,460</u>
City's net pension liability - ending (a) - (b)	<u>\$ 2,091,265</u>	<u>\$ 2,241,480</u>	<u>\$ 2,800,773</u>	<u>\$ 3,689,751</u>	<u>\$ 3,189,627</u>	<u>\$ 2,593,408</u>
Plan fiduciary net position as a percentage of the total pension liability	89.92%	89.02%	86.33%	81.40%	82.67%	86.03%
Covered payroll	\$ 537,560	\$ 682,868	\$ 737,299	\$ 814,214	\$ 763,897	\$ 738,758
Net pension liability as a percentage of covered payroll	389.03%	328.24%	379.87%	453.17%	417.55%	351.05%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

CITY OF HALLANDALE BEACH, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS
POLICE OFFICERS' AND FIREFIGHTERS' PERSONNEL RETIREMENT TRUST**

	September 30,					
	2019	2018	2017	2016	2015	2014
Total pension liability						
Service cost	\$ 3,127,748	\$ 2,866,703	\$ 2,668,846	\$ 2,198,923	\$ 2,114,287	\$ 2,068,244
Interest on total pension liability	18,162,979	17,317,517	16,069,318	14,732,084	13,946,642	13,484,951
Changes in benefit terms	(40,488)	9,897,461	-	-	-	-
Differences between expected and actual experience	4,267,373	3,386,280	(1,906,123)	1,635,041	3,413,322	-
Changes of assumptions	1,304,354	1,225,338	847,814	8,988,193	-	-
Benefit payments, including refunds of employee contributions	(14,112,474)	(11,108,749)	(9,354,592)	(9,537,098)	(9,377,998)	(9,905,885)
Contributions - buy back	253,288	208,015	136,829	22,723	33,396	-
Net change in total pension liability	12,962,780	23,792,565	8,462,092	18,039,866	10,129,649	5,647,310
Total pension liability - beginning	242,955,549	219,162,984	210,700,892	192,661,026	182,531,377	176,884,067
Total pension liability - ending (a)	\$ 255,918,329	\$ 242,955,549	\$ 219,162,984	\$ 210,700,892	\$ 192,661,026	\$ 182,531,377
Plan fiduciary net position						
Contributions - employer	\$ 11,362,495	\$ 9,303,118	\$ 8,563,004	\$ 8,475,832	\$ 8,524,870	\$ 8,651,807
Contributions - employee	1,308,636	1,252,541	1,294,496	1,285,750	1,205,723	1,190,421
Contributions - buy back	253,288	208,015	136,829	22,723	33,396	-
Net investment income	5,870,253	16,196,464	16,869,679	10,988,258	(574,125)	13,794,259
Benefit payments, including refunds of member contributions	(14,112,474)	(11,108,749)	(9,354,592)	(9,537,098)	(9,377,998)	(9,905,885)
Administrative expenses	(233,562)	(219,333)	(183,827)	(148,100)	(137,847)	(109,957)
Prior year adjustment	-	-	-	-	204,046	-
Net change in plan fiduciary net position	4,448,636	15,632,056	17,325,589	11,087,365	(121,935)	13,620,645
Plan fiduciary net position - beginning	176,156,574	160,524,518	143,198,929	132,111,564	132,233,499	118,612,854
Plan fiduciary net position - ending (b)	\$ 180,605,210 *	\$ 176,156,574 *	\$ 160,524,518	\$ 143,198,929	\$ 132,111,564	\$ 132,233,499
City's net pension liability - ending (a) - (b)	\$ 75,313,119	\$ 66,798,975	\$ 58,638,466	\$ 67,501,963	\$ 60,549,462	\$ 50,297,878
Plan fiduciary net position as a percentage of the total pension liability	70.57%	72.51%	73.24%	67.96%	68.57%	72.44%
Covered payroll	\$ 13,775,116	\$ 13,184,642	\$ 13,626,274	\$ 13,167,794	\$ 14,267,482	\$ 12,179,211
Net pension liability as a percentage of covered payroll	546.73%	506.64%	430.33%	512.63%	424.39%	412.98%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

* Difference between the actuarial Plan fiduciary net position and Plan fiduciary net position reported is due to timing.

CITY OF HALLANDALE BEACH, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS
GENERAL EMPLOYEES' RETIREMENT PLAN**

	September 30,					
	2019	2018	2017	2016	2015	2014
Total pension liability						
Service cost	\$ 872,590	\$ 1,007,543	\$ 1,054,461	\$ 1,047,059	\$ 1,121,826	\$ 1,302,508
Interest on total pension liability	4,843,470	4,771,881	4,586,246	4,402,093	4,339,134	4,198,485
Differences between expected and actual experience	(1,211,280)	(1,060,336)	909,887	(329,785)	(1,349,496)	(786,563)
Changes of assumptions	-	-	-	3,005,500	-	-
Benefit payments, including refunds of employee contributions	(3,653,987)	(3,626,109)	(3,829,680)	(3,049,800)	(2,972,541)	(2,395,369)
Contributions - buy back	-	-	-	-	-	-
Net change in total pension liability	<u>850,793</u>	<u>1,092,979</u>	<u>2,720,914</u>	<u>5,075,067</u>	<u>1,138,923</u>	<u>2,319,061</u>
Total pension liability - beginning	<u>70,239,519</u>	<u>69,146,540</u>	<u>66,425,626</u>	<u>61,350,559</u>	<u>60,211,636</u>	<u>57,892,575</u>
Total pension liability - ending (a)	<u>\$ 71,090,312</u>	<u>\$ 70,239,519</u>	<u>\$ 69,146,540</u>	<u>\$ 66,425,626</u>	<u>\$ 61,350,559</u>	<u>\$ 60,211,636</u>
Plan fiduciary net position						
Contributions - employer	\$ 2,505,013	\$ 2,506,098	\$ 2,799,601	\$ 3,331,672	\$ 3,659,156	\$ 3,940,595
Contributions - employee	172,187	179,523	206,247	228,118	230,059	262,685
Contributions - buy back	-	-	-	-	-	-
Net investment income	3,107,432	3,027,545	5,305,524	3,618,252	(286,916)	3,508,511
Benefit payments, including refunds of member contributions	(3,653,987)	(3,626,109)	(3,829,680)	(3,049,800)	(2,972,541)	(2,395,369)
Administrative expenses	(41,406)	(44,348)	(41,536)	(46,495)	(38,415)	(38,785)
Prior year adjustment	-	-	-	-	-	-
Net change in plan fiduciary net position	<u>2,089,239</u>	<u>2,042,709</u>	<u>4,440,156</u>	<u>4,081,747</u>	<u>591,343</u>	<u>5,277,637</u>
Plan fiduciary net position - beginning	<u>59,191,741</u>	<u>57,149,032</u>	<u>52,708,876</u>	<u>48,627,129</u>	<u>48,035,786</u>	<u>42,758,149</u>
Plan fiduciary net position - ending (b)	<u>\$ 61,280,980</u>	<u>\$ 59,191,741</u>	<u>\$ 57,149,032</u>	<u>\$ 52,708,876</u>	<u>\$ 48,627,129</u>	<u>\$ 48,035,786</u>
City's net pension liability - ending (a) - (b)	<u>\$ 9,809,332</u>	<u>\$ 11,047,778</u>	<u>\$ 11,997,508</u>	<u>\$ 13,716,750</u>	<u>\$ 12,723,430</u>	<u>\$ 12,175,850</u>
Plan fiduciary net position as a percentage of the total pension liability	86.20%	84.27%	82.65%	79.35%	79.26%	79.78%
Covered payroll	\$ 5,166,307	\$ 5,493,476	\$ 6,000,261	\$ 6,501,387	\$ 6,818,960	\$ 7,447,800
Net pension liability as a percentage of covered payroll	189.87%	201.11%	199.95%	210.98%	186.59%	163.48%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

CITY OF HALLANDALE BEACH, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S TOTAL PENSION LIABILITY AND RELATED RATIOS
EXCESS BENEFIT PLAN**

	September 30,			
	2019	2018	2017	2016
Total pension liability				
Service cost	\$ 66,717	\$ 86,708	\$ 146,603	\$ 104,295
Interest	538,340	535,045	546,028	538,954
Benefit payments	(586,798)	(766,581)	(565,165)	(566,597)
Differences between expected and actual experience	124,318	(148,223)	(612,654)	52,033
Changes in assumptions	653,179	(385,051)	(339,565)	1,537,421
Net change in total pension liability	<u>795,756</u>	<u>(678,102)</u>	<u>(824,753)</u>	<u>1,666,106</u>
Total pension liability - beginning	13,551,937	14,230,039	15,054,792	13,388,686
Total pension liability - ending	<u>\$ 14,347,693</u>	<u>\$ 13,551,937</u>	<u>\$ 14,230,039</u>	<u>\$ 15,054,792</u>
Covered payroll	\$ 537,560	\$ 682,868	\$ 737,299	\$ 814,214
Total pension liability as a percentage of covered payroll	2669.04%	1984.56%	1930.02%	1849.00%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

CITY OF HALLANDALE BEACH, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS
PROFESSIONAL/MANAGEMENT RETIREMENT PLAN**

	September 30,					
	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 731,430	\$ 725,270	\$ 569,324	\$ 691,355	\$ 748,978	\$ 912,745
Contributions in relation to the actuarially determined contribution	<u>731,430</u>	<u>725,270</u>	<u>569,324</u>	<u>691,355</u>	<u>748,978</u>	<u>912,745</u>
Contribution deficiency (excess)	<u>\$ -</u>					
Covered payroll	\$ 537,560	\$ 682,868	\$ 737,299	\$ 814,214	\$ 763,897	\$ 738,758
Contributions as a percentage of covered payroll	136.1%	106.2%	77.2%	84.9%	98.0%	123.6%

Methods and assumptions used to determine contribution rates for the year ending September 30, 2019:

Valuation date:	October 1, 2017
Note:	Actuarially determined contributions are calculated as of October 1, which is two years prior to the beginning of the year in which contributions are reported.
Actuarial cost method:	Entry age normal - frozen initial liability
Amortization method:	Level percent of pay, closed
Remaining amortization period:	18 years (as of 10/1/2017)
Actuarial asset valuation method:	4 year smooth (market)
Inflation and other general increases:	2.00%
Cost-of-living adjustment:	2.00% per year
Projected salary increases:	6.38% - 8.68%
Investment rate of return:	7.25%
Retirement age:	Normal retirement age as defined in summary of plan provisions.
Mortality:	RP-2006 Combined Healthy Annuitant Participant table for males and females with mortality improvement scale BB.

The schedule will present 10 years of information once it is accumulated.

CITY OF HALLANDALE BEACH, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS
GENERAL EMPLOYEES' RETIREMENT PLAN**

	September 30,					
	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 2,505,013	\$ 2,506,098	\$ 2,799,601	\$ 3,331,672	\$ 3,659,156	\$ 3,940,595
Contributions in relation to the actuarially determined contribution	<u>2,505,013</u>	<u>2,506,098</u>	<u>2,799,601</u>	<u>3,331,672</u>	<u>3,659,156</u>	<u>3,940,595</u>
Contribution deficiency (excess)	<u>\$ -</u>					
Covered payroll	\$ 5,166,307	\$ 5,493,476	\$ 6,000,261	\$ 6,501,387	\$ 6,818,960	\$ 7,447,800
Contributions as a percentage of covered payroll	48.5%	45.6%	46.7%	51.2%	53.7%	52.9%

Methods and assumptions used to determine contribution rates for the year ending September 30, 2019:

Valuation date:	October 1, 2017
Note:	Actuarially determined contributions are calculated as of October 1, which is two years prior to the beginning of the year in which contributions are reported.
Actuarial cost method:	Entry age normal
Amortization method:	Level percentage of pay
Remaining amortization period:	14 years
Actuarial asset valuation method:	4 year smooth (market)
Inflation and other general increases:	2.00%
Cost-of-living adjustment:	None
Projected salary increases:	4.68% - 6.98%
Investment rate of return:	7.00%
Retirement age:	Normal retirement age as defined in summary of plan provisions.
Mortality:	RP-2006 Combined Healthy Annuitant Participant table for males and females with mortality improvement scale BB.

The schedule will present 10 years of information once it is accumulated.

CITY OF HALLANDALE BEACH, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS
POLICE OFFICERS' AND FIREFIGHTERS' PERSONNEL RETIREMENT TRUST**

	September 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	\$ 11,359,528	\$ 9,277,568	\$ 8,563,004	\$ 8,528,110	\$ 8,676,637	\$ 8,651,807	\$ 8,140,920	\$ 9,137,817	\$ 8,110,548	\$ 7,320,389
Contributions in relation to the actuarially determined contribution	11,359,528	9,303,118	8,563,004	8,475,832	8,728,916	8,651,807	8,140,920	9,144,014	8,110,548	7,549,543
Contribution deficiency (excess)	\$ -	\$ (25,550)	\$ -	\$ 52,278	\$ (52,279)	\$ -	\$ -	\$ (6,197)	\$ -	\$ (229,154)
Covered payroll	\$ 13,775,116	\$ 13,184,642	\$ 13,626,274	\$ 13,167,794	\$ 14,267,482	\$ 12,179,211	\$ 12,528,346	\$ 13,244,476	\$ 12,199,319	\$ 11,995,957
Contributions as a percentage of covered payroll	82.5%	70.6%	62.8%	64.4%	61.2%	71.0%	65.0%	69.0%	66.5%	62.9%

Methods and assumptions used to determine contribution rates for the year ending September 30, 2019:

Valuation date:	October 1, 2017
Note:	Actuarially determined contributions are calculated as of October 1, which is two years prior to the beginning of the year in which contributions are reported.
Actuarial cost method:	Entry age normal
Amortization method:	Level percent of pay, closed
Remaining amortization period:	25 years (as of 10/1/2017)
Actuarial asset valuation method:	5 year smooth (market)
Inflation and other general increases:	2.30%
Projected salary increases:	4.5% to 10% based on service
Investment rate of return:	7.65%
Retirement age:	Normal retirement age
Mortality:	RP2000, combined healthy mortality table with mortality improvement scale BB.
Cost-of living adjustment:	0% to 2% based on plan provisions

CITY OF HALLANDALE BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF PENSION INVESTMENT RETURNS

Annual money-weighted rate of return, net of investment expense:

<u>Year Ending September 30,</u>	<u>Professional/ Management Retirement Plan</u>	<u>Police Officers' and Firefighters' Personnel Retirement Trust</u>	<u>General Employees' Retirement Plan</u>
2019	4.43%	3.36%	5.33%
2018	6.71%	10.03%	5.41%
2017	12.05%	11.85%	10.23%
2016	7.72%	8.40%	7.48%
2015	(0.92%)	(0.39%)	(0.60%)
2014	8.83%	12.02%	8.13%

The schedule will present 10 years of information once it is accumulated.

CITY OF HALLANDALE BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

Measurement date September 30,	<u>2019</u>	<u>2018</u>
Total OPEB Liability		
Service cost	\$ 920,282	\$ 864,652
Interest	471,862	399,519
Differences between expected and actual experience	-	132,587
Changes of assumptions or other inputs	76,914	183,070
Benefit payments	<u>(582,856)</u>	<u>(502,185)</u>
Net Change in Total OPEB Liability	886,202	1,077,643
Total OPEB Liability - Beginning	<u>13,254,675</u>	<u>12,177,032</u>
Total OPEB Liability - Ending	<u><u>\$ 14,140,877</u></u>	<u><u>\$ 13,254,675</u></u>
Covered-Employee Payroll	\$ 31,845,429	\$ 30,298,837
Total OPEB Liability as a Percentage of Covered-Employee Payroll	44.40%	43.75%

Notes to Schedule:

This schedule is intended to have ten years of data. Additional data to be compiled as information becomes available.

No assets have been accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other than Pensions*.

Changes of assumptions . Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2019	3.58%
2018	3.64%
2017	3.35%

Benefit payments are calculated from the implicit rate subsidy of 71.8%.



Hallandale Beach
PROGRESS. INNOVATION. OPPORTUNITY.

**COMBINING AND INDIVIDUAL FUND FINANCIAL
STATEMENTS AND SCHEDULES**



Hallandale Beach
PROGRESS. INNOVATION. OPPORTUNITY.

NONMAJOR GOVERNMENTAL FUNDS

CITY OF HALLANDALE BEACH, FLORIDA

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

Police Training Fund – to account for additional assessment in criminal matters for the purpose of criminal justice education and training for police officers.

Police Outside Services Fund – to account for revenue received as a result of police officers performing duties for entities other than the City.

Police Equitable Sharing Fund – to account for funds received for assisting various federal law enforcement agencies.

Transportation Fund – to account for the City's share of road and bridge and local option gas taxes. Funds are restricted to transportation equipment and maintenance and improvement of roads and streets within the City.

Golden Isles Safe Neighborhood Fund – to account for proceeds from property taxes restricted to use for the Golden Isles Safe Neighborhood District.

Three Islands District Fund – to account for proceeds from property taxes restricted to use for the Three Islands Safe Neighborhood District.

Developer Agreements Fund – to account for developer and other capital contribution related revenues.

Law Enforcement Trust Fund – to account for confiscated property. Proceeds may be used only for law enforcement purposes.

Building Permits Fund – to account for specific revenues that are restricted for particular purposes per Florida Statute, such as costs incurred to enforce the Florida Building Code.

DEBT SERVICE FUNDS

2016 G.O. Bond Fund – to account for the accumulation of ad valorem tax revenues for the exclusive purpose of servicing the debt of the 2016 General Obligation Bond.

Revenue Bond Fund – to account for the accumulation of transfers from other funds and other revenues for the exclusive purpose of servicing the debt of the Capital Improvement Revenue Bonds, Series 2016 and Revenue Bonds, Series 2007A.

CITY OF HALLANDALE BEACH, FLORIDA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019**

	Special Revenue Funds								Debt Service Funds		Totals	
	Police Training Fund	Police Outside Services Fund	Police Equitable Sharing Fund	Transportation Fund	Golden Isles Safe Neighborhood Fund	Three Islands District Fund	Developer Agreements Fund	Law Enforcement Trust Fund	Building Permits Fund	2016 G.O. Bond Fund		Revenue Bond Fund
ASSETS												
Cash and cash equivalents	\$ 68,763	\$ -	\$ 726,786	\$ 720,805	\$ 646,440	\$ 706,342	\$ 1,875,345	\$ 378,774	\$ 216,849	\$ 11,571	\$ -	\$ 5,351,675
Receivables, net of allowances	-	288,302	-	-	-	-	-	-	-	-	-	288,302
Due from other governments	-	-	-	115,419	-	-	-	-	-	-	-	115,419
Restricted assets:												
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	163,410	163,410
Total assets	<u>\$ 68,763</u>	<u>\$ 288,302</u>	<u>\$ 726,786</u>	<u>\$ 836,224</u>	<u>\$ 646,440</u>	<u>\$ 706,342</u>	<u>\$ 1,875,345</u>	<u>\$ 378,774</u>	<u>\$ 216,849</u>	<u>\$ 11,571</u>	<u>\$ 163,410</u>	<u>\$ 5,918,806</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES												
LIABILITIES												
Accounts payable and accrued liabilities	\$ 6,588	\$ 55,498	\$ 3,438	\$ 68,612	\$ 57,491	\$ 16,675	\$ 31,171	\$ 11,880	\$ 263,527	\$ -	\$ -	\$ 514,880
Due to other funds	-	61,119	-	-	-	-	-	-	-	-	-	61,119
Deposits	-	82,160	-	-	-	-	-	-	-	-	-	82,160
Total liabilities	<u>6,588</u>	<u>198,777</u>	<u>3,438</u>	<u>68,612</u>	<u>57,491</u>	<u>16,675</u>	<u>31,171</u>	<u>11,880</u>	<u>263,527</u>	<u>-</u>	<u>-</u>	<u>658,159</u>
DEFERRED INFLOWS OF RESOURCES												
Unavailable revenue	-	36,350	-	-	-	-	-	-	-	-	-	36,350
FUND BALANCES (DEFICITS)												
Restricted for:												
Debt service	-	-	-	-	-	-	-	-	-	11,571	163,410	174,981
Law enforcement	62,175	-	723,348	-	-	-	-	366,894	-	-	-	1,152,417
Developer agreements	-	-	-	-	-	-	1,844,174	-	-	-	-	1,844,174
Traffic mitigation	-	-	-	774,583	-	-	-	-	-	-	-	774,583
Safe neighborhood districts	-	-	-	-	588,949	689,667	-	-	-	-	-	1,278,616
Police outside services	-	53,175	-	-	-	-	-	-	-	-	-	53,175
Unassigned	-	-	-	(6,971)	-	-	-	-	(46,678)	-	-	(53,649)
Total fund balances (deficits)	<u>62,175</u>	<u>53,175</u>	<u>723,348</u>	<u>767,612</u>	<u>588,949</u>	<u>689,667</u>	<u>1,844,174</u>	<u>366,894</u>	<u>(46,678)</u>	<u>11,571</u>	<u>163,410</u>	<u>5,224,297</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 68,763</u>	<u>\$ 288,302</u>	<u>\$ 726,786</u>	<u>\$ 836,224</u>	<u>\$ 646,440</u>	<u>\$ 706,342</u>	<u>\$ 1,875,345</u>	<u>\$ 378,774</u>	<u>\$ 216,849</u>	<u>\$ 11,571</u>	<u>\$ 163,410</u>	<u>\$ 5,918,806</u>

CITY OF HALLANDALE BEACH, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	Special Revenue Funds							Debt Service Funds		Totals		
	Police Training Fund	Police Outside Services Fund	Police Equitable Sharing Fund	Transportation Fund	Golden Isles Safe Neighborhood Fund	Three Islands District Fund	Developer Agreements Fund	Law Enforcement Trust Fund	Building Permits Fund		2016 G.O. Bond Fund	Revenue Bond Fund
Revenues:												
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 340,077	\$ 431,182	\$ -	\$ -	\$ -	\$ 2,237,006	\$ -	\$ 3,008,265
Charges for services	-	1,226,744	-	892,649	-	-	-	-	-	-	-	2,119,393
Licenses and permits	-	-	-	-	-	-	-	-	2,827,538	-	-	2,827,538
Intergovernmental	-	-	-	1,007,681	-	-	-	-	-	-	-	1,007,681
Franchise taxes	-	-	-	39,099	-	-	-	-	-	-	-	39,099
Fines and forfeitures	10,802	-	193,572	-	-	-	-	123,539	-	-	-	327,913
Investment earnings	-	-	3,003	-	-	-	-	-	-	-	-	3,003
Other revenues	-	-	-	100,600	-	-	503,609	-	-	-	-	604,209
Total revenues	10,802	1,226,744	196,575	2,040,029	340,077	431,182	503,609	123,539	2,827,538	2,237,006	-	9,937,101
Expenditures:												
Current:												
Public safety	12,485	1,256,308	121,634	-	258,567	235,389	-	136,050	2,871,006	-	-	4,891,439
Physical environment	-	-	-	-	-	-	3,036	-	-	-	-	3,036
Transportation	-	-	-	1,465,995	-	-	-	-	-	-	-	1,465,995
Culture and recreation	-	-	-	-	-	-	39,451	-	-	-	-	39,451
Capital outlay	-	-	-	-	129,750	77,739	354,751	-	3,210	-	-	565,450
Debt service												
Principal	-	-	-	-	-	-	-	-	-	1,065,000	1,365,000	2,430,000
Interest	-	-	-	-	-	-	-	-	-	2,014,006	934,787	2,948,793
Total expenditures	12,485	1,256,308	121,634	1,465,995	388,317	313,128	397,238	136,050	2,874,216	3,079,006	2,299,787	12,344,164
Excess (deficiency) of revenues over (under) expenditures	(1,683)	(29,564)	74,941	574,034	(48,240)	118,054	106,371	(12,511)	(46,678)	(842,000)	(2,299,787)	(2,407,063)
Other financing sources												
Transfers in	-	-	-	-	-	-	-	-	-	874,034	2,432,790	3,306,824
Total other financing sources	-	-	-	-	-	-	-	-	-	874,034	2,432,790	3,306,824
Net change in fund balances	(1,683)	(29,564)	74,941	574,034	(48,240)	118,054	106,371	(12,511)	(46,678)	32,034	133,003	899,761
Fund balances (deficits), beginning	63,858	82,739	648,407	193,578	637,189	571,613	1,737,803	379,405	-	(20,463)	30,407	4,324,536
Fund balances (deficits), ending	\$ 62,175	\$ 53,175	\$ 723,348	\$ 767,612	\$ 588,949	\$ 689,667	\$ 1,844,174	\$ 366,894	\$ (46,678)	\$ 11,571	\$ 163,410	\$ 5,224,297

CITY OF HALLANDALE BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS - POLICE TRAINING FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 17,500	\$ 17,500	\$ 10,802	\$ (6,698)
Total revenues	<u>17,500</u>	<u>17,500</u>	<u>10,802</u>	<u>(6,698)</u>
EXPENDITURES				
Operating expenditures	<u>43,265</u>	<u>43,265</u>	<u>12,485</u>	<u>30,780</u>
Total expenditures	<u>43,265</u>	<u>43,265</u>	<u>12,485</u>	<u>30,780</u>
Net change in fund balance	(25,765)	(25,765)	(1,683)	24,082
FUND BALANCE, beginning	<u>63,858</u>	<u>63,858</u>	<u>63,858</u>	<u>-</u>
FUND BALANCE, ending	<u>\$ 38,093</u>	<u>\$ 38,093</u>	<u>\$ 62,175</u>	<u>\$ 24,082</u>

CITY OF HALLANDALE BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS - POLICE OUTSIDE SERVICES FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 1,307,626	\$ 1,307,626	\$ 1,226,744	\$ (80,882)
Other revenues	112,409	112,409	103,791	(8,618)
Total revenues	<u>1,420,035</u>	<u>1,420,035</u>	<u>1,330,535</u>	<u>(89,500)</u>
EXPENDITURES				
Personal services	1,307,626	1,307,626	1,256,308	51,318
Operating expenditures	112,409	112,409	103,791	8,618
Total expenditures	<u>1,420,035</u>	<u>1,420,035</u>	<u>1,360,099</u>	<u>59,936</u>
Net change in fund balance	-	-	(29,564)	(29,564)
FUND BALANCE, beginning	<u>82,739</u>	<u>82,739</u>	<u>82,739</u>	<u>-</u>
FUND BALANCE, ending	<u>\$ 82,739</u>	<u>\$ 82,739</u>	<u>\$ 53,175</u>	<u>\$ (29,564)</u>

CITY OF HALLANDALE BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS - POLICE EQUITABLE SHARING FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Fines and forfeitures	\$ -	\$ -	\$ 193,572	\$ 193,572
Interest revenue	350	350	3,003	2,653
Total revenues	<u>350</u>	<u>350</u>	<u>196,575</u>	<u>196,225</u>
EXPENDITURES				
Operating expenditures	199,500	252,270	121,634	130,636
Capital outlay	-	86,585	-	86,585
Total expenditures	<u>199,500</u>	<u>338,855</u>	<u>121,634</u>	<u>217,221</u>
Net change in fund balance	(199,150)	(338,505)	74,941	413,446
FUND BALANCE, beginning	<u>648,407</u>	<u>648,407</u>	<u>648,407</u>	<u>-</u>
FUND BALANCE, ending	<u>\$ 449,257</u>	<u>\$ 309,902</u>	<u>\$ 723,348</u>	<u>\$ 413,446</u>

CITY OF HALLANDALE BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS - TRANSPORTATION FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 419,935	\$ 419,935	\$ 892,649	\$ 472,714
Intergovernmental	1,049,951	1,049,951	1,007,681	(42,270)
Franchise taxes	38,750	38,750	39,099	349
Other revenues	-	-	100,600	100,600
Total revenues	<u>1,508,636</u>	<u>1,508,636</u>	<u>2,040,029</u>	<u>531,393</u>
EXPENDITURES				
Personal services	779,607	769,607	640,210	129,397
Operating expenditures	1,029,029	1,039,029	825,785	213,244
Capital outlay	-	166,873	-	166,873
Total expenditures	<u>1,808,636</u>	<u>1,975,509</u>	<u>1,465,995</u>	<u>509,514</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(300,000)</u>	<u>(466,873)</u>	<u>574,034</u>	<u>1,040,907</u>
Other financing sources				
Transfers in	<u>300,000</u>	<u>300,000</u>	<u>-</u>	<u>(300,000)</u>
Net change in fund balance	-	(166,873)	574,034	740,907
FUND BALANCE, beginning	<u>193,578</u>	<u>193,578</u>	<u>193,578</u>	<u>-</u>
FUND BALANCE, ending	<u>\$ 193,578</u>	<u>\$ 26,705</u>	<u>\$ 767,612</u>	<u>\$ 740,907</u>

CITY OF HALLANDALE BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS - GOLDEN ISLES SAFE NEIGHBORHOOD FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 348,770	\$ 348,770	\$ 340,077	\$ (8,693)
Total revenues	<u>348,770</u>	<u>348,770</u>	<u>340,077</u>	<u>(8,693)</u>
EXPENDITURES				
Operating expenditures	320,770	320,770	258,567	62,203
Capital outlay	28,000	157,750	129,750	28,000
Total expenditures	<u>348,770</u>	<u>478,520</u>	<u>388,317</u>	<u>90,203</u>
Net change in fund balance	-	(129,750)	(48,240)	81,510
FUND BALANCE, beginning	<u>637,189</u>	<u>637,189</u>	<u>637,189</u>	<u>-</u>
FUND BALANCE, ending	<u>\$ 637,189</u>	<u>\$ 507,439</u>	<u>\$ 588,949</u>	<u>\$ 81,510</u>

CITY OF HALLANDALE BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS - THREE ISLANDS DISTRICT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 437,930	\$ 437,930	\$ 431,182	\$ (6,748)
Total revenues	<u>437,930</u>	<u>437,930</u>	<u>431,182</u>	<u>(6,748)</u>
EXPENDITURES				
Operating expenditures	437,930	437,930	235,389	202,541
Capital outlay	-	117,334	77,739	39,595
Total expenditures	<u>437,930</u>	<u>555,264</u>	<u>313,128</u>	<u>242,136</u>
Net change in fund balance	-	(117,334)	118,054	235,388
FUND BALANCE, beginning	<u>571,613</u>	<u>571,613</u>	<u>571,613</u>	<u>-</u>
FUND BALANCE, ending	<u>\$ 571,613</u>	<u>\$ 454,279</u>	<u>\$ 689,667</u>	<u>\$ 235,388</u>

CITY OF HALLANDALE BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS - LAW ENFORCEMENT TRUST FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Fines and forfeitures	\$ -	\$ -	\$ 123,539	\$ 123,539
Interest revenue	150	150	-	(150)
Total revenues	<u>150</u>	<u>150</u>	<u>123,539</u>	<u>123,389</u>
EXPENDITURES				
Personal services	-	-	6,817	(6,817)
Operating expenditures	86,693	86,693	56,347	30,346
Grants and aids	74,250	74,250	72,886	1,364
Total expenditures	<u>160,943</u>	<u>160,943</u>	<u>136,050</u>	<u>24,893</u>
Net change in fund balance	(160,793)	(160,793)	(12,511)	148,282
FUND BALANCE, beginning	<u>379,405</u>	<u>379,405</u>	<u>379,405</u>	<u>-</u>
FUND BALANCE, ending	<u>\$ 218,612</u>	<u>\$ 218,612</u>	<u>\$ 366,894</u>	<u>\$ 148,282</u>

CITY OF HALLANDALE BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS - BUILDING PERMITS FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Licenses and permits	\$ 3,480,017	\$ 3,480,017	\$ 2,827,538	\$ (652,479)
Total revenues	<u>3,480,017</u>	<u>3,480,017</u>	<u>2,827,538</u>	<u>(652,479)</u>
EXPENDITURES				
Personal services	2,201,104	2,242,337	2,043,388	198,949
Operating expenditures	1,218,413	1,147,334	827,618	319,716
Capital outlay	60,500	90,346	3,210	87,136
Total expenditures	<u>3,480,017</u>	<u>3,480,017</u>	<u>2,874,216</u>	<u>605,801</u>
Net change in fund balance	-	-	(46,678)	(46,678)
FUND BALANCE, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (deficit), ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (46,678)</u>	<u>\$ (46,678)</u>

CITY OF HALLANDALE BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUNDS - 2016 G.O. BOND FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 2,258,274	\$ 2,258,274	\$ 2,237,006	\$ (21,268)
Total revenues	<u>2,258,274</u>	<u>2,258,274</u>	<u>2,237,006</u>	<u>(21,268)</u>
EXPENDITURES				
Debt service	<u>3,109,006</u>	<u>3,109,006</u>	<u>3,079,006</u>	<u>30,000</u>
Total expenditures	<u>3,109,006</u>	<u>3,109,006</u>	<u>3,079,006</u>	<u>30,000</u>
Deficiency of revenues under expenditures	<u>(850,732)</u>	<u>(850,732)</u>	<u>(842,000)</u>	<u>8,732</u>
Other financing sources				
Transfers in	<u>874,034</u>	<u>874,034</u>	<u>874,034</u>	<u>-</u>
Total other financing sources	<u>874,034</u>	<u>874,034</u>	<u>874,034</u>	<u>-</u>
Net change in fund balance	23,302	23,302	32,034	8,732
FUND BALANCE (deficit), beginning	<u>(20,463)</u>	<u>(20,463)</u>	<u>(20,463)</u>	<u>-</u>
FUND BALANCE (deficit), ending	<u>\$ 2,839</u>	<u>\$ 2,839</u>	<u>\$ 11,571</u>	<u>\$ 8,732</u>

CITY OF HALLANDALE BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUNDS - REVENUE BOND FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest revenue	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Debt service	<u>2,300,788</u>	<u>2,300,788</u>	<u>2,299,787</u>	<u>1,001</u>
Total expenditures	<u>2,300,788</u>	<u>2,300,788</u>	<u>2,299,787</u>	<u>1,001</u>
Deficiency of revenues under expenditures	<u>(2,300,788)</u>	<u>(2,300,788)</u>	<u>(2,299,787)</u>	<u>1,001</u>
Other financing sources				
Transfers in	<u>2,300,788</u>	<u>2,300,788</u>	<u>2,432,790</u>	<u>132,002</u>
Total other financing sources	<u>2,300,788</u>	<u>2,300,788</u>	<u>2,432,790</u>	<u>132,002</u>
Net change in fund balance	-	-	133,003	133,003
FUND BALANCE, beginning	<u>30,407</u>	<u>30,407</u>	<u>30,407</u>	<u>-</u>
FUND BALANCE, ending	<u>\$ 30,407</u>	<u>\$ 30,407</u>	<u>\$ 163,410</u>	<u>\$ 133,003</u>



Hallandale Beach
PROGRESS. INNOVATION. OPPORTUNITY.

PROPRIETARY FUNDS

CITY OF HALLANDALE BEACH, FLORIDA

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

General Liability Trust Fund – to account for the costs of insuring the City in the areas of general and auto liability. The City is primarily self-insured in these areas. Other funds are billed to cover actual costs of premiums and claims and to maintain an adequate balance in fund equity.

Workers' Compensation Fund – to account for the costs of providing workers' compensation insurance coverage to employees of the City. The City is partially self-insured in this area. Other funds are billed to cover costs of estimated expenses.

Fleet Fund – to account for the maintenance and replacement of all the City's vehicles with the exception of Fire and Emergency Medical Services apparatus.

CITY OF HALLANDALE BEACH, FLORIDA

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS**

SEPTEMBER 30, 2019

ASSETS	General Liability Trust Fund	Workers' Compensation Fund	Fleet Fund	Totals
CURRENT ASSETS				
Cash	\$ 1,987,676	\$ 2,349,886	\$ 861,607	\$ 5,199,169
Receivables, net of allowances	15,058	-	-	15,058
Prepays	28,413	-	-	28,413
Total current assets	<u>2,031,147</u>	<u>2,349,886</u>	<u>861,607</u>	<u>5,242,640</u>
NONCURRENT ASSETS				
Capital assets:				
Depreciable, net of accumulated depreciation	-	-	2,872,340	2,872,340
Total noncurrent assets	-	-	2,872,340	2,872,340
Total assets	<u>2,031,147</u>	<u>2,349,886</u>	<u>3,733,947</u>	<u>8,114,980</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension	27,306	-	125,398	152,704
OPEB	3,124	-	11,049	14,173
Total deferred outflows of resources	<u>30,430</u>	<u>-</u>	<u>136,447</u>	<u>166,877</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	87,494	30	32,324	119,848
Compensated absences	1,089	-	3,765	4,854
Accrued claims for self-insured risks	628,000	603,000	-	1,231,000
Total current liabilities	<u>716,583</u>	<u>603,030</u>	<u>36,089</u>	<u>1,355,702</u>
NONCURRENT LIABILITIES				
Compensated absences	11,120	-	39,691	50,811
Accrued claims for self-insured risks	1,259,000	1,339,000	-	2,598,000
Net pension liability	100,562	-	461,812	562,374
Total OPEB liability	80,987	-	286,393	367,380
Total noncurrent liabilities	<u>1,451,669</u>	<u>1,339,000</u>	<u>787,896</u>	<u>3,578,565</u>
Total liabilities	<u>2,168,252</u>	<u>1,942,030</u>	<u>823,985</u>	<u>4,934,267</u>
DEFERRED INFLOWS OF RESOURCES				
Pension	4,598	-	21,118	25,716
OPEB	1,477	-	5,222	6,699
Total deferred inflows of resources	<u>6,075</u>	<u>-</u>	<u>26,340</u>	<u>32,415</u>
NET POSITION				
Investment in capital assets	-	-	2,872,340	2,872,340
Unrestricted	(112,750)	407,856	147,729	442,835
Total net position	<u>\$ (112,750)</u>	<u>\$ 407,856</u>	<u>\$ 3,020,069</u>	<u>\$ 3,315,175</u>

CITY OF HALLANDALE BEACH, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	<u>General Liability Trust Fund</u>	<u>Workers' Compensation Fund</u>	<u>Fleet Fund</u>	<u>Totals</u>
OPERATING REVENUES				
Charges for services	\$ 2,189,261	\$ 1,107,376	\$ 2,587,796	\$ 5,884,433
Total operating revenues	<u>2,189,261</u>	<u>1,107,376</u>	<u>2,587,796</u>	<u>5,884,433</u>
OPERATING EXPENSES				
Personal services	265,341	-	895,204	1,160,545
Cost of sales and services	558,274	258,946	557,644	1,374,864
Claims expense	570,073	1,143,415	-	1,713,488
Depreciation	-	-	1,528,102	1,528,102
Total operating expenses	<u>1,393,688</u>	<u>1,402,361</u>	<u>2,980,950</u>	<u>5,776,999</u>
Operating income (loss)	<u>795,573</u>	<u>(294,985)</u>	<u>(393,154)</u>	<u>107,434</u>
NONOPERATING REVENUES				
Gain on disposal of capital assets	-	-	4,343	4,343
Total nonoperating revenues	<u>-</u>	<u>-</u>	<u>4,343</u>	<u>4,343</u>
Change in net position	795,573	(294,985)	(388,811)	111,777
NET POSITION, beginning	<u>(908,323)</u>	<u>702,841</u>	<u>3,408,880</u>	<u>3,203,398</u>
NET POSITION, ending	<u>\$ (112,750)</u>	<u>\$ 407,856</u>	<u>\$ 3,020,069</u>	<u>\$ 3,315,175</u>

CITY OF HALLANDALE BEACH, FLORIDA

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	<u>General Liability Trust Fund</u>	<u>Workers' Compensation Fund</u>	<u>Fleet Fund</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 2,174,203	\$ 1,107,376	\$ 2,587,796	\$ 5,869,375
Payments to suppliers for goods, services, claims and administrative charges	(1,148,753)	(1,382,737)	(554,231)	(3,085,721)
Payments to employees	(247,919)	-	(836,858)	(1,084,777)
Payments to other funds	-	-	(48,188)	(48,188)
Net cash provided by (used in) operating activities	<u>777,531</u>	<u>(275,361)</u>	<u>1,148,519</u>	<u>1,650,689</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	-	-	(311,286)	(311,286)
Net cash used in capital and related financing activities	<u>-</u>	<u>-</u>	<u>(286,912)</u>	<u>(286,912)</u>
Net change in cash and cash equivalents	777,531	(275,361)	861,607	1,363,777
Cash and cash equivalents, beginning	<u>1,210,145</u>	<u>2,625,247</u>	<u>-</u>	<u>3,835,392</u>
Cash and cash equivalents, ending	<u>\$ 1,987,676</u>	<u>\$ 2,349,886</u>	<u>\$ 861,607</u>	<u>\$ 5,199,169</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 795,573	\$ (294,985)	\$ (393,154)	\$ 107,434
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	-	-	1,528,102	1,528,102
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(15,058)	-	-	(15,058)
(Increase) decrease in prepaids and other assets	(10,588)	-	-	(10,588)
(Increase) decrease in deferred outflows of resources	2,228	-	11,335	13,563
Increase (decrease) in accounts payable	70,182	(1,376)	3,413	72,219
Increase (decrease) in compensated absences	1,037	-	1,480	2,517
Increase (decrease) in due to other funds	-	-	(48,188)	(48,188)
Increase (decrease) in self insured claims payable	(80,000)	21,000	-	(59,000)
Increase (decrease) in total OPEB liability	9,695	-	27,766	37,461
Increase (decrease) in net pension liability	540	-	(290)	250
Increase (decrease) in deferred inflows of resources	3,922	-	18,055	21,977
Net cash provided by (used in) operating activities	<u>\$ 777,531</u>	<u>\$ (275,361)</u>	<u>\$ 1,148,519</u>	<u>\$ 1,650,689</u>



Hallandale Beach
PROGRESS. INNOVATION. OPPORTUNITY.

FIDUCIARY FUNDS

CITY OF HALLANDALE BEACH, FLORIDA

FIDUCIARY FUNDS

Fiduciary funds include pension trust funds and agency funds. Pension trust funds account for certain of the City's retirement plans. Agency funds are used to account for assets held by the City for payroll related costs and other miscellaneous assets.

Pension Trust Funds:

General Employees' Pension Fund – This fund is used to account for assets held in a trustee capacity for the retirement pensions of all City employees except police officers, firefighters and management/professional employees.

Police Officers' and Firefighters' Retirement Trust – This fund is used to account for assets held in a trustee capacity for the retirement pensions for all firefighters, fire department officers and all non-civilian police department employees.

Professional/Management Pension Fund – This fund is used to account for assets held in a trustee capacity for the retirement pensions of most professional/management employees as indicated in the Personnel Resource System.

Agency Funds:

Payroll Trust Fund – to account for payroll-related costs held by the City in a trustee capacity.

General Trust Fund – to account for miscellaneous assets held by the City in a trustee capacity.

CITY OF HALLANDALE BEACH, FLORIDA

COMBINING SCHEDULE OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 SEPTEMBER 30, 2019

	Payroll Trust Fund	General Trust Fund	Total Agency Funds	General Employees' Pension Fund	Police and Firefighters' Pension Fund	Professional/ Management Pension Fund	Total Pension Trust Funds
ASSETS							
Cash and cash equivalents	\$ 52,346	\$ 466,856	519,202	\$ -	\$ 7,865,559	\$ -	\$ 7,865,559
Accounts receivable	769	-	769	-	-	-	-
Accrued interest and dividends	-	-	-	-	280,447	-	280,447
Due from broker	-	-	-	-	388,703	-	388,703
Investments:							
Corporate bonds	-	-	-	-	12,110,462	-	12,110,462
Equity securities	-	-	-	-	111,894,451	-	111,894,451
U.S. obligations	-	-	-	-	19,607,143	-	19,607,143
Hedge funds	-	-	-	-	17,494,080	-	17,494,080
Equity pooled separate accounts	-	-	-	25,534,268	-	9,633,874	35,168,142
Private equity fund	-	-	-	-	3,435,436	-	3,435,436
Fixed income pooled separate accounts	-	-	-	30,845,660	-	7,519,560	38,365,220
Real estate pooled separate accounts	-	-	-	4,901,052	-	1,493,606	6,394,658
Real estate investment trust	-	-	-	-	8,125,911	-	8,125,911
Total investments	53,115	466,856	519,971	61,280,980	181,202,192	18,647,040	261,130,212
Prepays	-	-	-	-	7,708	-	7,708
Total assets	53,115	466,856	519,971	61,280,980	181,209,900	18,647,040	261,137,920
LIABILITIES							
Accounts payable	29,565	-	29,565	-	366,328	-	366,328
Due to others	23,550	466,856	490,406	-	-	-	-
Unearned revenue	-	-	-	-	24,852	-	24,852
Due to broker	-	-	-	-	238,363	-	238,363
Total liabilities	53,115	466,856	519,971	-	629,543	-	629,543
NET POSITION							
Restricted for pension benefits	\$ -	\$ -	\$ -	\$ 61,280,980	\$ 180,580,357	\$ 18,647,040	\$ 260,508,377

CITY OF HALLANDALE BEACH, FLORIDA

COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
SEPTEMBER 30, 2019

	General Employees' Pension Fund	Police and Firefighters' Pension Fund	Professional/ Management Pension Fund	Total Pension Trust Funds
ADDITIONS				
Contributions:				
Employer	\$ 2,505,013	\$ 10,705,946	\$ 731,430	\$ 13,942,389
Plan members	172,187	1,565,590	44,346	1,782,123
State of Florida	-	653,582	-	653,582
Total contributions	<u>2,677,200</u>	<u>12,925,118</u>	<u>775,776</u>	<u>16,378,094</u>
Investment income:				
Interest and dividends	-	4,052,972	-	4,052,972
Net increase in fair value of investments	3,132,820	3,248,260	805,258	7,186,338
Total investment income	<u>3,132,820</u>	<u>7,301,232</u>	<u>805,258</u>	<u>11,239,310</u>
Less investment expense	(66,794)	(1,430,980)	(37,788)	(1,535,562)
Net investment income	<u>3,066,026</u>	<u>5,870,252</u>	<u>767,470</u>	<u>9,703,748</u>
Total additions	<u>5,743,226</u>	<u>18,795,370</u>	<u>1,543,246</u>	<u>26,081,842</u>
DEDUCTIONS				
Benefits	3,653,987	14,112,474	1,072,615	18,839,076
Professional services	-	233,562	-	233,562
Total deductions	<u>3,653,987</u>	<u>14,346,036</u>	<u>1,072,615</u>	<u>19,072,638</u>
Change in net position	2,089,239	4,449,334	470,631	7,009,204
Net position, beginning	59,191,741	176,131,023	18,176,409	253,499,173
Net position, ending	<u>\$ 61,280,980</u>	<u>\$ 180,580,357</u>	<u>\$ 18,647,040</u>	<u>\$ 260,508,377</u>

CITY OF HALLANDALE BEACH, FLORIDA
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	Payroll Trust Fund			
	Beginning Balance	Increases	Decreases	Ending Balance
ASSETS				
Cash and cash equivalents	\$ 110,741	\$ 59,605,346	\$ (59,663,741)	\$ 52,346
Accounts receivable	306	632,146	(631,683)	769
Total assets	\$ 111,047	\$ 60,237,492	\$ (60,295,424)	\$ 53,115
LIABILITIES				
Accounts payable and other liabilities	\$ 2,861	\$ 21,439,552	\$ (21,412,848)	\$ 29,565
Due to others	108,186	38,797,940	(38,882,576)	23,550
Total liabilities	\$ 111,047	\$ 60,237,492	\$ (60,295,424)	\$ 53,115
	General Trust Fund			
	Beginning Balance	Increases	Decreases	Ending Balance
ASSETS				
Cash and cash equivalents	\$ 408,763	\$ 149,850	\$ (91,757)	\$ 466,856
Due from other governments	-	-	-	-
Total assets	\$ 408,763	\$ 149,850	\$ (91,757)	\$ 466,856
LIABILITIES				
Due to others	\$ 408,763	\$ 149,850	\$ (91,757)	\$ 466,856
Total liabilities	\$ 408,763	\$ 149,850	\$ (91,757)	\$ 466,856
	Totals			
	Beginning Balance	Increases	Decreases	Ending Balance
ASSETS				
Cash and cash equivalents	\$ 519,504	\$ 59,755,196	\$ (59,755,498)	\$ 519,202
Accounts receivable	306	632,146	(631,683)	769
Total assets	\$ 519,810	\$ 60,387,342	\$ (60,387,181)	\$ 519,971
LIABILITIES				
Accounts payable and other liabilities	\$ 2,861	\$ 21,439,552	\$ (21,412,848)	\$ 29,565
Due to others	516,949	\$ 38,947,790	\$ (38,974,333)	\$ 490,406
Total liabilities	\$ 519,810	\$ 60,387,342	\$ (60,387,181)	\$ 519,971



Hallandale Beach
PROGRESS. INNOVATION. OPPORTUNITY.

STATISTICAL SECTION

STATISTICAL SECTION

This part of the City of Hallandale Beach's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, required supplementary information, and supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	113 - 117
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity	118 - 122
<i>These schedules contain information to help the reader assess the City's most significant local revenue sources.</i>	
Debt Capacity	123 - 126
<i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	127 and 128
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
Operating Information	129 - 131
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the City's financial reports for the relevant year.

CITY OF HALLANDALE BEACH, FLORIDA

**SCHEDULE 1
NET POSITION BY ACTIVITY
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(Amounts Expressed in Thousands)**

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Net investment in capital assets	\$ 45,621	\$ 45,545	\$ 48,484	\$ 42,885	\$ 59,760	\$ 59,840	\$ 66,595	\$ 63,929	\$ 63,880	\$ 63,108
Restricted	24,788	28,498	25,446	20,408	11,599	13,523	16,021	19,540	19,517	25,340
Unrestricted	33,243	31,454	25,314	34,225	19,671	(35,637)	(41,076)	(60,991)	(64,407)	(68,068)
Total governmental activities net position	<u>\$ 103,652</u>	<u>\$ 105,497</u>	<u>\$ 99,244</u>	<u>\$ 97,518</u>	<u>\$ 91,030</u>	<u>\$ 37,726</u>	<u>\$ 41,540</u>	<u>\$ 22,478</u>	<u>\$ 18,990</u>	<u>\$ 20,380</u>
Business-type activities										
Net investment in capital assets	\$ 28,347	\$ 27,910	\$ 24,702	\$ 28,361	\$ 33,465	\$ 35,544	\$ 37,651	\$ 36,563	\$ 36,877	\$ 49,221
Restricted	-	-	-	-	292	291	291	1,084	1,285	2,564
Unrestricted	26,158	30,937	34,028	38,672	40,562	33,754	27,512	25,975	32,492	36,574
Total business-type activities net position	<u>\$ 54,505</u>	<u>\$ 58,847</u>	<u>\$ 58,730</u>	<u>\$ 67,033</u>	<u>\$ 74,319</u>	<u>\$ 69,589</u>	<u>\$ 65,454</u>	<u>\$ 63,622</u>	<u>\$ 70,654</u>	<u>\$ 88,359</u>
Primary government										
Net investment in capital assets	\$ 73,968	\$ 73,455	\$ 73,186	\$ 71,246	\$ 93,225	\$ 95,384	\$ 104,246	\$ 100,492	\$ 100,757	\$ 112,329
Restricted	24,788	28,498	25,446	20,408	11,891	13,814	16,312	20,624	20,802	27,904
Unrestricted	59,401	62,391	59,342	72,897	60,233	(1,883)	(13,564)	(35,016)	(31,915)	(31,494)
Total primary government net position	<u>\$ 158,157</u>	<u>\$ 164,344</u>	<u>\$ 157,974</u>	<u>\$ 164,551</u>	<u>\$ 165,349</u>	<u>\$ 107,315</u>	<u>\$ 106,994</u>	<u>\$ 86,100</u>	<u>\$ 89,644</u>	<u>\$ 108,739</u>

Note: GASB 68 was implemented during fiscal year 2015.

Note: Terminology was revised for all years presented with the implementation of GASB Statement No. 63.

CITY OF HALLANDALE BEACH, FLORIDA

SCHEDULE 2

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

(Amounts Expressed in Thousands)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities:										
General government	\$ 9,633	\$ 11,684	\$ 11,530	\$ 9,302	\$ 15,289	\$ 13,876	\$ 18,435	\$ 19,868	\$ 17,396	\$ 19,183
Public safety	32,167	33,038	34,941	36,091	39,809	36,359	39,329	45,542	45,864	52,690
Physical environment	2,037	2,411	2,507	2,312	2,028	1,897	2,234	2,936	3,565	3,012
Transportation	1,295	1,127	1,221	1,943	2,142	1,850	1,972	1,913	2,587	2,113
Economic environment	6,479	3,659	6,820	4,798	4,879	4,474	5,743	5,319	5,186	7,212
Culture and recreation	2,438	2,417	2,622	2,005	3,806	4,145	6,063	6,508	5,449	5,333
Human services	931	1,014	1,215	2,684	2,139	1,822	2,353	2,117	1,893	1,803
Interest and fiscal charges	1,056	1,110	1,068	1,078	1,861	956	2,765	2,960	2,700	2,651
Total governmental activities expenses	<u>56,036</u>	<u>56,460</u>	<u>61,924</u>	<u>60,213</u>	<u>71,953</u>	<u>65,379</u>	<u>78,894</u>	<u>87,163</u>	<u>84,640</u>	<u>93,997</u>
Business-type activities:										
Nonmajor	333	231	253	277	272	280	212	243	223	252
Sanitation	4,943	4,724	4,775	5,267	6,422	6,211	5,864	5,829	4,604	5,101
Stormwater drainage	1,932	1,873	1,678	1,768	2,075	2,215	2,705	3,859	2,917	3,002
Utility (water & sewer)	19,263	18,852	21,281	21,288	21,819	24,902	24,722	23,549	21,228	20,979
Total business-type activities expenses	<u>26,471</u>	<u>25,680</u>	<u>27,987</u>	<u>28,600</u>	<u>30,588</u>	<u>33,608</u>	<u>33,503</u>	<u>33,480</u>	<u>28,972</u>	<u>29,334</u>
Total expenses	<u>\$ 82,507</u>	<u>\$ 82,140</u>	<u>\$ 89,911</u>	<u>\$ 88,813</u>	<u>\$ 102,541</u>	<u>\$ 98,987</u>	<u>\$ 112,397</u>	<u>\$ 120,643</u>	<u>\$ 113,612</u>	<u>\$ 123,331</u>
Program revenues										
Governmental activities:										
Charges for services										
General government	\$ 4,456	\$ 4,409	\$ 1,627	\$ 1,757	\$ 6,840	\$ 7,719	\$ 7,075	\$ 7,704	\$ 10,383	\$ 7,922
Public safety	5,512	4,735	4,022	6,591	13,831	13,445	12,668	14,943	13,625	16,915
Physical environment	40	-	1,881	3,560	4,786	5,233	5,182	4,157	3,114	3,161
Transportation	197	240	292	465	518	622	507	496	1,012	1,168
Economic environment	20	-	941	236	433	943	1,473	382	397	634
Culture and recreation	79	50	25	218	332	899	715	692	530	626
Human services	-	-	60	398	482	477	-	-	-	884
Operating grants and contributions	5,384	1,811	1,589	901	892	816	1,378	1,157	1,069	2,657
Capital grants and contributions	1,061	566	1,697	2,999	1,575	1,711	1,096	111	70	-
Total governmental activities program revenues	<u>\$ 16,749</u>	<u>\$ 11,811</u>	<u>\$ 12,134</u>	<u>\$ 17,125</u>	<u>\$ 29,689</u>	<u>\$ 31,865</u>	<u>\$ 30,094</u>	<u>\$ 29,642</u>	<u>\$ 30,200</u>	<u>\$ 33,967</u>
Business-type activities:										
Charges for services										
Nonmajor	\$ 353	\$ 210	\$ 226	\$ 229	\$ 219	\$ 193	\$ 281	\$ 162	\$ 206	\$ 139
Sanitation	5,435	4,920	4,971	4,955	4,925	5,238	5,422	5,239	6,599	6,962
Stormwater drainage	1,429	1,542	1,979	1,958	2,065	2,591	2,088	2,092	4,286	4,397
Utility (water & sewer)	21,505	22,074	21,953	23,644	23,724	22,545	23,009	23,340	25,594	25,173
Capital grants and contributions	9	32	11	933	59	37	-	907	501	9,418
Total business-type activities program revenues	<u>28,731</u>	<u>28,778</u>	<u>29,140</u>	<u>31,719</u>	<u>30,992</u>	<u>30,604</u>	<u>30,800</u>	<u>31,740</u>	<u>37,186</u>	<u>46,089</u>
Total program revenues	<u>\$ 45,480</u>	<u>\$ 40,589</u>	<u>\$ 41,274</u>	<u>\$ 48,844</u>	<u>\$ 60,681</u>	<u>\$ 62,469</u>	<u>\$ 60,894</u>	<u>\$ 61,382</u>	<u>\$ 67,386</u>	<u>\$ 80,056</u>

(Continued)

CITY OF HALLANDALE BEACH, FLORIDA

SCHEDULE 2 (Continued)
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General revenues and other changes in net position										
Governmental activities:										
Taxes										
Property taxes	\$ 24,340	\$ 20,972	\$ 20,600	\$ 20,579	\$ 21,819	\$ 21,752	\$ 28,522	\$ 34,557	\$ 36,687	\$ 42,829
Franchise and utility taxes	8,338	8,231	8,326	8,220	8,579	8,595	8,373	8,537	8,565	8,616
Sales taxes	2,112	2,029	2,084	2,223	2,339	2,472	2,526	2,534	2,677	2,642
Motor fuel taxes	718	653	639	642	911	1,057	1,010	1,016	1,035	1,031
Alcoholic beverage taxes	28	30	22	23	19	18	17	15	14	14
Fire assessments	4,502	4,591	4,702	5,621	-	-	-	-	-	-
Intergovernmental revenue	4,092	3,818	3,774	4,204	4,869	5,383	1,073	1,100	1,098	1,147
Unrestricted Investment earnings	911	535	439	291	161	221	809	1,734	2,074	2,341
Slot machine proceeds	1,707	1,922	1,818	1,719	1,649	1,603	1,677	1,475	1,131	1,307
Other revenue	1,893	1,672	1,942	2,665	74	68	31	-	-	-
Gain on the sale of capital assets	11	29	105	-	397	241	258	297	-	4
Transfers	(929)	(638)	(914)	(4,722)	(5,042)	(1,873)	1,852	935	1,395	1,492
Total governmental activities general revenues and changes in net position	47,723	43,844	43,537	41,465	35,775	39,537	46,148	52,200	54,676	61,423
Business-type activities:										
Franchise and utility taxes	335	240	213	220	165	-	-	-	-	-
Unrestricted investment earnings	227	285	373	193	139	317	395	50	386	1,138
Other revenue	456	60	46	932	28	1	-	-	-	-
Impact fees	-	-	-	-	-	-	25	793	487	1,280
Gain on the sale of capital assets	1	22	12	-	-	55	-	-	3	23
Transfers	929	638	914	4,722	5,042	1,873	(1,852)	(935)	(1,395)	(1,492)
Total business type activities general revenues and changes in net position	1,948	1,245	1,558	6,067	5,374	2,246	(1,432)	(92)	(519)	949
Total general revenues and other changes in net position	\$ 49,671	\$ 45,089	\$ 45,095	\$ 47,532	\$ 41,149	\$ 41,783	\$ 44,716	\$ 52,108	\$ 54,157	\$ 62,372
Change in net position										
Governmental activities	8,436	(805)	(6,253)	(1,623)	(6,489)	6,023	(2,652)	(5,321)	236	1,393
Business-type activities	4,208	4,343	2,711	9,186	5,778	(758)	(4,135)	(1,832)	7,695	17,704
Total change in net position	\$ 12,644	\$ 3,538	\$ (3,542)	\$ 7,563	\$ (711)	\$ 5,265	\$ (6,787)	\$ (7,153)	\$ 7,931	\$ 19,097

Note: Terminology was revised for all years presented with the implementation of GASB Statement No. 63 and certain amounts were restated for consistency purposes.

CITY OF HALLANDALE BEACH, FLORIDA

SCHEDULE 3
 FUND BALANCES, GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (Modified Accrual Basis of Accounting)
 (Amounts Expressed in Thousands)

	Fiscal Year									
	2010	2011 ⁽¹⁾	2012	2013	2014	2015	2016 ⁽²⁾	2017	2018	2019
General Fund										
Reserved	\$ 179	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	26,840	-	-	-	-	-	-	-	-	-
Non-spendable:										
Inventories	-	224	203	189	191	156	125	117	89	60
Prepaid items	-	14	16	31	14	128	-	641	320	-
Restricted for:										
Debt service	-	-	-	-	-	-	-	483	450	414
Developer agreements	-	-	-	-	-	-	-	-	-	1,675
Grant programs	-	-	-	-	-	-	-	-	-	24
Assigned to:										
Vehicles and equipment	-	2,221	2,449	2,553	1,803	1,318	884	1,138	601	656
Excess benefit plan	-	-	-	-	-	-	6,437	6,828	6,923	6,396
Capital projects	-	-	-	-	-	-	-	-	-	119
Encumbrances	-	-	-	-	-	-	-	-	-	54
Subsequent year's expenditures	-	5,673	6,455	4,356	1,622	-	-	1,879	825	-
Unassigned	-	18,399	15,104	18,721	17,391	20,186	18,963	12,007	9,398	12,830
Total General Fund	\$ 27,019	\$ 26,531	\$ 24,227	\$ 25,850	\$ 21,021	\$ 21,788	\$ 26,409	\$ 23,093	\$ 18,606	\$ 22,228
All Other Governmental Funds										
Reserved	\$ 3,820	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	23,516	-	-	-	-	-	-	-	-	-
Capital projects funds	7,433	-	-	-	-	-	-	-	-	-
Non-spendable:										
Prepaid Items	-	-	-	141	-	-	-	48	16	-
Restricted for:										
Assets held for resale	-	5,552	3,145	1,177	816	6,608	9,476	8,925	9,172	8,159
Long-term receivable	-	2,327	1,805	1,214	1,337	1,253	1,341	1,922	1,851	1,576
Community redevelopment	-	-	-	-	1,308	-	663	2,738	3,762	8,214
Debt service	-	910	955	1,000	1,000	1,517	1,168	1,967	30	174
Capital projects	-	-	-	-	-	-	69,747	62,141	48,571	23,068
Developer agreements	-	2,623	1,628	502	560	1,502	956	1,274	1,738	1,844
Grant programs	-	-	-	-	922	366	525	-	4	-
Law enforcement	-	2,638	1,727	1,141	1,055	1,016	986	1,165	1,092	1,152
Police outside services	-	-	-	-	-	-	-	-	-	53
Traffic mitigation	-	2,764	2,919	2,639	626	346	-	143	194	775
Safe neighborhood districts	-	1,209	1,080	952	937	915	906	923	1,209	1,279
Assigned to:										
Computer equipment	-	22	22	22	-	-	-	-	-	-
Police outside services	-	79	118	140	151	177	-	-	83	-
Special revenue funds	-	14,243	13,230	7,672	-	-	-	-	-	-
Capital projects funds	-	5,207	4,991	4,054	1,415	365	-	-	-	1,961
Subsequent year's expenditure	-	-	-	4,054	3,038	-	-	-	-	-
Unassigned	-	-	-	(901)	-	(313)	(105)	(1,997)	(21)	(54)
Total all other governmental funds	\$ 34,769	\$ 37,574	\$ 31,620	\$ 23,807	\$ 13,165	\$ 13,752	\$ 85,663	\$ 79,249	\$ 67,701	\$ 48,201

⁽¹⁾ GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, redefined the components of the fund balance of governmental funds, implemented in fiscal year 2011.

⁽²⁾ With the implementation of GASB Statement No. 73, the City is required to report the Excess Benefit Plan in the General Fund, as opposed to the Pension Fund.

CITY OF HALLANDALE BEACH, FLORIDA

SCHEDULE 4
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues:										
Taxes	\$ 33,114	\$ 29,194	\$ 28,923	\$ 28,799	\$ 30,397	\$ 30,347	\$ 32,159	\$ 37,902	\$ 39,517	\$ 45,342
Licenses, fees and permits	1,857	1,630	1,299	2,329	2,505	2,977	3,031	3,809	3,108	3,586
Fines and forfeitures	1,925	1,099	938	1,076	865	731	824	890	635	838
Charges for services	6,831	6,389	7,206	10,018	8,994	12,143	11,247	10,792	9,433	10,171
Intergovernmental	11,901	9,443	10,376	9,711	11,072	11,964	10,739	10,938	11,630	13,787
Investment earnings	896	513	385	246	216	383	1,014	1,732	2,074	2,341
Slot machine proceeds	1,707	1,922	1,818	1,719	1,649	1,603	1,677	1,475	1,131	1,307
Other revenues	6,385	6,262	6,648	7,800	11,409	7,686	9,456	8,144	9,201	10,662
Total revenues	<u>64,616</u>	<u>56,452</u>	<u>57,593</u>	<u>61,698</u>	<u>67,107</u>	<u>67,834</u>	<u>70,147</u>	<u>75,682</u>	<u>76,729</u>	<u>88,034</u>
Expenditures:										
Current:										
General government	9,632	9,236	9,463	9,244	9,904	9,002	10,655	10,998	12,683	11,197
Public safety	31,428	32,702	34,379	35,620	39,398	40,654	40,286	42,012	43,357	44,506
Physical environment	1,984	2,358	2,443	2,252	2,034	2,028	2,283	2,821	3,510	2,926
Transportation	1,137	937	1,031	1,637	1,909	1,742	1,922	1,763	1,878	1,751
Economic environment	6,376	3,578	6,736	4,680	4,843	4,421	5,693	5,265	5,118	7,149
Human services	859	944	1,140	2,698	2,098	1,837	2,301	2,066	1,849	1,727
Culture and recreation	2,067	2,081	2,290	1,563	3,569	3,773	5,435	5,299	4,324	3,951
Capital outlay	2,557	2,319	7,007	7,022	18,763	9,602	16,186	8,973	18,669	25,400
Debt service:										
Principal	830	865	910	955	955	1,000	2,450	3,370	3,750	3,906
Interest and fiscal charges	1,153	1,117	1,075	1,031	1,006	957	2,190	3,169	3,424	3,347
Total expenditures	<u>58,023</u>	<u>56,137</u>	<u>66,474</u>	<u>66,702</u>	<u>84,479</u>	<u>75,016</u>	<u>89,401</u>	<u>85,736</u>	<u>98,562</u>	<u>105,860</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,593</u>	<u>315</u>	<u>(8,881)</u>	<u>(5,004)</u>	<u>(17,372)</u>	<u>(7,182)</u>	<u>(19,254)</u>	<u>(10,054)</u>	<u>(21,833)</u>	<u>(17,826)</u>
Other financing sources (uses)										
Proceeds from the sale of capital assets	13	32	35	272	430	27	74	3	2,987	3
Transfers in	8,540	5,734	2,512	2,452	5,615	11,160	18,706	1,661	6,026	4,807
Transfers out	(9,601)	(6,414)	(2,833)	(3,518)	(5,615)	(7,030)	(16,695)	(1,339)	(4,526)	(3,307)
Issuance of long-term debt	-	-	-	-	-	-	86,748	-	1,308	449
Total other financing sources	<u>(1,048)</u>	<u>(648)</u>	<u>(286)</u>	<u>(794)</u>	<u>430</u>	<u>4,157</u>	<u>88,833</u>	<u>325</u>	<u>5,795</u>	<u>1,952</u>
Net change in fund balances	<u>\$ 5,545</u>	<u>\$ (333)</u>	<u>\$ (9,167)</u>	<u>\$ (5,798)</u>	<u>\$ (16,942)</u>	<u>\$ (3,025)</u>	<u>\$ 69,579</u>	<u>\$ (9,729)</u>	<u>\$ (16,038)</u>	<u>\$ (15,874)</u>
Debt service as a percentage of noncapital expenditures	<u>3.6%</u>	<u>3.7%</u>	<u>3.3%</u>	<u>3.3%</u>	<u>3.0%</u>	<u>3.0%</u>	<u>6.3%</u>	<u>8.5%</u>	<u>9.2%</u>	<u>9.0%</u>

CITY OF HALLANDALE BEACH, FLORIDA

SCHEDULE 5

TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(Amounts Expressed in Thousands)

Fiscal Year	Ad Valorem	Franchise Fees	Utility	Communications Service	Sales	Motor Fuel	Alcoholic Beverage	Total
2010	\$ 24,740	\$ 2,601	\$ 3,783	\$ 1,989	\$ 2,078	\$ 718	\$ 28	\$ 35,937
2011	20,972	2,639	3,853	1,730	2,030	653	30	31,907
2012	20,600	2,581	3,948	1,794	2,084	639	22	31,668
2013	20,579	2,519	4,123	1,578	2,223	642	23	31,687
2014	21,819	2,696	4,363	1,520	2,339	911	19	33,667
2015	21,752	2,708	4,420	1,467	2,472	1,057	18	33,894
2016	23,786	2,640	4,383	1,350	2,526	1,010	17	35,712
2017	29,365	2,699	4,557	1,280	2,534	710	15	41,160
2018	30,951	2,656	4,647	1,262	2,677	705	14	42,912
2019	36,727	2,701	4,705	1,209	2,643	709	14	48,708
Change 2010 - 2019	48.5%	3.8%	24.4%	-39.2%	27.2%	-1.3%	-50.0%	35.5%

Notes: Property in Broward County is reassessed once every year, on average. The county assesses property at approximately 85-100% of actual value for commercial and industrial property and 85-100% for residential property, as required by Florida law. Estimated actual taxable value is calculated by dividing taxable value by those percentages. Tax rates are \$1,000 of assessed value. Finally some amounts were restated for consistency purposes.

CITY OF HALLANDALE BEACH, FLORIDA

SCHEDULE 6

PROPERTY TAX RATES - DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN FISCAL YEARS

		Direct City Rate ⁽¹⁾			Overlapping Rates												
		City of Hallandale Beach			Broward County BOCC			School Board of Broward County			So Florida Water Management District	Florida Inland Navigation District	Children's Services Council	South Broward Hospital District	Total Direct & Overlapping Rates	Golden Isles Safe Neighborhood District ⁽²⁾	Three Islands Safe Neighborhood District ⁽²⁾
Tax roll year	Fiscal Year	Operating Millage	Debt Service Millage	Total Hallandale Beach	Operating Millage	Debt Service Millage	Total Broward County	Operating Millage	Debt Service Millage	Total School District							
2009	2010	5.9000	-	5.9000	4.8889	0.5000	5.3889	7.4310	-	7.4310	0.6240	0.0345	0.4243	1.2732	21.0759	1.0934	0.6600
2010	2011	5.9000	-	5.9000	5.1021	0.4509	5.5530	7.6310	-	7.6310	0.6240	0.0345	0.4696	1.2732	21.4853	1.0934	0.6600
2011	2012	5.9000	-	5.9000	5.1860	0.3670	5.5530	7.4180	-	7.4180	0.4363	0.0345	0.4789	0.7500	20.5707	1.0934	0.6600
2012	2013	5.6833	-	5.6833	5.2576	0.2954	5.5530	7.4560	-	7.4560	0.4289	0.0345	0.4902	0.6000	20.2459	1.0934	0.6600
2013	2014	5.6833	-	5.6833	5.4400	0.2830	5.7230	7.4800	-	7.4800	0.4110	0.0345	0.4882	0.4000	20.2200	1.0934	0.6600
2014	2015	5.1918	-	5.1918	5.4584	0.2646	5.7230	7.4380	-	7.4380	0.3842	0.0345	0.4882	0.1863	19.4460	1.0934	0.6600
2015	2016	5.1918	-	5.1918	5.4741	0.2489	5.7230	7.2030	0.0710	7.2740	0.3551	0.0320	0.4882	0.1737	19.2378	1.0934	0.6600
2016	2017	5.1918	0.6080	5.7998	5.4474	0.2216	5.6690	6.8360	0.0703	6.9063	0.3307	0.0320	0.4882	0.1615	19.3875	1.0934	0.6600
2017	2018	5.3093	0.4905	5.7998	5.4623	0.2067	5.6690	6.4740	0.0654	6.5394	0.3100	0.0320	0.4882	0.1496	18.9880	1.0934	0.6600
2018	2019	6.3191	0.4162	6.7353	5.4792	0.1898	5.6690	6.2750	0.1279	6.4029	0.2936	0.0320	0.4882	0.1414	19.7624	1.0934	0.6600

Note: Tax millage rates (per \$1,000 of taxable value).

Source: Broward County Department of Revenue; Broward County Property Appraiser.

⁽¹⁾ Effective Fiscal year 2017 (Tax Roll Year 2016), the City's millage rate consists of both an operating millage and a debt service millage.

⁽²⁾ Safe Neighborhood Districts are not included in total tax rate, as these do not apply to entire City.

CITY OF HALLANDALE BEACH, FLORIDA

SCHEDULE 7

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

<u>Taxpayer</u>	2019			2010		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Gulfstream Park Racing Association Inc	\$ 219,756,713	1	4.091%	\$ 168,904,392	1	3.462%
17070 Collins Ave. Shopping Ctr	52,117,750	2	0.970%	42,720,650	3	0.570%
Florida Power & Light Co.	49,516,759	3	0.922%	27,791,227	5	0.876%
Three Islands Associates Residential/Midwest	39,373,883	4	0.733%	27,689,400	6	0.568%
Hollywood Greyhound Track Investment Corp.	25,704,810	5	0.478%	28,563,900	4	0.586%
Hallandale Group Limited Partnership	22,886,088	6	0.426%	-	-	-
2500 Hallandale Beach LLC - Receiver Inc.	21,673,560	7	0.403%	17,627,880	9	0.361%
Romagnole Investment Properties LLC	18,598,150	8	0.346%	-	-	-
Village at Gulf Stream Park LLC	17,619,870	9	0.328%	-	-	-
Wal-Mart Stores Inc.	17,595,412	10	0.328%	15,371,723	10	0.315%
Ocean Marine Yacht Club LLC	-	-	-	76,411,660	2	1.566%
Diplomat Properties Ltd Partnership	-	-	-	25,066,868	7	0.514%
600 Hallandale LLC	-	-	-	19,918,500	8	0.408%
Total	<u>\$ 484,842,995</u>		<u>9.025%</u>	<u>\$ 450,066,200</u>		<u>9.226%</u>

Source: Broward County, Florida, Department of Revenue.

CITY OF HALLANDALE BEACH, FLORIDA

SCHEDULE 8
 PROPERTY TAX LEVIES AND COLLECTIONS
 LAST TEN FISCAL YEARS
 (Amounts Expressed in Thousands)

Fiscal Year Ended September 30th	Digest Tax Year	Taxes Levied for the Fiscal Year ⁽¹⁾	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount ⁽²⁾	Percentage of Levy		Amount ⁽²⁾	Percentage of Levy
2010	2009	\$ 24,832	\$ 24,187	97.40%	\$ 377	\$ 24,564	98.92%
2011	2010	21,343	21,061	98.68%	1	21,063	98.69%
2012	2011	21,237	21,161	99.64%	-	21,161	99.64%
2013	2012	21,117	21,093	99.89%	-	21,093	99.89%
2014	2013	22,534	22,487	99.79%	-	22,487	99.79%
2015	2014	22,681	22,504	99.22%	-	22,504	99.22%
2016	2015	24,721	24,594	99.49%	3	24,597	99.50%
2017	2016	30,435	30,299	99.55%	49	30,348	99.72%
2018	2017	32,151	31,959	99.40%	18	31,977	99.46%
2019	2018	38,497	38,217	99.27%	-	38,217	99.27%

Source: Broward County, Florida, Department of Revenue.

⁽¹⁾ Amounts include Golden Isles, Three Islands Safe Neighborhood Districts, and the Hallandale Beach Community Redevelopment Agency, which are component units of the City of Hallandale Beach, Florida.

⁽²⁾ Gross amounts presented (does not include discounts, interest & penalties, etc.).

CITY OF HALLANDALE BEACH, FLORIDA

SCHEDULE 9

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

(Amounts Expressed In Thousands)

Fiscal Year	Real Property ⁽¹⁾			Personal Property	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate (mills)	Estimated Actual Taxable Value ⁽²⁾	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Other Property						
2010	\$4,171,536	\$ 720,600	\$152,985	\$ 126,396	\$ 1,037,262	\$ 4,134,255	5.9000	\$ 5,171,517	79.9%
2011	3,360,656	702,187	178,327	116,524	807,371	3,550,323	5.9000	4,357,694	81.5%
2012	3,314,833	729,340	188,369	114,532	797,854	3,549,220	5.9000	4,347,074	81.6%
2013	3,421,664	712,733	191,941	108,570	803,365	3,631,543	5.8833	4,434,908	81.9%
2014	3,778,517	714,609	185,921	120,434	921,193	3,878,288	5.6833	4,799,481	80.8%
2015	4,564,963	748,318	188,137	121,879	1,375,207	4,248,090	5.1918	5,623,297	75.5%
2016	5,043,846	773,600	193,328	128,697	1,514,373	4,625,098	5.1918	6,139,471	75.3%
2017	5,462,533	818,576	214,874	167,335	1,536,431	5,126,887	5.1918	6,663,318	76.9%
2018	5,659,280	863,001	223,657	154,518	1,494,759	5,405,697	5.3093	6,900,456	78.3%
2019	5,777,202	880,699	226,242	153,060	1,443,457	5,593,746	6.3191	7,037,203	79.5%

Source: Broward County Revenue Collection Division.

⁽¹⁾ Based on market values.

⁽²⁾ Includes tax exempt properties.

CITY OF HALLANDALE BEACH, FLORIDA

SCHEDULE 10

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

Fiscal year	Capital Lease	Governmental Activities						Business-Type Activities				Total Primary Government	Percentage Of Personal Income ⁽¹⁾	Per Capita ⁽¹⁾
		Revenue Bonds Series 2007A	Revenue Note Series 2012	Revenue Bonds Series 2001A	Revenue Bonds Series 2016	O.B. Johnson Bonds Series 2015	G.O. Bonds Series 2016	Revenue Bonds Series 2005A	Revenue Note Series 2012	Revenue Bonds Series 2014	State Revolving Loan 2017			
2010	\$ -	\$22,310,000	\$ -	\$3,375,000	\$ -	\$ -	\$ -	\$7,205,000	\$ -	\$ -	\$ -	\$ 32,890,000	2.21%	\$ 886.12
2011	-	21,445,000	-	3,165,000	-	-	-	6,850,000	-	-	-	31,460,000	2.05%	847.68
2012	-	20,535,000	-	-	-	-	-	6,480,000	2,770,000	-	-	29,785,000	1.88%	789.38
2013	11,768	20,535,000	5,050,000	-	-	-	-	6,100,000	2,770,000	-	-	34,455,000	2.15%	897.48
2014	11,081	19,762,540	4,440,000	-	-	-	-	5,831,062	2,480,000	-	-	32,513,602	1.96%	849.52
2015	4,394	18,738,265	3,725,000	-	-	-	-	-	2,190,000	5,390,000	-	30,047,659	1.74%	782.00
2016	-	2,265,000	-	-	25,595,677	14,200,000	61,765,674	-	1,890,000	4,905,000	-	110,621,351	6.11%	2,864.28
2017	-	1,160,000	-	-	25,309,930	12,945,000	60,461,872	-	1,585,002	4,410,000	-	105,871,804	5.61%	2,732.46
2018	1,308,267	-	-	-	24,545,452	11,655,000	59,196,658	-	1,275,000	3,905,000	504,980	102,390,357	5.22%	2,621.76
2019	1,605,404	-	-	-	22,721,237	10,330,000	57,887,595	-	965,000	3,385,000	491,518	97,385,754	*	2,444.79

⁽¹⁾ See Demographic and Economic Statistics table (Schedule 14) for personal income and population data.

* Population data not yet available

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements
Debt balances are inclusive of related premiums and discounts.

CITY OF HALLANDALE BEACH, FLORIDA

SCHEDULE 11

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS

(Amounts Expressed In Thousands except per Capita)

<u>Fiscal year</u>	<u>G.O. Bonds Series 2016</u>	<u>Assessed Value of Taxable Property ⁽¹⁾</u>	<u>Percentage of Estimated Actual Taxable Value</u>	<u>Population ⁽²⁾</u>	<u>Per Capita</u>
2010	\$ -	\$ 4,134,255	0.00%	37,117	\$ -
2011	-	3,550,323	0.00%	37,113	-
2012	-	3,549,220	0.00%	37,732	-
2013	-	3,631,543	0.00%	38,391	-
2014	-	3,878,288	0.00%	38,273	-
2015	-	4,248,090	0.00%	38,424	-
2016	61,766	4,625,098	1.34%	38,621	1.60
2017	60,462	5,126,887	1.18%	38,746	1.56
2018	59,197	5,405,697	1.10%	39,054	1.52
2019	57,888	5,593,746	1.03%	39,834	1.45

⁽¹⁾ See Assessed Value and Estimated Actual Value of Taxable Property Table (Schedule 9) for property value data.

⁽²⁾ See Demographic and Economic Statistics Table (Schedule 14) for population data.

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Debt balances are inclusive of related premiums and discounts. The current ordinances of the City of Hallandale Beach do not specify a legal debt margin.

CITY OF HALLANDALE BEACH, FLORIDA

SCHEDULE 12

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF SEPTEMBER 30, 2019

<u>Jurisdiction</u>	<u>Net debt Outstanding (1)</u>	<u>Percentage applicable to City of Hallandale Beach</u>	<u>Amount applicable to City of Hallandale Beach</u>
Overlapping:			
Broward County	\$ 164,580,000 ⁽²⁾	2.954%	\$ 4,860,940
Broward School District	<u>346,821,000</u> ⁽³⁾	2.731%	<u>9,472,101</u>
Subtotal, overlapping debt	<u>511,401,000</u>		<u>14,333,040</u>
Direct Debt:			
City of Hallandale Beach	<u>90,938,832</u>	100.000%	<u>90,938,832</u>
Total direct and overlapping debt	<u>\$ 602,339,832</u>		<u>\$ 105,271,872</u>

⁽¹⁾ Debt balances are inclusive of related premiums/discounts

⁽²⁾ **Source:** Broward County, Florida

⁽³⁾ **Source:** School Board of Broward County, Florida

Note: The percentage of overlapping debt is estimated using taxable assessed property values. Value that is within the City boundaries are divided by the County's and School Board's total taxable assessed value.

CITY OF HALLANDALE BEACH, FLORIDA

SCHEDULE 13
 PLEDGED REVENUE COVERAGE
 LAST TEN FISCAL YEARS

Fiscal year	Utility Revenue Bonds, 2014A and Series 2012 Revenue Note ^{(1) (2)}						State Revolving Loan Fund				Rev. Bonds 2007A and Refunding Rev. Bonds, Series 2016 ⁽³⁾					HBCRA Redevelopment Revenue Bonds					
	Utility Service Charges	Less: Operating Expenses	Net Available		Debt Service			Net Available Revenue ⁽⁴⁾	Debt Service			Pledged Revenue ⁽⁵⁾	Debt Service		Debt Service			Pledged Revenue ⁽⁶⁾	Debt Service		
			Revenue	Principal	Interest	Coverage	Principal		Interest	Coverage	Principal		Interest	Coverage	Principal	Interest	Coverage		Principal	Interest	Coverage
2010	\$22,934,776	\$20,701,617	\$2,233,159	\$545,000	\$507,178	2.12	\$ -	\$ -	\$ -	-	\$41,379,803	\$ 795,000	\$1,187,552	\$ -	\$ -	20.87	\$ -	\$ -	\$ -	-	
2011	23,615,907	20,246,971	3,368,936	565,000	484,653	3.21	-	-	-	-	36,203,914	830,000	1,153,092	-	-	18.26	-	-	-	-	
2012	23,932,305	22,512,735	1,419,570	370,000	306,465	2.10	-	-	-	-	37,801,983	865,000	1,117,215	-	-	18.93	-	-	-	-	
2013	25,602,349	22,725,740	2,876,609	380,000	292,378	4.28	-	-	-	-	44,239,028	910,000	1,055,925	-	-	22.50	-	-	-	-	
2014	25,789,203	22,840,398	2,948,805	395,000	277,390	4.39	-	-	-	-	30,906,838	955,000	1,012,750	-	-	15.71	-	-	-	-	
2015	25,136,776	22,753,653	2,383,123	410,000	263,046	3.54	-	-	-	-	51,649,069	1,000,000	965,000	-	-	26.28	-	-	-	-	
2016	25,097,771	24,165,992	931,779	785,000	142,566	1.00	-	-	-	-	25,269,135	1,050,000	888,750	-	-	13.03	8,675,495	1,200,000	84,940	6.75	
2017	25,432,268	23,833,939	1,598,329	800,000	127,068	1.72	-	-	-	-	22,867,207	1,105,000	85,625	-	685,483	12.19	9,522,375	1,255,000	386,240	5.80	
2018	29,879,915	19,984,746	9,895,169	815,000	116,302	10.63	6,210,067	13,079	3,122	383.31	24,813,617	1,160,000	29,000	285,000	976,038	10.13	11,673,352	1,290,000	352,104	7.11	
2019	29,570,124	20,380,258	9,189,866	830,000	102,431	9.86	5,522,224	25,461	6,941	170.43	25,127,595	-	-	1,365,000	934,788	10.93	13,667,269	1,325,000	317,016	8.32	

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

⁽¹⁾ In 2012, the Series 2001A Bonds were refunded with the issuance of the Series 2012 Revenue Note.

⁽²⁾ In 2014, the Series 2005A Bonds were refunded with the issuance of Series 2014A Bonds.

⁽³⁾ In 2016, the City issued Capital Improvement Refunding Revenue Bonds, Series 2016 to partially advance refund the Revenue Bonds, Series 2007A.

⁽⁴⁾ Pledged revenues for the State Revolving Fund Loan are defined as gross revenues derived yearly from the operation of the water and sewer systems after operation and maintenance expenses and the satisfaction of yearly payment obligations on senior obligations (Series 2014A and 2012 Revenue Notes).

⁽⁵⁾ Pledged revenues for the Revenue Note, Series 2002, Revenue Bonds 2007A, and Refunding Revenue Bonds, Series 2016 are Non-Ad Valorem revenues other than water and sewer revenues.

⁽⁶⁾ Pledged revenues for the HBCRA Redevelopment Revenue Bonds are tax increment revenues and water public service tax revenues.

CITY OF HALLANDALE BEACH, FLORIDA

SCHEDULE 14

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

Fiscal Year	Population ⁽¹⁾	Personal Income ⁽²⁾	Broward County Per capita Personal Income ⁽²⁾	Median Age ⁽³⁾	Unemployment Rate		Public School Enrollment ⁽⁶⁾
					Broward County	Hallandale Beach	
2010	37,117	\$ 1,486,535,850	\$ 40,050	50.9	10.60%	12.10% ⁽⁴⁾	2,933
2011	37,113	1,532,952,465	41,305	46.7	9.00%	10.40% ⁽⁴⁾	2,850
2012	37,732	1,580,442,552	41,866	46.7	7.90%	8.90% ⁽⁴⁾	2,777
2013	38,391	1,599,253,887	41,657	46.7	6.70%	7.10% ⁽⁴⁾	3,299
2014	38,273	1,656,570,259	43,283	46.7	5.80%	6.00% ⁽⁴⁾	2,928
2015	38,424	1,725,583,416	44,909	46.7	4.90%	5.40% ⁽⁵⁾	3,506
2016	38,621	1,811,556,626	46,906	46.7	4.60%	4.90% ⁽⁵⁾	2,988
2017	38,746	1,886,155,280	48,680	46.7	3.30%	4.10% ⁽⁵⁾	2,992
2018	39,054	1,963,205,526	50,269	46.2	3.10%	3.60% ⁽⁵⁾	2,834
2019	39,834	*	*	45.5	2.80%	3.30% ⁽⁵⁾	2,713

⁽¹⁾ **Source:** University of Florida, Bureau of Economic and Business Research for Hallandale Beach (estimates).

⁽²⁾ **Source:** U.S. Department of Commerce, Bureau of Economic Analysis for year ended December 31.

⁽³⁾ **Source:** 2010 U. S. Census.

⁽⁴⁾ **Source:** U.S. Department of Labor, Bureau of Labor Statistics.

⁽⁵⁾ **Source:** FL Unemployment Rate & Employment.

⁽⁶⁾ **Source:** Broward County Public Schools.

* Data not yet available.

CITY OF HALLANDALE BEACH, FLORIDA

SCHEDULE 15

PRINCIPAL EMPLOYERS

CURRENT AND NINE YEARS AGO

Employer	2019			2010		
	Employees	Rank	% of total City Employment	Employees	Rank	% of total City Employment
Gulfstream Park Racing & Casino	826	1	4.554%	900	1	5.727%
City of Hallandale Beach	541	2	2.984%	481	3	3.061%
Wal-Mart Stores, Inc.	427	3	2.354%	238	4	1.514%
The Big Easy Casino	375	4	2.067%	641	2	4.079%
School Board of Broward County	280	5	1.544%			
Publix Supermarket	208	6	1.147%	220	5	1.400%
Winn Dixie Supermarkets	168	7	0.926%	205	6	1.304%
Burlington Coat Factory	121	8	0.667%			
US Post Office	104	9	0.573%	65	9	0.414%
The Beach Walk Elite Hotels & Resorts	95	10	0.524%			
Diplomat Country Club				200	7	1.273%
Texas de Brazil				68	8	0.433%
Crate & Barrel				57	10	0.363%
	<u>3,145</u>		<u>17.341%</u>	<u>3,075</u>		<u>19.568%</u>

Source: Individual employers and State of Florida Unemployment Statistics.

CITY OF HALLANDALE BEACH, FLORIDA

SCHEDULE 16

BUDGETED FULL-TIME POSITIONS FOR CITY EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/program	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
City commission	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
General government										
Management	8.00	7.00	7.00	7.00	7.00	8.00	8.00	7.00	7.74	9.00
Budget program and monitoring	-	-	-	-	-	-	-	-	3.00	4.00
General services/procurement department	4.00	4.00	4.00	4.00	5.00	4.00	4.00	5.00	5.00	5.00
City attorney	4.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00	5.00	5.00
Finance	9.75	9.75	9.77	11.77	11.75	11.77	11.00	13.00	11.00	12.00
Innovation technology	5.00	5.00	5.00	5.00	5.00	5.00	6.00	8.00	7.00	7.00
Personnel	5.00	5.00	5.92	5.20	5.94	5.77	5.50	6.50	5.82	6.13
City clerk	3.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Development services	28.75	22.62	24.00	21.00	22.20	26.00	26.00	29.00	30.50	18.00
Other	1.50	1.50	-	-	-	2.00	4.00	3.00	5.00	-
Police										
Officers	98.00	95.00	99.00	113.47	98.47	98.00	99.50	103.00	107.12	106.13
Civilians	40.52	38.54	37.00	22.27	39.27	39.22	39.50	39.50	35.50	37.00
Fire										
Paramedics, firefighters, officers	75.00	75.00	75.00	87.62	77.00	77.00	77.00	77.00	77.00	76.00
Civilians	2.00	3.00	3.00	4.00	14.85	14.15	14.13	14.13	13.69	14.13
Public works										
Administration	3.00	5.00	5.00	4.00	1.00	1.00	1.00	3.00	1.00	1.00
Equipment maintenance	9.75	8.77	8.77	8.77	-	-	-	-	-	-
Grounds maintenance	14.76	13.77	15.81	15.81	9.31	9.52	9.50	9.50	10.50	9.50
Building maintenance	9.52	11.31	10.29	8.00	8.00	8.00	8.00	8.00	8.00	7.00
Capital improvement	-	-	-	-	-	-	-	-	-	5.00
Custodial service	-	-	-	-	-	-	-	-	-	2.63
Human services	10.15	10.31	9.80	11.67	11.95	13.94	19.30	18.30	22.27	21.90
Parks and recreation	29.04	27.40	29.67	43.46	56.37	60.95	72.43	75.43	63.90	62.28
Transportation	3.27	3.27	4.77	10.77	10.77	10.63	10.63	10.63	10.00	10.00
Permits and inspections	-	-	-	-	-	-	-	-	-	14.00
Sanitation	24.00	23.93	22.54	24.41	27.85	26.78	25.75	23.75	20.00	19.88
Cemetery	1.76	1.77	1.77	1.77	1.77	2.26	2.25	2.25	2.25	2.25
Water	45.03	44.31	43.56	47.02	47.77	46.88	46.88	47.51	47.50	46.50
Stormwater	7.52	6.54	2.00	2.00	4.00	5.00	5.00	5.00	7.63	7.63
Sewer	15.00	14.00	12.00	12.00	12.00	12.00	12.00	13.00	11.00	11.00
Marina				2.25	1.54	1.26	1.25	-	-	1.25
Fleet services				8.77	9.00	10.00	10.00	9.00	9.00	10.00
Risk management	2.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Total	464.32	447.79	448.67	495.03	500.81	513.13	532.62	544.50	536.42	541.21

Source: City Budget Office.

Notes: A full-time employee is scheduled to work 2,088 hours per year, including holidays, vacation and sick leave.

Full-time equivalent employment is calculated by dividing total labor hours by 2,088.

CITY OF HALLANDALE BEACH, FLORIDA

SCHEDULE 17

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/program	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Development services										
Building permits issued	3,390	3,261	3,403	3,377	3,435	5,368	3,589	3,738	4,633	4,760
Building inspections conducted	9,556	8,934	9,624	10,179	13,028	13,028	10,711	11,347	14,156	15,798
Police										
Physical arrests	1,610	1,222	1,383	1,305	1,281	1,281	964	621	714	620
Parking violations	2,382	2,090	2,263	1,850	1,335	1,335	2,079	2,581	2,506	1,639
Traffic violations	10,085	9,127	12,001	12,623	11,709	11,709	10,067	7,082	12,049	6,382
Fire										
EMS responses	4,719	5,690	5,938	6,304	6,275	6,275	6,436	6,114	5,846	5,849
Other emergency responses	2,025	2,413	2,622	2,466	2,344	2,344	2,465	2,778	2,686	2,526
Fires	108	117	113	98	93	93	102	101	89	88
Inspections	1,713	2,294	2,438	2,641	2,276	2,276	2,077	3,199	3,115	1,559
Refuse collection										
Refuse collected (tons per year)	22,766	24,315	26,652	25,885	26,321	26,321	26,489	24,954	24,408	24,997
Other public works										
Street resurfacing (miles)	4	-	-	-	-	-	-	-	-	-
Number of streets repaired	673	796	667	827	1,590	1,590	973	894	852	124
Asphalt used (tons)	334	258	217	99	101	101	116	159	116	74
Parks and recreation										
Summer camp participants	63	70	66	89	125	125	125	125	100	100
Athletic teams	84	78	76	-	-	-	97	99	105	106
Water										
New/replacement connections	47	7	48	32	34	34	6,752	71	18	24
Average daily production (1000's of gallons)	5,313	5,493	5,801	5,461	6,220	6,220	6,406	5,990	6,000	5,992
Peak daily production (1000's of gallons)	6,570	6,400	7,738	6,890	7,517	7,517	7,341	6,542	6,700	7,207
Wastewater										
Average daily sewage transmitted (1000's of gallons)	6,483	7,286	6,936	7,049	6,965	6,965	7,113	7,113	6,792	7,113
Transit										
Total route miles per year	99,505	99,505	152,047	152,047	152,047	152,047	151,488	150,358	179,520	176,719
Passengers per year	178,461	211,298	264,577	246,592	265,545	265,545	251,559	234,260	278,559	283,324

Sources: Various City departments.

CITY OF HALLANDALE BEACH, FLORIDA

SCHEDULE 18

CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police stations	1	1	1	1	1	1	1	1	1	1
Fire stations	3	3	3	3	3	3	3	3	3	3
Refuse collection										
Collection trucks	20	20	20	20	20	20	20	20	20	20
Other public works										
Streets (miles)	74	74	74	74	74	74	74	74	74	74
Sidewalks (miles)	42	42	43	43	43	43	43	43	43	43
Streetlights	1,391	1,391	1,391	1,391	1,391	1,391	1,391	1,391	1,391	1,391
Traffic signals	42	42	42	42	42	42	42	42	42	42
Parks and recreation										
Playgrounds	10	10	10	11	11	10	10	10	10	10
Baseball/softball diamonds	4	4	4	4	3	2	2	2	-	3
Outdoor pavilions	7	7	7	7	10	13	13	13	15	17
Community centers	5	5	5	5	5	5	5	5	5	5
Pool	1	1	1	1	2	2	2	2	1	1
Tennis courts	14	14	14	14	14	14	14	14	12	14
Water										
Water mains (miles)	79	80	80	80	80	81	81	81	81	81
Fire hydrants	554	554	572	572	572	578	578	578	578	578
Storage capacity (millions of gallons)	4.9	4.9	4.9	4.9	4.9	4.9	4.9	5.0	4.7	4.7
Wastewater										
Sanitary sewers (miles)	73	73	73	73	73	72	72	72	72	72
Storm sewers (miles)	39	40	40	40	40	41	41	41	41	41
Transmission capacity (millions of gallons per day)	6.65	6.65	6.65	6.65	6.65	6.65	6.65	7.00	7.00	7.00

Sources: Various City departments.

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

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF HALLANDALE BEACH, FLORIDA

COMPLIANCE REPORTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

CITY OF HALLANDALE BEACH, FLORIDA
COMPLIANCE REPORTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

TABLE OF CONTENTS

	<u>Page</u>
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS.....	1
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	2
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	3 and 4
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE.....	5 and 6
SCHEDULE OF FINDINGS AND QUESTIONED COSTS.....	7
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS.....	8
INDEPENDENT AUDITOR'S MANAGEMENT LETTER.....	9 and 10
INDEPENDENT ACCOUNTANT'S REPORT – INVESTMENT COMPLIANCE.....	11
CORRECTIVE ACTION PLAN FOR FINDINGS.....	12

CITY OF HALLANDALE BEACH, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Grant Identification Number	Total Expenditures	Passed Through to Subrecipients
<u>U.S. Department of Housing and Urban Development</u>				
(Passed through Broward County Community Development Division)				
Community Development Block Grants - Entitlement Cluster				
43rd Year CDBG - Friends of the Hepburn Center				
After School Tutorial Enrichment Program	14.218	NA	\$ 7,877	\$ -
44th Year CDBG - Friends of the Hepburn Center				
After School Tutorial Enrichment Program	14.218	NA	92,592	-
43rd Year CDBG - Public Works Improvement Project	14.218	NA	103,942	-
44th Year CDBG - Public Works Improvement Project	14.218	NA	118,626	-
Total U.S. Department of Housing and Urban Development			<u>323,037</u>	<u>-</u>
<u>U.S. Department of Justice</u>				
Direct:				
Bulletproof Vest Partnership Program 2017				
Bulletproof Vest Partnership Program 2017	16.607	NA	6,667	-
Bulletproof Vest Partnership Program 2018	16.607	NA	25	-
Federal Equitable Sharing Program	16.922	FL0060400	114,923	-
Total U.S. Department of Justice			<u>121,615</u>	<u>-</u>
<u>U.S. Department of Homeland Security</u>				
(Passed through Broward County EFSP Board)				
Emergency Food & Shelter National Board Program-Phase 34	97.024	NA	4,769	-
(Passed through the State of Florida Division of Emergency Management)				
Public Assistance - Hurricane Irma	97.036	Z0448	1,524,044	-
Hazard Mitigation - Northeast Drainage Project	97.039	17-HM-3B-11-16-02-213	6,264,934	-
Total U.S. Department of Homeland Security			<u>7,793,747</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 8,238,399</u>	<u>\$ -</u>

See accompanying notes to schedule of expenditures of federal awards.

CITY OF HALLANDALE BEACH, FLORIDA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the City of Hallandale Beach, Florida (the "City") under programs of the federal government for the year ended September 30, 2019. The information in the Schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, they are not intended to and do not present the financial position, changes in net position or cash flows of the City. The City's reporting entity is defined in Note 1 of the City's basic financial statements. All awards received directly from federal and state agencies, as well as amounts passed through other government agencies are included in the accompanying schedule of expenditures of federal awards.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting for grants which are accounted for in the governmental fund types and on the accrual basis of accounting for grants which are accounted for in the proprietary fund types. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement, except for the Equitable Sharing programs for Justice and Treasury which follow, *Guide to Equitable Sharing for Foreign Countries and Federal, State, and Local Law Enforcement Agencies*. Pass-through entity identifying numbers are presented where available.

NOTE 3. INDIRECT COST RATE

The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**To the Honorable Mayor, City Commission
and City Manager
Hallandale Beach, Florida**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Hallandale Beach, Florida (the "City"), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 11, 2020. Our report includes a reference to other auditors who audited the financial statements of the Police Officers and Firefighters' Personnel Retirement Trust, as described in our report on the City's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or on compliance and other matters that are reported separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Bradenton, Florida
June 11, 2020



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

**To the Honorable Mayor, City Commission
and City Manager
Hallandale Beach, Florida**

Report on Compliance for Each Major Federal Program

We have audited the City of Hallandale Beach, Florida's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2019. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2019.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 11, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Bradenton, Florida
June 11, 2020

CITY OF HALLANDALE BEACH, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:
Material weaknesses identified? Yes No

Significant deficiencies identified not considered
to be material weaknesses? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal Control over major programs:
Material weaknesses identified? Yes No

Significant deficiencies identified not considered
to be material weaknesses? Yes None reported

Type of auditor's report issued on compliance for
major federal programs and state financial assistance Unmodified

Any audit findings disclosed that are required to
be reported in accordance with the Uniform Guidance? Yes No

Identification of major federal program:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.218	U.S. Department of Housing & Urban Development CDBG – Entitlements Cluster
97.036	U.S. Department of Homeland Security Disaster Grants – Public Assistance

Dollar threshold used to distinguish between
Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes No

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

CITY OF HALLANDALE BEACH, FLORIDA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

STATUS OF PRIOR YEAR AUDIT FINDINGS

2018-001 Governmental Fixed Assets

Criteria	Prudent policies include a formal closing process with supervisory Finance Department personnel who are responsible for the review of transactions and balances recorded. This includes evaluating construction projects in process, as well as completed construction projects, to ensure that all costs incurred to place the asset into service are properly capitalized in accordance with generally accepted accounting principles.
Condition/Context	During the course of our audit procedures over capital assets for the fiscal year ended September 30, 2018, management indicated that there were items that should have been capitalized as part of construction projects in prior fiscal years that had not been reported. This resulted in a current year adjustment to correct governmental capital asset account balances.
Status	Resolved.



INDEPENDENT AUDITOR'S MANAGEMENT LETTER

**To the Honorable Mayor, City Commission
and City Manager
Hallandale Beach, Florida**

Report on the Financial Statements

We have audited the financial statements of the City of Hallandale Beach, Florida (the "City"), as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated June 11, 2020. We did not audit the financial statements of the Police Officers' and Firefighters' Personnel Retirement Trust which represents 65% of the assets, 67% of the net position, and 45% of the revenues of the City's aggregate remaining fund information. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Police Officers' and Firefighters' Personnel Retirement Trust is based solely on the report of the other auditors.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated June 11, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The City has made these disclosures within the notes to the financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), *Florida Statutes*, and identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), *Florida Statutes*.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Special District Component Units

Section 10.554(1)(i)5.c, *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), *Florida Statutes*. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), *Florida Statutes*.

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the Mayor and Members of City Council, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



Bradenton, Florida
June 11, 2020



INDEPENDENT ACCOUNTANT'S REPORT

**To the Honorable Mayor, City Commission
and City Manager
Hallandale Beach, Florida**

We have examined the City of Hallandale Beach, Florida's (the "City") compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2019. Management of the City is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

This report is intended solely for the information and use of the City and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Mauldin & Jenkins, LLC".

Bradenton, Florida
June 11, 2020



City of Hallandale Beach, Florida
Finance Department
400 S. Federal Highway
Hallandale Beach, Florida 33009-6433
954.457.1370
For more information visit our website
www.cohb.org



PROGRESS. INNOVATION. OPPORTUNITY.