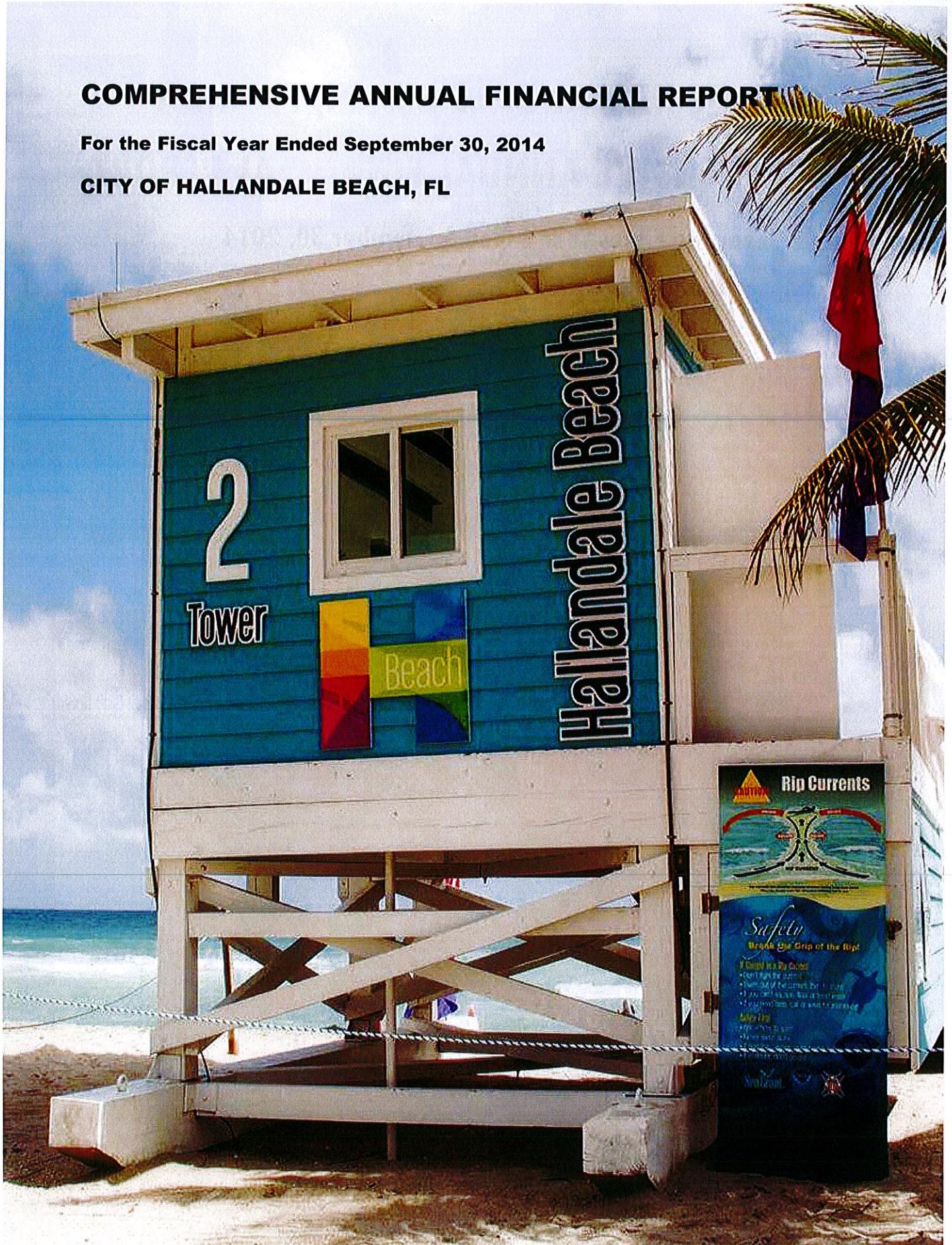


COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2014

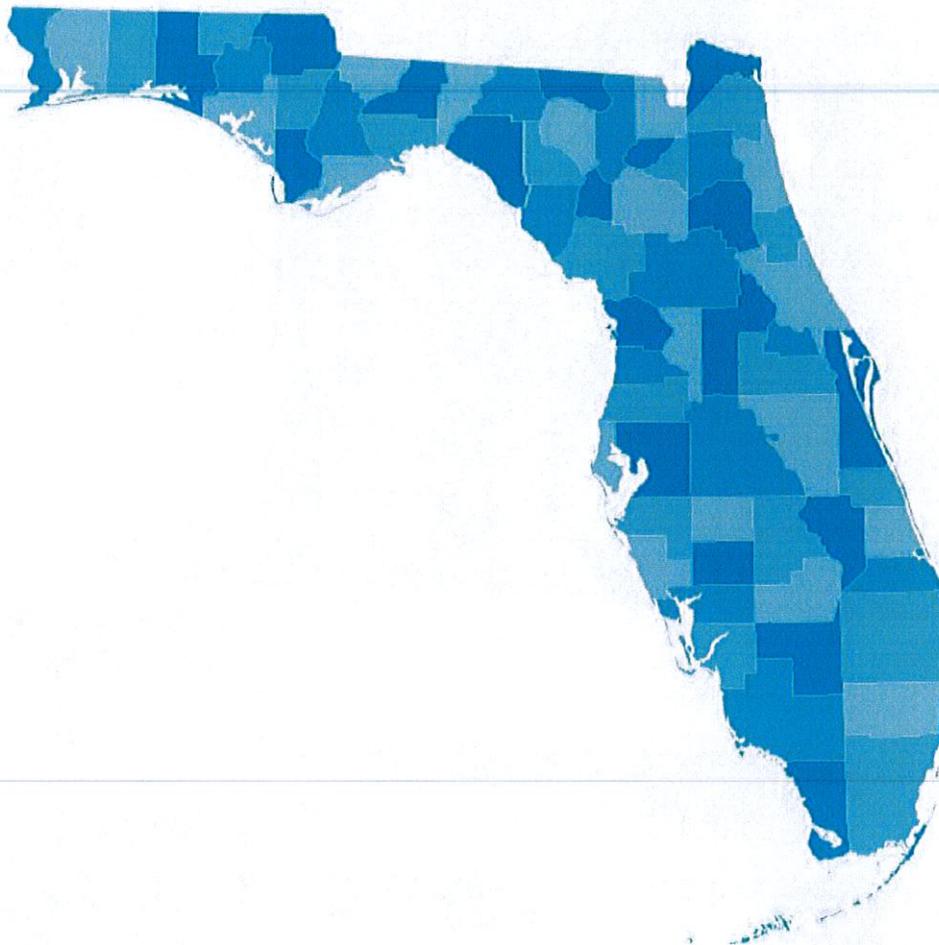
CITY OF HALLANDALE BEACH, FL



CITY OF HALLANDALE BEACH, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2014



PREPARED BY

DEPARTMENT OF FINANCE

City of Hallandale Beach, Florida
 Comprehensive Annual Financial Report
 September 30, 2014
 Table of Contents

	Page
<hr/>	
Introductory Section (unaudited)	
<hr/>	
Letter of Transmittal	I
Certificate of Achievement for Excellence in Financial Reporting	VIII
Organizational Chart	IX
List of City Officials	X
<hr/>	
Financial Section	
<hr/>	
Independent Auditors' Report	1 - 3
Management's discussion and analysis (required supplementary information)	4 - 17
Basic financial statements:	
Government-wide financial statements:	
Statement of net position	18
Statement of activities	19 - 20
Fund financial statements:	
Government funds:	
Balance sheet	21
Reconciliation of the governmental funds balance sheet to the statement of net position	22
Statement of revenues, expenditures and changes in fund balances	23
Reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities	24
Proprietary funds:	
Statement of net position	25 - 26
Statement of revenues, expenses and changes in net position	27
Statement of cash flows	28 - 29
Fiduciary funds:	
Statement of fiduciary net position	30
Statement of changes in fiduciary net position	31
Notes to financial statements	32 - 70
Required Supplementary Information	
Schedule of revenues, expenditures and changes in fund balance – budget and actual – general fund	71
Schedule of revenues, expenditures and changes in fund balance – budget and actual – special revenue fund – Community Redevelopment Agency fund	72
Notes to budgetary comparison schedules	73
Schedule of funding progress – pension trust funds and other post-employment benefits	74
Schedule of changes in the city's net pension liability and related ratios	75
Schedule of city contributions – professional management retirement plan	76
Schedule of city contributions – police officers' and firefighters' personnel retirement trust	77
Schedule of city contributions – general employees	78
Schedule of investment returns	79

Supplementary Information:

Combining and individual fund financial statements and schedules:

Combining balance sheet – nonmajor special revenue funds	80
Combining statement of revenues, expenditures and changes in fund balances – nonmajor special revenue funds	81
Schedule of revenues, expenditures and changes in fund balance – budget and actual – special revenue fund – Police Training Fund	82
Schedule of revenues, expenditures and changes in fund balance – budget and actual – special revenue fund – Police Outside Services fund	83
Schedule of revenues, expenditures and changes in fund balance – budget and actual – special revenue fund – Police Equitable Sharing fund	84
Schedule of revenues, expenditures and changes in fund balance – budget and actual – special revenue fund – Golden Isles Safe Neighborhood fund	85
Schedule of revenues, expenditures and changes in fund balance – budget and actual – special revenue fund – Transportation fund	86
Schedule of revenues, expenditures and changes in fund balance – budget and actual – special revenue fund – Three Islands District fund	87
Schedule of revenues, expenditures and changes in fund balance – budget and actual – special revenue fund – Law Enforcement trust fund	88
Combining statement of net position – nonmajor proprietary funds	89
Combining statement of revenues, expenses, and changes in net position – proprietary funds	90
Combining statement of cash flows – nonmajor proprietary funds	91
Combining statement of net position – internal service funds	92
Combining statement of revenues, expenses, and changes in net position – internal service funds	93
Combining statement of cash flows – internal service funds	94
Combining statement of fiduciary net position – pension trust funds	95
Combining statement of changes in fiduciary net position – pension trust funds	96
Combining statement of assets and liabilities – agency funds	97
Schedule of changes in assets and liabilities – Payroll Trust fund	98
Schedule of changes in assets and liabilities – General Trust fund	99

Statistical Section (unaudited)

Government-wide information:

Schedule 1 – Net position by component	100
Schedule 2 – Changes in net position	101 – 102

Fund information:

Schedule 3 – Fund balances, governmental funds	103
Schedule 4 – Changes in fund balances of governmental funds	104
Schedule 5 – Tax revenues by source, governmental funds	105
Schedule 6 – Direct and overlapping property tax rates	106
Schedule 7 – Principal property taxpayers	107
Schedule 8 – Property tax levies and collections	108

	Page
Schedule 9 – Assessed value and estimated actual value of taxable property	109
Schedule 10 – Ratios of outstanding debt by type	110
Schedule 11 – Direct and overlapping governmental activities debt	111
Schedule 12 – Pledged-revenue coverage	112
Schedule 13 – Demographic and economic statistics	113
Schedule 14 – Principal employers	114
Schedule 15 – Full-time equivalent City government employees by function/program	115
Schedule 16 – Operating indicators by function/program	116
Schedule 17 – Capital asset statistics by function/program	117



Hallandale Beach
PROGRESS. INNOVATION. OPPORTUNITY.

Introductory Section



June 30, 2015

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

OFFICE OF THE CITY
MANAGER

Renee C. Miller
City Manager

We are pleased to submit the Comprehensive Annual Financial Report ("CAFR") of the City of Hallandale Beach, Florida (the "City"), for fiscal year ended September 30, 2014. Florida law requires that every general purpose local government publish, within nine months of the close of each fiscal year, a complete set of audited financial statements.

JOY COOPER
Mayor

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation (including all disclosures) rests with the City. The City operates under a system of accounting internal controls that are concerned with the safeguarding of assets and the reliability of financial records. The definition of accounting control assumes reasonable, but not absolute, assurance that the objectives expressed in it will be accomplished by the system. The concept of reasonable assurance recognizes that the cost of internal control should not exceed the benefits expected to be derived.

WILLIAM JULIAN
Vice Mayor

MICHELE LAZAROW
Commissioner

To the best of our knowledge and belief, the information presented herein is accurate 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 of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included. Marcum LLP, Certified Public Accountants, have issued an unmodified opinion on the City of Hallandale Beach's financial statements for the year ended September 30, 2014. The independent auditors' report is located at the front of the financial section of this report.

KEITH LONDON
Commissioner

ANTHONY SANDERS
Commissioner

We recognize the users of the CAFR as being the residents and businesses of our Community who pay for governmental services now and in the future. We also have found that creditors and investors are equally interested in the financial stability of the City. Recognizing these primary users, we have attempted to provide information to satisfy their need to evaluate the City's finances.

400 S. Federal Highway
Hallandale Beach, FL 33009

Ph (954) 457-1300

Fax (954) 457-1454

This report includes all funds of the City as well as criteria for defining the financial reporting entity of the City as promulgated by the Governmental Accounting Standards Board (GASB). The GASB is the official standard setting body for accounting principles generally accepted in the United States of America (GAAP) as it applies to local governmental units. Pursuant to 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 (CRA).

www.coHB.org

As a recipient of federal, state 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 City's single audit, tests are made to determine the adequacy of the internal controls, including that portion related to federal awards, as well as to determine that the City has complied with applicable laws and regulations. A separate report is issued each year on the City's compliance with applicable laws and regulations. The City is also responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. These internal controls are subject to periodic evaluation by management and the City's external auditor.

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

Profile of the City

The City of Hallandale Beach, incorporated in 1927, is located in the southeast corner of Broward County on the Atlantic Ocean. The City encompasses 4.4 square miles and has a population of 38,273 residents as of April 1, 2014, which is the last date population counts were officially published by the State of Florida. The City's Demographics continue to change as younger families move to Hallandale Beach for its location and quality of life attributes. The 2013 American Community Survey showed that the median age has dropped from 50.9 in 2000 to 46.9 in 2013. Tourism continues to play an important role in the City's economy, as the population during the peak winter season increases to 50,000 within the City.

The City operates under the Commission-Manager form of government, including five elected officials (the Mayor and City Commission). The City Commission determines policy, adopts legislation, and approves the City's annual budget. The City Commission also appoints the two Charter Officers, the City Manager and the City Attorney. The City Manager as the Chief Administrative Officer is charged with the responsibility of enforcing all ordinances and resolutions passed by the City Commission.

The City provides a full range of municipal services as authorized by State Statute and City Charter. Services include Public Safety (Police, Fire, Building Inspections and Code Compliance), Streets Maintenance, Water, Sewer, Stormwater Drainage, Municipal Cemetery, Sanitation, Human Services, Recreation, Planning and Zoning and General Administrative Services.

This report includes all of the City's funds. The City has three component units, the Community Redevelopment Agency, the Golden Isles Safe Neighborhood District, and the Three Islands Safe Neighborhood District, which are shown as separate blended special revenue funds.

Local Economy

Five years post-recession, the Nation's recovery remains painfully slow. In the State of Florida, once the recession ended and the slow recovery began in 2010, Florida's economy regained its positive footing. According to the Florida Legislature Office of Economic and Demographic

Research (EDR) in 2014, Florida's economic growth was in positive territory for the fourth year in a row. State Gross Domestic Product (GOP) ranked the state 18th in the nation in real growth with a gain of 2.2%, above the national average of 1.8% for the first time since 2006. As far as Personal Income, Florida finished the 2014 calendar year with 4.6% growth over 2013, placing the state above the national growth rate of 3.9%. The latest report for the 2013 calendar year shows that Florida was ranked 15th in the country with personal income growth of 2.3%. This was higher than the national average of 2.0%. Overall, however, economic indicators such as GOP, personal income, consumer spending and inventories are moving in the right direction.

Florida's unemployment rate has been falling consistently from its peak of 12.3% in March of 2010 to 6.2% in September of 2014. Broward County fared slightly better during this period, with unemployment reaching 10.6% in mid-2010, before reaching the current rate of 5.1%. To a great extent, the slow recovery in the jobs sector is related to the outlook for Florida's housing market. According to EDR building permit activity, an indicator of new construction, is back in positive territory, showing strong (36.6%) calendar year growth in 2012. While still strong, data for the 2013 calendar year indicates that the increase in permits (33.4%) was slightly below the prior year. Despite the strong percentage growth in both years, the level is still low by historic standards. Data for the first three calendar months of 2014 indicate significant slowing in activity. Year-to-date activity for single-family residences is essentially equal to last year.

The City of Hallandale Beach unemployment rate has dropped from 6.5% in December of 2013 to 6.2% in December 2014, according to the US Bureau of Labor Statistics. To a great extent, the recovery in the jobs sector is related to the outlook for Florida's housing market.

The City of Hallandale Beach has seen an increase in building permit submissions locally, with permit applications increasing 26.07% from FY 2013. In addition, the year ending September 2014 marked the third fiscal year since the start of the recession that the City of Hallandale Beach noted an increase in property tax values. The 9.79% increase in FY2014, combined with new large scale development projects moving through the review process, shows hopeful signs for continued modest increases in the City's tax base in the upcoming fiscal years.

Economic Incentives

In 1996, the City Commission established the Hallandale Beach Community Redevelopment Agency pursuant to Florida State Statute 163.356. The CRA is a separate dependent district with defined boundaries within the City of Hallandale Beach. The City Commission serves as the CRA Board of Directors.

The CRA's efforts are to guide quality growth, by creating dynamic changes in the City's long-term livability and economic health. During the past few years, the CRA has advanced many projects, plans and programs to keep the commercial and residential renaissance going strong. Tax Increment Financing (TIF) incentivized the Village at Gulfstream Park, a redevelopment project featuring a racetrack, casino and approximately 375,000 square feet of lifestyle and entertainment space featuring upscale shops and specialty stores, and 70,000 square feet of office space.

The CRA's Down Payment Assistance/Affordable Housing Program assists homebuyers with the cost of construction of a new single family home or the purchase of an existing home, condominium or townhouse. This program was vital in providing homeownership opportunities to 8 new homeowners during FY14. In addition, through its participation in the Neighborhood Stabilization Program (NSP-1), the City has been able to rehabilitate a foreclosed, seven-unit townhome complex, named Carver Heights, and make these units available for workforce housing in partnership with the CRA. Through its partnership with Habitat for Humanity, the City has demolished and will be redeveloping seven townhomes located at 133 NW 1st Avenue, thereby increasing availability of quality affordable housing in the area while reducing blight.

The CRA continues to provide funding for various park facility improvements, storm drainage, roadway, swale and sidewalk improvements and workforce housing opportunities, which otherwise would have been funded through the general or other funds.

In conjunction with the above noted improvements, the CRA, in cooperation with the City of Hallandale Beach, has been able to offer financial and technical assistance to both residential and commercial property owners. The Neighborhood Improvement Program, Business Incentive/Enticement Loan Program, and Facade/Exterior Grant Program are just some of the key programs offered through the CRA which have improved property values in relation to other unimproved units and made neighborhoods more attractive. Finally, in partnership with the City of Hallandale Beach and local businesses and developers, the CRA has been instrumental in offering incentives for workforce training and utilization of local workforce and businesses.

Initiative and Highlights of the Current Fiscal Year 2014

This past year has seen a lot of activity at all levels of the organization with Commission, Citizen Advisory Committees and staff working closely to enact the goals of the City.

Some of the more notable achievements that were accomplished during this year are listed below.

Opening of Scavo Park: On April 5, 2014 Hallandale Beach launched a new era in recreation opportunities with the completion of Joseph Scavo Park, the first completed park of the Citywide Parks Master Plan. Over 1,000 community members enjoyed a full day of activities celebrating the beautiful new space. The \$2.7 million project was completed on time and under budget.

Opening of B.F. James Park: On July 12, 2014 the City opened the second of four parks currently under construction with the Parks Master Plan. BF James Park will be home to a state of the art pool facility geared towards seniors and children, lighted basketball courts, and playground facilities. This \$5.7 Million dollar capital project was completed on time and on budget.

Completion of A1A Main Line Replacement: In May, the City completed the installation of a new large capacity waterline replacing 60 year old pipes and all of the associated service lines to the condo properties on the beach. This major project will substantially increase the reliability and capacity of potable water service to the residents along A1A.

Wayfinding: As a part of the Citywide branding campaign, the City Commission approved a wayfinding plan for the City which includes an iconic main entrance sign to the City as well as eight gateway markers, and twenty-nine directional signs.

Ground Breaking North Beach City Center: On December 23, 2013 the City broke ground on our most innovative Public Private Partnership opportunity to date: the construction of the North Beach City Center in partnership with the Related Group. This \$8.5 Million dollar facility, will be constructed and operated by the Related Group and its partners.

Playful City USA: The City of Hallandale Beach was named a Playful City USA community for the second consecutive year. Once again, the City was identified as having made a commitment to play and physical activity by developing a unique local action plan to increase the quantity and quality of play in the community.

Major Initiatives – Future Years

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."

In January of 2013, the City Commission met and established nine strategic priorities. These priorities are designed to address serious economic, social, and organizational challenges in order to meet Community expectations and build on the Community's strengths.

The Commission determined the following strategic priorities:

- Create Local Jobs and a Business Friendly Environment
- Promote Quality Economic Development
- Improve Functionality and Affordability of City Infrastructure
- Operational Excellence
- Improve Safety Security and Comfort of Residents
- Establish a Cohesive Visual Appeal Citywide
- Maintain a Civil and Respectful Government
- Improve Quality of Life and Services
- Become a Vibrant Destination

Capital Outlay and Improvements

For FY15, there is \$5.3 million in new City funding provided for Capital Improvement Projects. The largest portions of this funding are dedicated to implementation of our energy-saving Advanced Metering Infrastructure system for meter reading (\$2.3M) and beach renourishment/erosion control (\$1.7M). Other significant Capital Improvement Projects include improvements to our Water Plant (\$440k), replacement of bus shelters along State Route A1A (\$190k), the Complete Streets Basis of Design Report (\$665k), which will establish the feasibility and phasing of all future improvements in the public realm for the next 15 years, and projects to address neighborhood flooding (\$268K).

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 required as well as anticipated expenditures levels.

With the downturn of the global, national and regional economies, the City of Hallandale Beach has faced a number of challenges in recent years. Although current indicators are more promising, there will be more obstacles ahead. The City of Hallandale Beach, led by the City Commissioners, stands ready to meet those challenges.

Financial Information

City management and staff of the City 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 are compiled to allow for the preparation of financial statements in conformity with GAAP. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

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 reporting by the City is made to the State each year in the State's required format. Budgetary control for the City is exercised at the 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 that is updated annually. 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.

Awards and Acknowledgements

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 FY ended September 30, 2013. This was the 33rd consecutive year that the City has achieved this prestigious award. To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. 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.

The City also received the GFOA's Award for Distinguished Budget Presentation for its annual budget for the last 28 consecutive years. To qualify for this award, the government's budget documents must be judged proficient in several categories, including policy documentation, financial planning and organization. The Distinguished Budget Award is valid for a period of one year only. We expect to receive confirmation that our budget continues to conform and that we will receive the certificate for the current budget year.

Your elected City officials and their staff are dedicated to providing responsive, efficient service to the citizens of the City of Hallandale Beach. The preparation of this report could not have been accomplished without the dedicated efforts of the entire staff of the Finance Department. Special recognition is given to the Finance Department for all the hard work and dedication to this CAFR. The financial results of one year of those efforts are shown in this report. We extend our appreciation to the City Commission and to the Department Directors and their respective staffs for their assistance and cooperation throughout the year.

Respectfully submitted,

A large, stylized handwritten signature in blue ink, appearing to read "Renee C. Miller".

Renee C. Miller
City Manager

A large, stylized handwritten signature in blue ink, appearing to read "Jeffrey Lowe".

Jeffrey Lowe
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

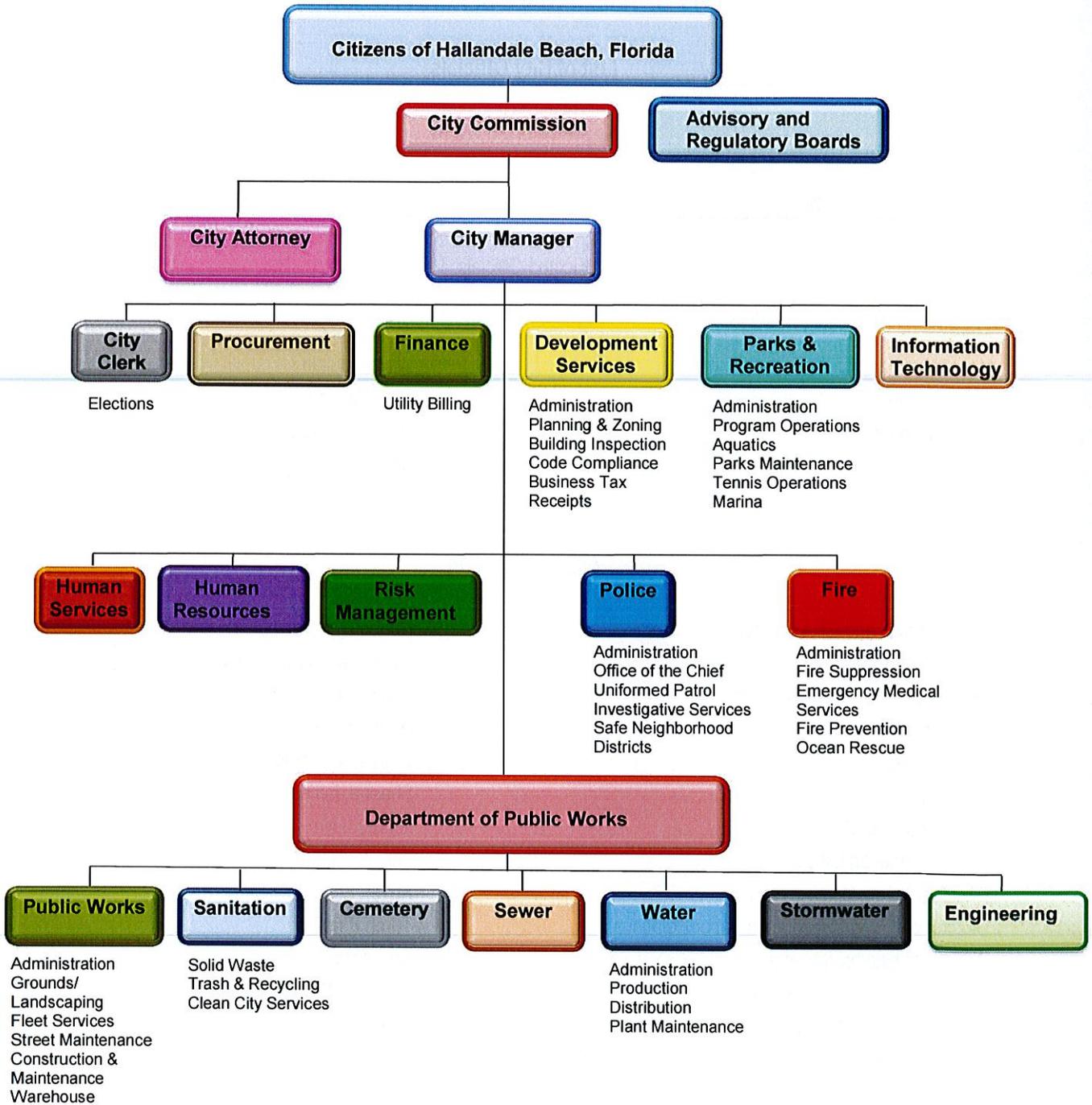
**City of Hallandale Beach
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2013

Executive Director/CEO

CITY OF HALLANDALE BEACH ORGANIZATIONAL CHART



CITY OF HALLANDALE BEACH, FLORIDA

List of City Officials

September 30, 2014

<u>Title</u>	<u>Name</u>
<u>Elected Officials</u>	
Mayor	Joy Cooper
Vice-Mayor	William Julian
Commissioner	Leo Grachow
Commissioner	Michele Lazarow
Commissioner	Anthony Sanders
<u>Appointed Officials</u>	
City Manager and CRA Executive Director	Renee C. Miller
Deputy City Manager	Nydia Rafols Sallaberry
Deputy City Manager/CRA Director	Daniel Rosemond
Assistant City Manager	Jennifer Frastai
City Attorney	Lynn V. Whitfield
City Clerk	Sheena James
Chief Financial Officer	Jeffrey Lowe
Chief Information Officer	Tom Amburgey
Director of Development Services	Keven Klopp
Director of Human Resources/Labor Relations	Taren Kinglee
Director of Human Services	Cora Daise (Acting)
Director of Parks and Recreation	Cathleen Schanz
Director of Procurement	Andrea Lues
Director of Public Works, Utilities and Engineering	Steven Parkinson
Fire Chief	Daniel Sullivan
Police Chief	Dwayne Flournoy
Risk Manager	VACANT



Hallandale Beach
PROGRESS. INNOVATION. OPPORTUNITY.

Financial Section



Hallandale Beach
PROGRESS. INNOVATION. OPPORTUNITY.

Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor, City Commission and City Manager
City of 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, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Police Officers' and Firefighters' Personnel Retirement Trust, which represent 60 percent, 63 percent, and 56 percent, respectively, of the assets, fund balance/net position, and revenues/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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, 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, 2014, 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.

Emphasis of a Matter

As discussed in Note 1 to the financial statements, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities* and Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans* as of October 1, 2013. Our opinion is not modified with respect to this matter.

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 4-17, the budgetary comparison information on pages 71-73, and the required supplementary information for OPEB and the pension trust funds on pages 74-79 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 and other auditors 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 fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditor. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditor, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2015 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

Marcum LLP

Fort Lauderdale, FL
June 30, 2015



Hallandale Beach
PROGRESS. INNOVATION. OPPORTUNITY.

**Management's Discussion and
Analysis**

City of Hallandale Beach, Florida

**For the Year Ended September 30, 2014
Management’s Discussion and Analysis (unaudited)**

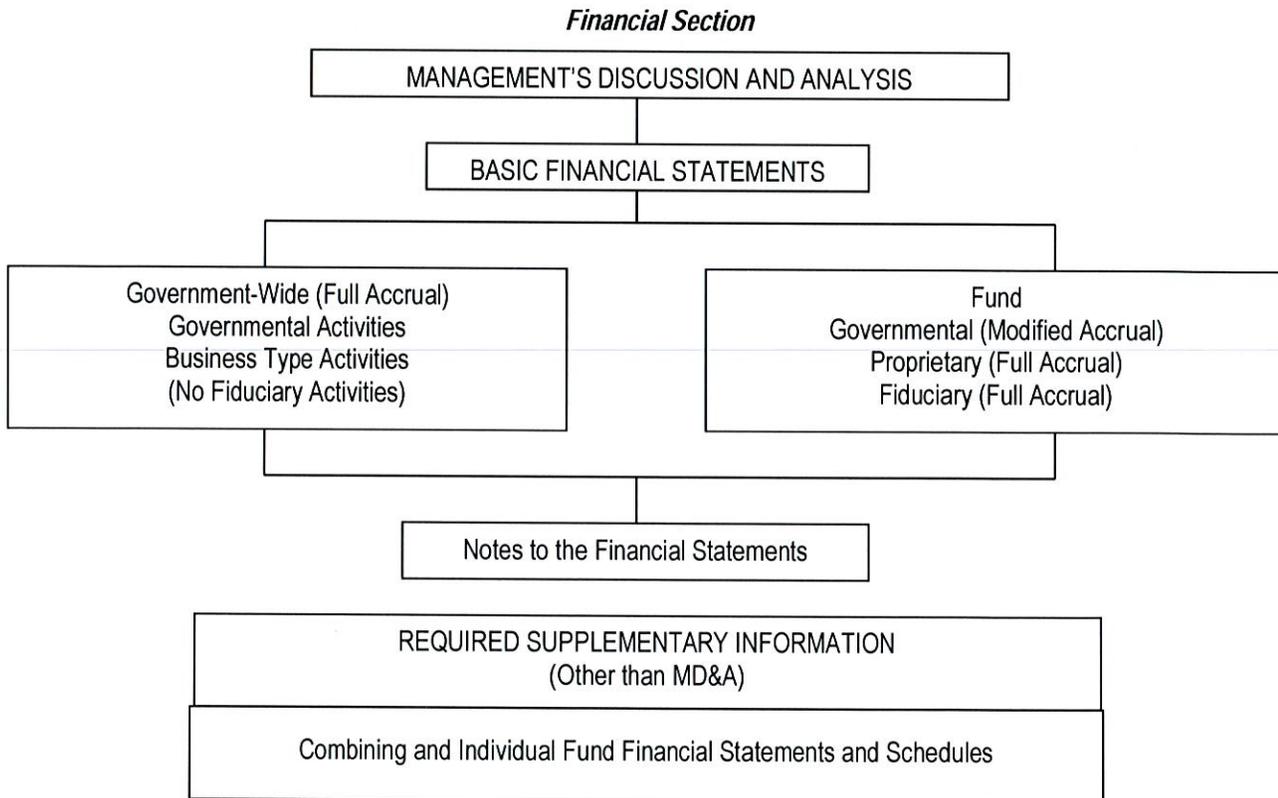
This section of the report presents our discussion and analysis of the City's performance during the fiscal year that ended September 30, 2014. Please read it in conjunction with the City's financial statements, which follow this section.

Financial Highlights

- The assets plus deferred outflows of resources of the City of Hallandale Beach exceeded its liabilities plus deferred inflows of resources at the close of the most recent fiscal year by \$165.3 million (net position). Of this amount, \$60.3 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position decreased \$.7 million over the course of this year's operations. Net position of governmental activities decreased by \$6.5 million, while the net position of business-type activities increased by \$5.8 million.
- The City's governmental funds reported combined ending fund balances of \$34.2 million, a reduction of \$15.5 million, which includes a prior period adjustment of \$1.5 million in the capital projects fund related to the debt service payments.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$17.4 million, or 32.3% of total general fund expenditures, an increase from the 40.3% in the previous year.

Overview of the Financial Statements

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.



City of Hallandale Beach, Florida

For the Year Ended September 30, 2014
 Management's Discussion and Analysis (unaudited)

Major Features of the Basic Financial Statements

	Government-wide Financial Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire City government (except fiduciary activities)	Activities of the City that are not proprietary 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 revenue, expenditures, and changes in fund balances	Statement of net position Statement of revenue 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	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	All assets and liabilities, both short-term and long-term and deferred inflows/outflows
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 after	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

City of Hallandale Beach, Florida

For the Year Ended September 30, 2014 Management's Discussion and Analysis (unaudited)

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 held and liabilities plus deferred inflows owed by the City, both long and short-term. Assets plus deferred outflows are reported when acquired by the City and liabilities plus deferred inflows 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 and total liabilities plus deferred inflows is *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Although the purpose of the City is not to accumulate net position, in general, as this amount increases it indicates that the financial position of the City is improving over time.

- The *Statement of Activities* presents the 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 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 cemetery, sanitation, sewer utility, stormwater drainage and water utility.

Fund financial statements. Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the City rather than the City as a whole. Except for the general fund, separate funds are established to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

City of Hallandale Beach, Florida

For the Year Ended September 30, 2014 Management's Discussion and Analysis (unaudited)

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

In general, these financial statements have a short-term emphasis and, for the most part, measure and account for cash and other assets that can easily be converted to cash. For example, amounts reported on the balance sheet include items such as cash and receivables 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.

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

Proprietary funds. Financial statements consist of a statement of net position, statement of revenue, expenses, and changes in net position and statement of cash flows. These statements are prepared on an accounting basis that is similar to the basis used to prepare the government-wide financial statements. For financial reporting purposes, proprietary funds are grouped into enterprise funds and internal service funds.

The City uses enterprise funds to account for business-type activities that charge fees to customers for the use of specific goods or services. These funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Internal Service funds are used to account for services provided and billed on an internal basis. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City presents a separate column for each of the major enterprise funds: water, sewer, sanitation, and stormwater funds. Internal service funds are aggregated and presented in a single column. A statement of cash flows is presented at the fund financial statement level for proprietary funds, but no equivalent statement is presented in the government-wide financial statements for either governmental activities or business-type activities.

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

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.

City of Hallandale Beach, Florida

For the Year Ended September 30, 2014
 Management's Discussion and Analysis (unaudited)

Required supplementary information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning various issues such as a comparison between the City's adopted and final budget and actual financial results for its general fund and major special revenue fund. The City adopts an annual appropriated budget for its governmental funds. A budgetary comparison schedule has been provided for the general fund and its major special revenue fund to demonstrate compliance with this budget. Required supplementary information is also presented for the City's pension plans and other post-employment benefits.

Combining and individual fund statements and schedules. 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.

Government-Wide Financial Analysis

The table below presents a summary of net position as of September 30, 2014 and 2013, derived from the government-wide statement of net position:

	Net Position (in thousands)					
	Governmental Activities		Business - Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 51,590	\$ 72,115	\$ 44,551	\$ 44,118	\$ 96,141	\$ 116,233
Capital assets	79,744	67,628	42,467	37,338	122,211	104,966
Total assets	131,334	139,743	87,018	81,456	218,352	221,199
Deferred outflows	187	-	-	-	187	-
Long-term liabilities	35,131	35,947	8,876	9,582	44,007	45,529
Other liabilities	5,161	6,278	3,823	4,840	8,984	11,118
Total liabilities	40,292	42,225	12,699	14,422	52,991	56,647
Deferred inflows	198	-	-	-	198	-
Net position:						
Net investment in capital assets	59,760	42,885	33,465	28,360	93,225	71,245
Restricted	11,543	20,408	292	-	11,835	20,408
Unrestricted	19,727	34,225	40,562	38,673	60,289	72,898
Total net position	\$ 91,030	\$ 97,518	\$ 74,319	\$ 67,033	\$ 165,349	\$ 164,551

As noted earlier, net position may serve, over time, as a useful indication of a government's financial position. At the close of the most recent fiscal year, the City's assets plus deferred outflows exceeded its liabilities plus deferred inflows by \$165.4 million.

The City's total net position is divided among unrestricted, at 40.5 %, representing resources that are available for spending, and net investment in capital assets at 56.4 % with the remaining 3.1 % restricted for specific purposes. Net investment in capital assets reflects the City's investment in capital assets reduced by the amount of outstanding related debt and any deferred inflows/outflows used to acquire these assets. 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. Although the net investment in capital assets are shown net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources.

City of Hallandale Beach, Florida

**For the Year Ended September 30, 2014
Management's Discussion and Analysis (unaudited)**

At the end of the current fiscal year, the City of Hallandale Beach is able to report positive balances in all categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The City's net position decreased from operations by \$.7 million during the current fiscal year. This contrasts with the \$7.0 million increase in net position in the prior year. This \$7.7 million decrease is a result of a \$6.0 million increase in revenues offset by a \$13.7 million increase in expenses. Governmental activities resulted in an excess of expenses over revenues of \$6.5 million, with general and program revenues of \$70.5 million compared to program expenses and transfers of \$76.9 million. Net position of business-type activities increased \$5.8 million, with general and program revenues and transfers of \$36.4 million compared to program expenses and transfers of \$30.6 million.

The City's cash and cash equivalents decreased \$22.8 million and investments increased \$4.9 million. Due from other governments decreased by \$1.0 million, as the City collected a portion of the reimbursement due for federal grant expenses.

As previously noted, net position of business-type activities increased \$5.8 million, which is \$2.5 million less than the increase to net position in the previous year. The \$5.8 million increase in net position is a result of the \$2.0 million excess of revenue over expenses in water and sewer fund operations, or \$1.5 million and \$1.1 million respectively, offset by deficits of \$1.3 million, \$7,200, \$39,000 and \$12,000 in the sanitation, stormwater, cemetery and marina funds, respectively. In addition, there was \$5.3 million in capital contributions of \$5.2 million, \$32,000 and \$27,000 in the stormwater, sewer and water funds, respectively. The capital contribution to the Stormwater fund is for drainage improvements.

City of Hallandale Beach, Florida

For the Year Ended September 30, 2014
Management's Discussion and Analysis (unaudited)

The table below presents a summary of changes in net position for the years ended September 30, 2014 and 2013, as derived from the government-wide Statement of activities:

	Changes in Net Position (in thousands)					
	Governmental		Business-Type		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 27,221	\$ 13,226	\$ 30,933	\$ 30,786	\$ 58,154	\$ 44,012
Operating grants and contributions	892	901	-	-	892	901
Capital grants and contributions	1,575	2,999	59	933	1,634	3,932
General Revenues:						
Property taxes	21,819	20,579	-	-	21,819	20,579
Other taxes	15,753	11,110	165	220	15,918	11,330
Other revenues	3,246	14,786	168	243	3,414	15,029
Total revenues	70,506	63,601	31,325	32,182	101,831	95,783
Expenses:						
General government	15,289	9,302	-	-	15,289	9,302
Public safety	39,809	36,091	-	-	39,809	36,091
Physical environment	2,028	2,312	-	-	2,028	2,312
Transportation	2,142	1,943	-	-	2,142	1,943
Economic environment	4,879	4,798	-	-	4,879	4,798
Culture and recreation	3,806	2,005	-	-	3,806	2,005
Human services	2,139	2,684	-	-	2,139	2,684
Interest	1,860	1,079	-	-	1,860	1,079
Nonmajor	-	-	274	276	274	276
Sanitation	-	-	6,422	5,267	6,422	5,267
Sewer	-	-	11,679	11,937	11,679	11,937
Storm water	-	-	2,075	1,769	2,075	1,769
Water	-	-	10,139	9,351	10,139	9,351
Total expenses	71,952	60,214	30,589	28,600	102,541	88,814
Changes in net position before transfers	(1,446)	3,387	736	3,582	(710)	6,969
Transfers	(5,042)	(4,721)	5,042	4,721	-	-
Change in net position	(6,488)	(1,334)	5,778	8,303	(710)	6,969
Net position, beginning, as restated	97,518	98,852	68,541	58,730	166,059	157,582
Net position, ending	\$ 91,030	\$ 97,518	\$ 74,319	\$ 67,033	\$ 165,349	\$ 164,551

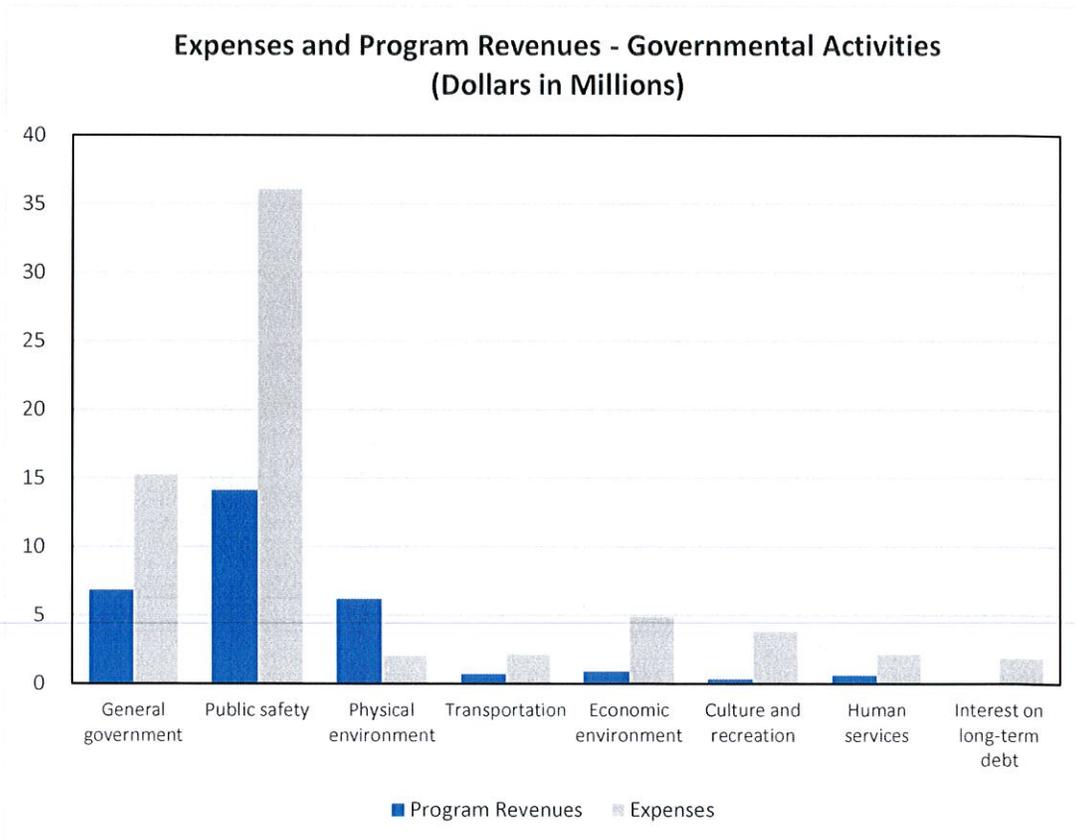
City of Hallandale Beach, Florida

For the Year Ended September 30, 2014
Management's Discussion and Analysis (unaudited)

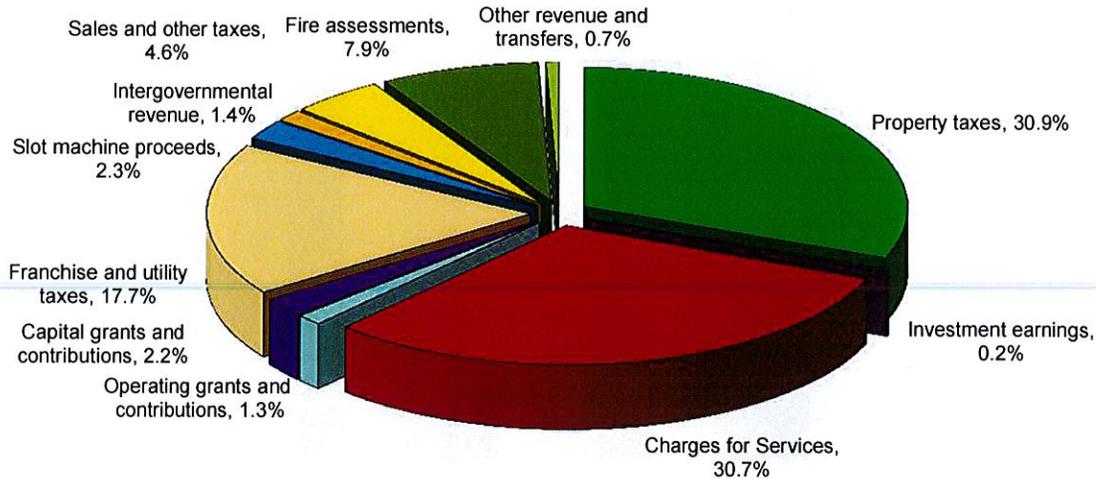
Governmental activities

Governmental activities reduced the City of Hallandale Beach's net position by \$6.4 million. This is in contrast to the \$1.3 million reduction in net position in the prior fiscal year. Key elements to this change in net position are as follows:

- At 30.9% of governmental activities revenues, the largest component was property taxes in the amount of \$21.8 million, an increase of \$.1.2 million or 6.0% from the prior fiscal year.
- Charges for services increased \$8.3 million or 44.5% from the prior year, 7.5% increase in revenue from licenses and permits as well as a 19.6% decrease in revenue from fines and forfeitures;
- Public safety expenses, at 55.3% of governmental expenses, increased \$3.7 million to \$39.8 million, or 10.3% more than the previous year.



Revenues by Source - Governmental Activities

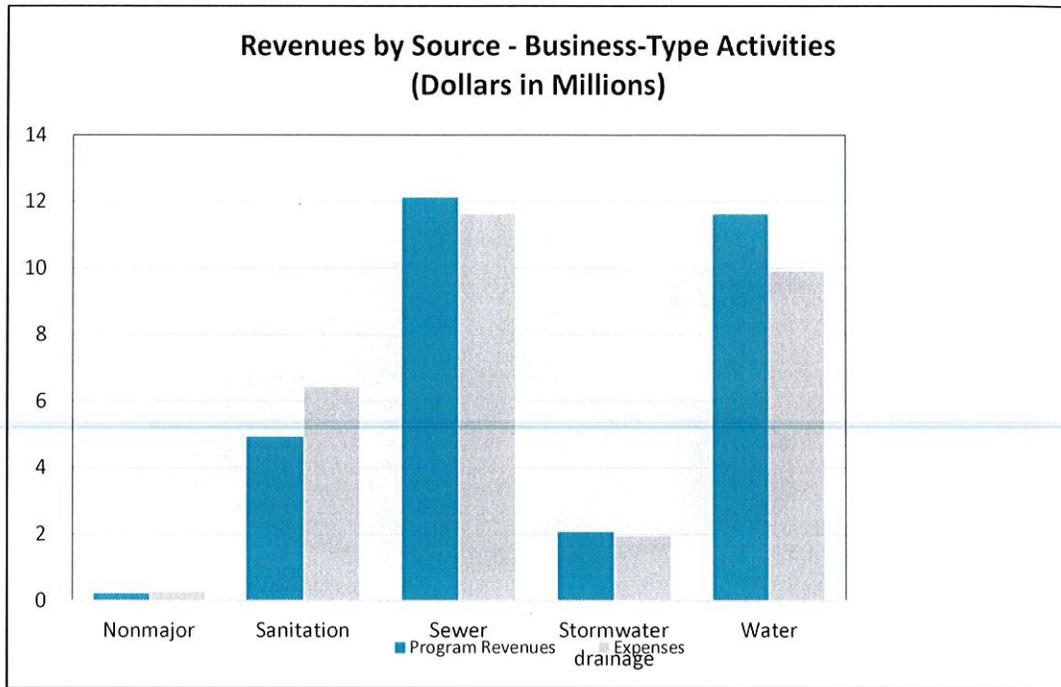


Business-type activities

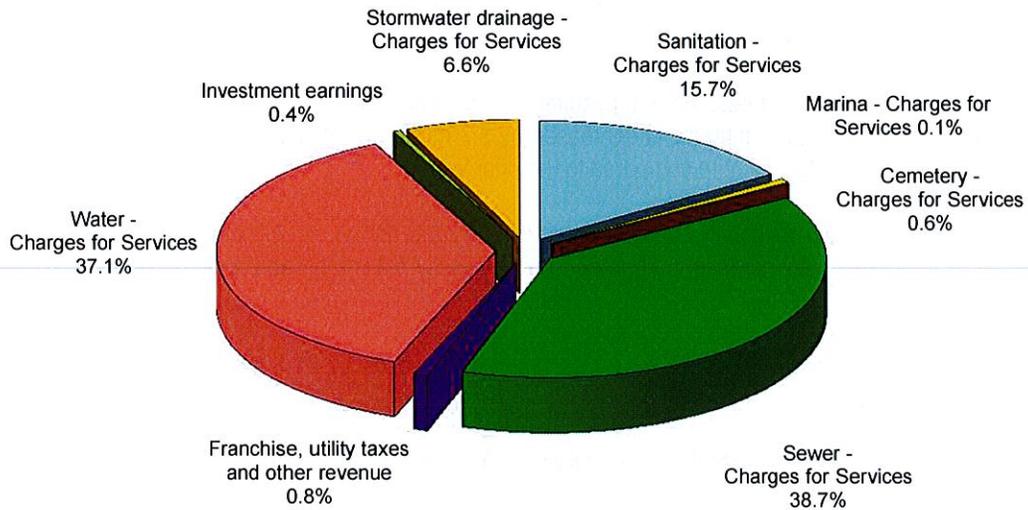
Business-type activities increased the City's net position by \$5.8 million, or \$.7 million less than the previous year. Key elements of this decrease are as follows:

- Water fund program revenues, including capital contributions, exceeded expenses by \$1.5 million. Charges for services and capital contributions decreased by \$.7 million, while operating expenses decreased by \$.7 million, for flat operating income compared to the prior year;
- Sewer fund program revenues exceeded expenses by \$.5 million, or \$.7 million more than the previous year, mainly due to an increase in charges for services by \$.4 million and a decrease in expenses by \$.3 million;
- Sanitation fund program expenses exceeded program revenues by \$1.5 million, or \$1.2 million more than the previous year;

In fiscal year 2013, the City established a new enterprise fund, the Marina fund to account for the Marina dock operations, including dock rental and supplies and maintenance of the docks.



Revenues by Source - Business-Type Activities



City of Hallandale Beach, Florida

For the Year Ended September 30, 2014 Management's Discussion and Analysis (unaudited)

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 City's governmental funds reported combined ending fund balances of \$34.2 million, a decrease of \$15.4 million from the prior year's ending fund balance. The fund balance is categorized to indicate whether it is not available for new spending because it represents resources that are non-spendable (\$205,000), that are restricted for debt service and other purposes (\$8.5 million), that have already been assigned for subsequent year's expenditures (\$4.7 million), that have been assigned for the purchase of capital and equipment (\$1.9 million), that have been assigned for other purposes (\$1.3 million), or that are unassigned (\$17.3 million).

The general fund is the chief operating fund of the City. At end of the current fiscal year, the unassigned fund balance of the general fund was \$17.3 million. This is a \$1.3 million or 7.1% decrease when compared with the prior year. As a measure of the General fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General fund expenditures. Unassigned fund balance represents 30.3% of total General fund expenditures and transfers out, while total fund balance represents 36.6% of that same amount.

The fund balance of the City's General fund decreased by approximately \$4.8 million during the current fiscal year. In contrast, the previous year's fund balance increased by \$1.6 million. Key factors of the current fiscal year decrease compared to fiscal year 2013 are as follows:

- A \$4.5 million increase in property taxes;
- A \$1.0 million decrease in charges for services;
- A \$.6 million increase in expenditures for general government;
- A \$3.9 million increase in expenditures for public safety;
- A \$.8 million increase in expenditures for culture and recreation
- A \$.5 million increase in expenditures for human services

The Hallandale Beach Community Redevelopment Agency ("CRA") fund, accounts for the activities of the CRA. The fund balance of the CRA fund decreased from operations by \$7.7 million during the fiscal year. The \$6.5 million fund balance is allocated among the categories that are restricted (\$3.5 million), and assigned to subsequent year's expenditures and the principal debt payment (\$3.0 million). Comparisons to prior year results include:

- A 4.8% or \$162,000 increase in the CRA's portion of the City's ad valorem tax revenue;
- A 7.9% or \$286,000 increase in Tax Increment Financing revenue from outside agencies;
- Other revenues increased due to loan repayments of approximately \$102,000;
- Economic environment spending decreased by \$4.8 million; this represents an increase of \$730,000, due mainly to amounts spent in FY 14 for the in-Fill Housing.
- Public safety expenditures increased by \$406,000, due mainly to Memorandum of Understanding (MOU) agreements for Community Involvement Unit (CIU), Community Action Team (CAT) and Neighborhood Involvement Team (NET)
- Capital outlay represents \$4.1 million attributed to parks, streets and drainage improvements.

City of Hallandale Beach, Florida

For the Year Ended September 30, 2014 Management's Discussion and Analysis (unaudited)

The fund balance of the Grant Administration fund increased by \$1.7 million. Major expenditures for this fund include:

- \$4.1 million in operating and in capital grants projects funded by federal grants;
- \$.6 million in capital projects funded by local grants
- \$136,000 in construction projects and \$90,000 in operational programs funded by state grants;

The fund balance of the Capital Projects fund decreased by \$4.1 million. Major expenditures for this fund include \$1.9 million in principal and interest payments on the 2007A bonds and \$3.9 million in capital outlay.

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

Enterprise fund unrestricted net position was \$40.6 million, a \$1.8 million increase from the prior year's net position. Net investment in capital assets increased \$5.1 million in the current year due to increases in construction in progress.

The enterprise funds showed a \$7.2 million increase in total net position from the prior year. This consisted of a \$.7 million increase of operating revenues over operating expenses, an \$106,000 decrease of non-operating revenues over non-operating expenses, and a \$5.1 million excess of transfers in and capital contributions over transfers out and a \$1.5 million in prior period adjustment related to wastewater charges.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget consist only of encumbrances and unexpended project budget amounts rolled forward from the prior to the current fiscal year. Final appropriations increased by \$5.8 million.

The original and the final budget anticipated \$5.1 million and \$10.6 million, respectively, to be expended from available fund balance. During the year, however, expenditure and transfers savings compared to the final budget were \$5.7 million.

Property taxes fell short of budgetary estimates by \$84,000 in current tax collections and applicable discounts. Charges for services revenue exceeded estimates by \$541,000.

Operating expenditures resulted in \$1.0 million in budget savings, mainly due to lower expenditures for legal fees, consultants and professional services, Parks outside services, and Development Services outside services. Personal services expenditures reflected a \$418,000 positive variance resulting from position vacancies and lower police and fire contributions.

City of Hallandale Beach, Florida

For the Year Ended September 30, 2014
Management's Discussion and Analysis (unaudited)

Capital Assets and Debt Administration

Capital assets. As of September 30, 2014 and 2013, the City had \$121.4 and \$104.4 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 - T ype Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 43,369	\$ 41,909	\$ 1,159	\$ 1,159	\$ 44,528	\$ 43,068
Construction in progress	15,976	6,252	10,931	4,609	26,907	10,861
Buildings	3,950	4,677	10,041	10,945	13,991	15,622
Improvements other than buildings	2,749	2,884	2,226	2,430	4,975	5,314
Vehicles and equipment	6,134	4,351	1,438	1,888	7,572	6,239
Infrastructure	7,565	6,943	16,672	16,306	24,237	23,249
Total	\$ 79,743	\$ 67,016	\$ 42,467	\$ 37,337	\$ 122,210	\$ 104,353

Major capital asset events during the year included:

- \$5.1 million was added to construction in progress for the NE/SW Drainage project,
- \$4.1 million was added to construction in progress for BF James park,
- \$2.0 million was added to construction in progress for Joe Scavo park,
- \$2.1 million was added to construction in progress for South Beach park,
- \$2.4 million was spent on City vehicles,
- 2.1 million was added to the A1A restoration project

Additional information can be found in Note 6 – Capital Assets.

Long-term debt. As of year-end, the City had \$31.2 million in bonded debt and revenue notes outstanding compared to the \$33.5 million last year. Of this amount of debt outstanding as of the end of fiscal year 2014, approximately 59.5 % was backed by the full faith and credit of the government and the balance was secured by various revenue sources.

The debt position of the City is summarized below and is more fully explained in Note 9 Long-Term Debt:

Outstanding Revenue Bonds, Notes and Capital Leases (in thousands)					
Governmental Activities		Business - T ype Activities		Total	
2013	2012	2013	2012	2013	2012
\$ 24,031	\$ 24,630	\$ 8,185	\$ 8,870	\$ 32,216	\$ 33,500

Under Florida statutes, no debt limit margin is placed on local governments. The City maintains an "AA-" rating from Standard & Poor's on its revenue bonds.

City of Hallandale Beach, Florida

For the Year Ended September 30, 2014 Management's Discussion and Analysis (unaudited)

Economic Factors and Next Year's Budgets and Rates

- At September 30, 2014 the unemployment rate for the City was 6.2%, which is a slight improvement over the 6.7% of a year ago,
- After several years of deflated real estate prices in south Florida in the past five years, business reports suggest that real estate prices have begun to rise as the inventory of available homes has been greatly reduced. South Florida is still experiencing one of the highest foreclosure rates in the nation, which had contributed to the real estate price decline. The reported rise in Broward County home sales and prices indicate that assessed values are likely to rise for tax year 2015. This would be the third increase in five years, a promising sign for the City and the surrounding municipalities.

General economic conditions both globally and in our state have required the City to closely monitor revenue and expenditure trends during the current year. For fiscal year 2015, the millage rate went to rollback rate of 5.1918 while assessed values were estimated to increase by 9.796.7%.

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 Chief Financial Officer, 400 South Federal Highway, Hallandale Beach, Florida 33009.



Hallandale Beach
PROGRESS. INNOVATION. OPPORTUNITY.

Basic Financial Statements

City of Hallandale Beach, Florida
Statement of Net Position
September 30, 2014

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 19,757,561	\$ 5,994,582	\$ 25,752,143
Investments	22,413,393	24,244,881	46,658,274
Receivables, net of allowances	3,875,629	4,772,907	8,648,536
Internal balances	(7,000,000)	7,000,000	-
Due from other governments	3,389,645	-	3,389,645
Inventory	190,710	453,016	643,726
Assets held for resale	815,540	-	815,540
Other assets	14,358	3,204	17,562
Restricted assets:			
Cash and cash equivalents	7,261,728	2,082,297	9,344,025
Net pension asset	871,246	-	871,246
Capital assets, nondepreciable	59,345,575	12,091,132	71,436,707
Capital assets, net of accumulated depreciation	20,398,346	30,376,170	50,774,516
Total assets	131,333,731	87,018,189	218,351,920
Deferred Outflows of Resources:			
Advance pension contribution	186,553	-	186,553
Liabilities			
Accounts payable and accrued liabilities	2,965,709	1,971,803	4,937,512
Deposits	156,910	1,790,799	1,947,709
Unearned revenue	626,759	-	626,759
Accrued interest	511,582	60,888	572,470
Due to Agency Funds	900,000	-	900,000
Noncurrent liabilities:			
Due within one year	3,264,654	954,329	4,218,983
Due in more than one year	31,866,107	7,921,562	39,787,669
Total liabilities	40,291,721	12,699,381	52,991,102
Deferred Inflows of Resources:			
Business taxes	198,969	-	198,969
Net Position			
Net investment in capital assets	59,760,172	33,464,838	93,225,010
Restricted for community improvements	7,058,493	-	7,058,493
Restricted for debt service	1,000,000	-	1,000,000
Restricted for law enforcement	1,054,527	-	1,054,527
Restricted for transportation	626,243	-	626,243
Restricted for safe neighborhood districts	937,412	-	937,412
Restricted for grants	921,717	-	921,717
Restricted for cemetery care	-	291,498	291,498
Unrestricted	19,671,030	40,562,472	60,233,502
Total net position	\$ 91,029,594	\$ 74,318,808	\$ 165,348,402

See Notes to Financial Statements.

City of Hallandale Beach, Florida
Statement of Activities
Year Ended September 30, 2014

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 15,288,948	\$ 6,839,513	\$ -	\$ -
Public safety	39,808,640	13,831,609	308,475	-
Physical environment	2,028,148	4,785,718	-	1,399,456
Transportation	2,142,191	517,904	187,431	-
Economic environment	4,878,449	432,612	324,033	121,000
Culture and recreation	3,805,882	332,492	-	-
Human services	2,139,234	481,633	72,020	54,958
Interest on long-term debt	1,861,364	-	-	-
Total governmental activities	71,952,856	27,221,480	891,959	1,575,414
Business-type activities:				
Nonmajor	271,933	218,641	-	-
Sanitation	6,422,143	4,924,852	-	-
Sewer	11,679,145	12,111,952	-	32,270
Stormwater drainage	2,075,044	2,065,295	-	-
Water	10,139,817	11,611,958	-	27,227
Total business-type activities	30,588,082	30,932,698	-	59,497
Total	\$ 102,540,938	\$ 58,154,178	\$ 891,959	\$ 1,634,911

General revenue:
Property taxes
Franchise and utility taxes
Sales taxes
Motor fuel taxes
Alcoholic beverages taxes
Intergovernmental revenue (not restricted to specific programs)
Unrestricted investment earnings
Slot machine proceeds
Gain on disposal of capital assets
Other revenue

Transfers
Total general revenue and transfers
Change in net position

Net position - beginning, as previously reported
Prior period adjustment
Net position - beginning, restated
Net position - ending

See Notes to Financial Statements

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (8,449,435)	\$ -	\$ (8,449,435)
(25,668,557)	-	(25,668,557)
4,157,026	-	4,157,026
(1,436,856)	-	(1,436,856)
(4,000,804)	-	(4,000,804)
(3,473,390)	-	(3,473,390)
(1,530,623)	-	(1,530,623)
(1,861,364)	-	(1,861,364)
(42,264,003)	-	(42,264,003)
-	(53,292)	(53,292)
-	(1,497,291)	(1,497,291)
-	465,077	465,077
-	(9,749)	(9,749)
-	1,499,368	1,499,368
-	404,113	404,113
(42,264,003)	404,113	(41,859,890)
21,818,570	-	21,818,570
12,483,325	165,044	12,648,369
2,339,039	-	2,339,039
911,190	-	911,190
19,145	-	19,145
964,625	-	964,625
160,736	139,090	299,826
1,648,689	-	1,648,689
397,794	-	397,794
74,063	27,625	101,688
(5,042,075)	5,042,075	-
35,775,101	5,373,834	41,148,935
(6,488,902)	5,777,947	(710,955)
97,518,496	67,033,423	164,551,919
-	1,507,438	1,507,438
97,518,496	68,540,861	166,059,357
\$ 91,029,594	\$ 74,318,808	\$ 165,348,402

City of Hallandale Beach, Florida

Balance Sheet
Governmental Funds

September 30, 2014

	General Fund	Community Redevelopment Agency Fund	Grant Administration Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:						
Cash and cash equivalents	\$ 1,579,322	\$ 12,918,231	\$ 174,110	\$ 161,605	\$ 2,446,947	\$ 17,280,215
Investments	17,799,043	1,408,725	-	-	-	19,207,768
Receivables, net of allowances	2,067,697	1,336,943	-	-	232,419	3,637,059
Due from other funds	10,237,719	1,054,800	33,771	-	300,000	11,626,290
Due from other governments	944,089	-	2,391,056	-	54,500	3,389,645
Restricted cash and cash equivalents	162,172	690	-	6,890,819	-	7,053,681
Inventory	190,710	-	-	-	-	190,710
Assets held for resale	-	815,540	-	-	-	815,540
Prepaid items	14,358	-	-	-	-	14,358
Total assets	32,995,110	17,534,929	2,598,937	7,052,424	3,033,866	63,215,266
Deferred Outflows of Resources:						
Advance pension contribution	186,553	-	-	-	-	186,553
Total Assets and Deferred Outflows of Resources	\$ 33,181,663	\$ 17,534,929	\$ 2,598,937	\$ 7,052,424	\$ 3,033,866	\$ 63,401,819
Liabilities:						
Accounts payable and accrued liabilities	\$ 1,060,122	\$ 764,946	\$ 247,717	\$ 637,031	\$ 136,872	\$ 2,846,688
Deposits	156,910	-	-	-	-	156,910
Due to other funds	8,784,151	10,271,490	370,649	4,000,000	-	23,426,290
Due to agency funds	900,000	-	-	-	-	900,000
Unearned revenue	585	-	498,854	-	127,320	626,759
Compensated absences	243,154	-	-	-	-	243,154
Total liabilities	11,144,922	11,036,436	1,117,220	4,637,031	264,192	28,199,801
Deferred Inflows of Resources:						
Unavailable revenue	816,470	-	-	-	-	816,470
Business taxes	198,969	-	-	-	-	198,969
Total deferred inflows of resources	1,015,439	-	-	-	-	1,015,439
Fund Balances:						
Non-spendable:						
Prepaid items	14,358	-	-	-	-	14,358
Inventory	190,710	-	-	-	-	190,710
Restricted:						
Assets held for resale	-	815,540	-	-	-	815,540
Long-term receivable	-	1,336,943	-	-	-	1,336,943
Community Redevelopment	-	1,308,105	-	-	-	1,308,105
Debt service	-	-	-	1,000,000	-	1,000,000
Developer agreements	-	-	560,000	-	-	560,000
Grant programs	-	-	921,717	-	-	921,717
Law enforcement	-	-	-	-	1,054,527	1,054,527
Transportation	-	-	-	-	626,243	626,243
Safe neighborhood districts	-	-	-	-	937,412	937,412
Assigned:						
Fire equipment	1,170,940	-	-	-	-	1,170,940
Computer equipment	241,453	-	-	-	-	241,453
Police outside services	-	-	-	-	151,492	151,492
Police vehicles and radios	240,691	-	-	-	-	240,691
Enterprise system	150,000	-	-	-	-	150,000
Capital projects fund	-	-	-	1,415,393	-	1,415,393
Subsequent year's expenditures	1,622,065	3,037,905	-	-	-	4,659,970
Unassigned:						
General fund	17,391,085	-	-	-	-	17,391,085
Total fund balances	21,021,302	6,498,493	1,481,717	2,415,393	2,769,674	34,186,579
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 33,181,663	\$ 17,534,929	\$ 2,598,937	\$ 7,052,424	\$ 3,033,866	\$ 63,401,819

See Notes to Financial Statements.

City of Hallandale Beach, Florida

Reconciliation of Governmental Funds
Balance Sheet to the Statement of Net Position
September 30, 2014

Total fund balance - governmental funds		\$ 34,186,579
---	--	---------------

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	\$ 133,065,780	
Less accumulated depreciation	<u>53,321,859</u>	
		79,743,921

Net pension assets or obligations resulting from excess contributions to or underfunding of pension plans are not reported in the fund financial statements as they are not financial resources.

Net pension asset		871,246
-------------------	--	---------

Revenues that do not meet the availability criteria are reported as unavailable revenue in the fund financial statements; these amounts are reported as revenue in the government-wide statements.

		816,470
--	--	---------

Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.

Bond premium	(182,540)	
Bonds and notes payable	(24,502,500)	
Interest Payable and Other Accruals	(248,406)	
Compensated absences	<u>(2,858,067)</u>	
		(27,791,513)

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The net position of internal service funds are reported with governmental activities.

		<u>3,202,891</u>
--	--	------------------

Net position of governmental activities		\$ <u>91,029,594</u>
--	--	-----------------------------

City of Hallandale Beach, Florida

Statement of Revenue, Expenditures, and Changes in Fund Balances
 Governmental Funds
 Year Ended September 30, 2014

	General Fund	Community Redevelopment Agency Fund	Grant Administration Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Property taxes	\$ 21,295,960	\$ -	\$ -	\$ -	\$ 522,610	\$ 21,818,570
Charges for services	7,634,665	28,939	-	-	1,330,404	8,994,008
Utility taxes	4,362,844	-	-	-	-	4,362,844
Intergovernmental	3,382,550	3,904,548	2,906,525	-	878,279	11,071,902
Franchise taxes	4,215,933	-	-	-	-	4,215,933
Licenses and permits	2,505,076	-	-	-	-	2,505,076
Fines and forfeitures	710,219	-	-	-	154,844	865,063
Fire assessments	5,601,904	-	-	-	-	5,601,904
Investment earnings	119,805	84,710	-	(3,671)	15,089	215,933
Slot machine proceeds	1,648,689	-	-	-	-	1,648,689
Other revenues	669,323	322,577	4,702,285	-	112,923	5,807,108
Total revenues	52,146,968	4,340,774	7,608,810	(3,671)	3,014,149	67,107,030
Expenditures:						
Current:						
General government	9,823,115	-	9,526	71,446	-	9,904,087
Public safety	35,105,169	2,079,444	328,373	-	1,884,822	39,397,808
Physical environment	1,975,788	-	58,279	-	-	2,034,067
Transportation	-	-	203,890	-	1,705,222	1,909,112
Economic environment	-	4,843,055	-	-	-	4,843,055
Human services	1,598,136	-	499,394	-	-	2,097,530
Culture and recreation	3,378,650	-	-	190,401	-	3,569,051
Debt service:						
Principal	-	-	-	955,000	-	955,000
Interest	-	-	-	1,006,598	-	1,006,598
Capital outlay	2,019,909	6,652,238	4,733,591	3,893,152	1,464,015	18,762,905
Total expenditures	53,900,767	13,574,737	5,833,053	6,116,597	5,054,059	84,479,213
Excess (deficiency) of revenues over expenditures	(1,753,799)	(9,233,963)	1,775,757	(6,120,268)	(2,039,910)	(17,372,183)
Other financing sources (uses):						
Transfers in	62,471	3,542,687	-	2,010,000	-	5,615,158
Transfers out	(3,567,687)	(1,985,000)	-	-	(62,471)	(5,615,158)
Sale of capital assets	430,648	-	-	-	-	430,648
Total other financing sources (uses)	(3,074,568)	1,557,687	-	2,010,000	(62,471)	430,648
Net change in fund balances	(4,828,367)	(7,676,276)	1,775,757	(4,110,268)	(2,102,381)	(16,941,535)
Fund balances, beginning, as previously reported	25,849,669	14,174,769	(294,040)	5,054,975	4,872,055	49,657,428
Prior period adjustment	-	-	-	1,470,686	-	1,470,686
Fund balances, beginning, restated	25,849,669	14,174,769	(294,040)	6,525,661	4,872,055	51,128,114
Fund balances, ending	\$ 21,021,302	\$ 6,498,493	\$ 1,481,717	\$ 2,415,393	\$ 2,769,674	\$ 34,186,579

City of Hallandale Beach, Florida

**Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended September 30, 2014**

Net change in fund balances - total governmental funds	\$ (16,941,535)
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their useful lives as depreciation expense. In the current period, these amounts are:	
Capital outlay	\$ 18,746,451
Capital outlay transferred to proprietary fund	(5,242,077)
Depreciation expense	<u>(2,510,400)</u>
	10,993,974
The net effect of various miscellaneous transactions involving capital assets	789,834
Under the modified accrual basis of accounting used in the governmental funds, revenues are not recognized until funds are measurable and available to finance current expenditures. In the statement of activities, however, which is presented on the accrual basis, revenues are reported when earned.	
	(2,791,412)
Repayment of long-term debt is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In the current year these amounts consist of:	
Principal payments on notes	955,000
Write off of bond issuance costs	(291,023)
Amortization of bond premium	(24,921)
The change in net pension asset and net pension obligation is not reported in the fund financial statements, but is reported in the government-wide financial statements.	
Net pension asset	(744,567)
The change in compensated absence balances during the year has no effect on the expenditures in the governmental funds. The change is reported in the statement of activities.	
	402,890
Internal service funds are used by management to charge the costs of certain activities such as insurance, to individual funds. The net revenue (expense) of the internal services funds is reported with governmental activities	
	1,162,858
Change in net position of governmental activities	<u>\$ (6,488,902)</u>

City of Hallandale Beach, Florida

Statement of Net Position
Proprietary Funds
September 30, 2014

	Business-type Activities - Enterprise Funds					Total	Governmental Activities - Internal Service Funds
	Water Fund	Sewer Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Enterprise Funds		
Assets							
Current Assets:							
Cash and cash equivalents	\$ 3,486,545	\$ 584,816	\$ 364,024	\$ 1,427,753	\$ 131,444	\$ 5,994,582	\$ 2,477,346
Investments	14,933,219	5,822,331	3,489,331	-	-	24,244,881	3,205,625
Restricted assets:							
Cash and cash equivalents	1,790,799	-	-	-	291,498	2,082,297	208,047
Receivables, net of allowance	1,822,498	2,238,773	496,428	194,930	20,278	4,772,907	238,570
Due from other funds	5,000,000	-	-	2,320,000	-	7,320,000	4,800,000
Inventory	61,684	-	-	-	391,332	453,016	-
Other assets	3,204	-	-	-	-	3,204	-
Total current assets	27,097,949	8,645,920	4,349,783	3,942,683	834,552	44,870,887	10,929,588
Noncurrent Assets:							
Capital assets:							
Land	743,777	40,047	-	-	375,478	1,159,302	-
Construction in progress	1,052,781	23,142	36,125	9,819,782	-	10,931,830	-
Buildings and improvements	20,359,741	694,999	151,276	24,203	-	21,230,219	-
Improvements other than buildings	3,432,703	38,168	-	126,439	150,673	3,747,983	-
Vehicles and equipment	4,794,561	1,796,012	3,344,978	508,751	44,899	10,489,201	4,771,194
Infrastructure	12,235,142	25,220,554	-	14,051,109	-	51,506,805	-
Total capital assets	42,618,705	27,812,922	3,532,379	24,530,284	571,050	99,065,340	4,771,194
Less accumulated depreciation	(23,721,056)	(22,675,384)	(3,026,725)	(6,996,316)	(178,557)	(56,598,038)	(840,630)
Net capital assets	18,897,649	5,137,538	505,654	17,533,968	392,493	42,467,302	3,930,564
Total noncurrent assets	18,897,649	5,137,538	505,654	17,533,968	392,493	42,467,302	3,930,564
Total assets	45,995,598	13,783,458	4,855,437	21,476,651	1,227,045	87,338,189	14,860,152

(Continued)

City of Hallandale Beach, Florida

Statement of Net Position (Continued)

Proprietary Funds

September 30, 2014

	Business-type Activities - Enterprise Funds					Total	Governmental Activities - Internal Service Funds
	Water Fund	Sewer Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Enterprise Funds		
Liabilities and Net Position							
Current liabilities:							
Accounts payable and accrued liabilities	605,720	843,865	241,959	262,881	17,378	1,971,803	119,021
Due to other funds	-	300,000	-	-	20,000	320,000	-
Accrued interest	33,770	8,436	-	18,682	-	60,888	29,082
Payable from restricted assets:							
Deposits	1,790,799	-	-	-	-	1,790,799	-
Compensated absences	144,497	28,309	68,223	3,579	9,721	254,329	8,836
Accrued claims for self-insured risks	-	-	-	-	-	-	553,072
Current portion of bonds and notes payable	392,046	107,386	-	200,568	-	700,000	715,000
Total current liabilities	2,966,832	1,287,996	310,182	485,710	47,099	5,097,819	1,425,011
Noncurrent liabilities:							
Compensated absences	170,557	26,780	92,729	1,172	19,262	310,500	20,626
Accrued claims for self-insured risks	-	-	-	-	-	-	1,715,676
Accrued other post-employment benefits	-	-	-	-	-	-	4,770,948
Bonds and notes payable	4,228,657	1,075,200	-	2,307,205	-	7,611,062	3,725,000
Total noncurrent liabilities	4,399,214	1,101,980	92,729	2,308,377	19,262	7,921,562	10,232,250
Total liabilities	7,366,046	2,389,976	402,911	2,794,087	66,361	13,019,381	11,657,261
Net Position							
Net investment in capital assets	13,836,595	3,954,352	475,691	14,805,707	392,493	33,464,838	(509,436)
Restricted for cemetery care	-	-	-	-	291,498	291,498	-
Unrestricted	24,792,957	7,439,130	3,976,835	3,876,857	476,693	40,562,472	3,712,327
Total net position	\$ 38,629,552	\$ 11,393,482	\$ 4,452,526	\$ 18,682,564	\$ 1,160,684	\$ 74,318,808	\$ 3,202,891

See Notes to Financial Statements.

City of Hallandale Beach, Florida

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

Year Ended September 30, 2014

	Business-Type Activities - Enterprise Funds					Total	Governmental Activities - Internal Service Funds
	Water Fund	Sewer Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Enterprise Funds		
Operating revenues:							
Charges for services	\$ 11,611,958	\$ 12,111,952	\$ 4,924,852	\$ 2,065,295	\$ 218,641	\$ 30,932,698	\$ 4,895,427
Other revenues	12,420	9,580	-	4,325	1,300	27,625	-
Total operating revenues	11,624,378	12,121,532	4,924,852	2,069,620	219,941	30,960,323	4,895,427
Operating expenses:							
Cost of sales and services	2,718,224	8,161,664	2,867,986	196,416	97,496	14,041,786	874,203
Personal services	5,642,996	3,056,765	3,281,829	993,592	165,951	13,141,133	1,833,103
Claims expense	-	-	-	-	-	-	488,291
Depreciation	1,546,548	408,356	272,328	758,820	8,486	2,994,538	711,001
Total operating expenses	9,907,768	11,626,785	6,422,143	1,948,828	271,933	30,177,457	3,906,598
Operating income (loss)	1,716,610	494,747	(1,497,291)	120,792	(51,992)	782,866	988,829
Nonoperating revenues (expenses):							
Investment earnings (loss)	78,340	38,248	23,803	(1,826)	525	139,090	32,960
Franchise taxes	-	-	165,044	-	-	165,044	-
Amortization expense	(59,525)	(15,603)	-	(31,652)	-	(106,780)	-
Interest expense	(172,524)	(36,757)	-	(94,564)	-	(303,845)	(106,164)
Sale of capital assets	-	-	-	-	-	-	47,233
Total nonoperating revenues (expenses)	(153,709)	(14,112)	188,847	(128,042)	525	(106,491)	(25,971)
Income (loss) before contributions and transfers	1,562,901	480,635	(1,308,444)	(7,250)	(51,467)	676,375	962,858
Capital contributions	27,227	32,270	-	5,242,075	-	5,301,572	-
Transfers in	-	-	-	-	-	-	250,000
Transfers out	(50,000)	(25,000)	(75,000)	(50,000)	-	(200,000)	(50,000)
Change in net position	1,540,128	487,905	(1,383,444)	5,184,825	(51,467)	5,777,947	1,162,858
Total net position, beginning, as previously reported	37,089,424	9,398,140	5,835,970	13,497,739	1,212,151	67,033,424	2,040,033
Prior period adjustment	-	1,507,437	-	-	-	1,507,437	-
Total net position, beginning, restated	37,089,424	10,905,577	5,835,970	13,497,739	1,212,151	68,540,861	2,040,033
Total net position, ending	\$ 38,629,552	\$ 11,393,482	\$ 4,452,526	\$ 18,682,564	\$ 1,160,684	\$ 74,318,808	\$ 3,202,891

City of Hallandale Beach, Florida

Statement of Cash Flows
Proprietary Funds

Year Ended September 30, 2014

	Business-Type Activities - Enterprise Funds					Total	Governmental Activities - Internal Service Funds
	Water Fund	Sewer Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Funds		
Cash Flows From Operating Activities:							
Cash received from fees and charges	\$ 11,605,538	\$ 11,854,721	\$ 4,903,239	\$ 2,071,720	\$ 208,097	\$ 30,643,315	\$ 4,895,249
Cash paid to suppliers for goods, services, claims and administrative charges	(2,543,991)	(8,128,244)	(2,729,853)	80,174	(75,357)	(13,397,271)	(883,995)
Cash paid to employees for services	(5,644,942)	(3,061,376)	(3,274,377)	(991,791)	(168,718)	(13,141,204)	(1,197,324)
Cash received from other funds or (paid) to other funds	(500,000)	(100,000)	-	(411,298)	20,000	(991,298)	(4,800,000)
Net cash provided (used) by operating activities	2,916,605	565,101	(1,100,991)	748,805	(15,978)	3,113,542	(1,986,070)
Cash Flows From Noncapital Financing Activities:							
Franchise taxes	-	-	165,044	-	-	165,044	-
Transfers from other funds	-	-	-	-	-	-	250,000
Transfers to other funds	(50,000)	(25,000)	(75,000)	(50,000)	-	(200,000)	(50,000)
Net cash provided (used) by noncapital financing activities	(50,000)	(25,000)	90,044	(50,000)	-	(34,956)	200,000
Cash Flows From Capital and Related Financing Activities:							
Purchase of capital assets	(2,054,838)	(404,318)	(67,606)	(355,811)	-	(2,882,573)	(2,484,283)
Proceeds from sale of capital assets	-	-	-	-	-	-	47,233
Proceeds from capital contributions	27,659	32,270	-	-	-	59,929	-
Principal paid on long-term debt	(395,233)	(108,014)	-	(202,518)	-	(705,765)	(610,000)
Interest and fees paid on long-term debt	(232,049)	(61,446)	-	(126,216)	-	(419,711)	(106,164)
Net cash used by capital financing activities	(2,654,461)	(541,508)	(67,606)	(684,545)	-	(3,948,120)	(3,153,214)
Cash Flows Provided By Investing Activities							
(Purchase) sale of investments	(1,272,259)	(537,218)	(328,583)	47,989	-	(2,090,071)	(288,697)
Interest and investment income (loss) received	158,437	59,193	38,343	4,539	524	261,036	32,960
Net cash provided (used) by investing activities	(1,113,822)	(478,025)	(290,240)	52,528	524	(1,829,035)	(255,737)
Net increase (decrease) in cash and cash equivalents	(901,678)	(479,432)	(1,368,793)	66,788	(15,454)	(2,698,569)	(5,195,021)
Cash and cash equivalents, beginning	6,179,022	1,064,248	1,732,817	1,360,965	438,396	10,775,448	7,880,414
Cash and cash equivalents, ending	\$ 5,277,344	\$ 584,816	\$ 364,024	\$ 1,427,753	\$ 422,942	\$ 8,076,879	\$ 2,685,393
Reconciliation to the statement of net position:							
Cash and cash equivalents	3,486,545	584,816	364,024	1,427,753	131,444	5,994,582	2,685,393
Restricted assets, cash and cash equivalents	1,790,799	-	-	-	291,498	2,082,297	-
	\$ 5,277,344	\$ 584,816	\$ 364,024	\$ 1,427,753	\$ 422,942	\$ 8,076,879	\$ 2,685,393

See Notes to Financial Statements.

(Continued)

City of Hallandale Beach, Florida

Statement of Cash Flows
 Proprietary Funds (Continued)
 Year Ended September 30, 2014

	Business-Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water Fund	Sewer Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Funds	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 1,716,610	\$ 494,747	\$ (1,497,291)	\$ 120,792	\$ (51,992)	\$ 988,829
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	1,546,548	408,356	272,328	758,820	8,486	711,001
(Increase) decrease in receivables	(48,652)	(266,811)	(21,613)	100	(11,844)	(97,366)
(Increase) decrease in due from other funds	(500,000)	-	-	(411,298)	-	(4,800,000)
(Increase) decrease in inventory	55,637	-	-	-	18,977	74,614
(Increase) decrease in due from other governments	-	-	-	2,000	-	2,000
(Increase) decrease in other assets	55,729	14,842	-	29,368	-	99,939
Increase (decrease) in accounts payable and accrued liabilities	62,867	18,578	138,133	247,222	3,162	469,962
Increase (decrease) in due to other funds	-	(100,000)	-	-	20,000	(80,000)
Increase in deposits	29,812	-	-	-	-	29,812
Decrease in compensated absences	(1,946)	(4,611)	7,452	1,801	(2,767)	(36,387)
Increase in accrued claims for self-insured risks	-	-	-	-	-	21,539
Increase in accrued other post-employment benefits	-	-	-	-	-	672,166
Net cash provided (used) by operating activities	\$ 2,916,605	\$ 565,101	\$ (1,100,991)	\$ 748,805	\$ (45,978)	\$ 3,113,542
Noncash Capital and Related Financing Activities						
Unrealized gain (loss) on investments	\$ (80,097)	\$ (20,945)	\$ (14,540)	\$ (6,365)	\$ -	\$ (121,947)
Capital contributions from assets constructed by governmental activities	\$ (80,097)	\$ (20,945)	\$ (14,540)	\$ 5,242,077	\$ -	\$ 5,242,077
				\$ 5,235,712	\$ -	\$ 5,120,130
						\$ (13,357)

City of Hallandale Beach, Florida

Statement of Fiduciary Net Position
 Fiduciary Funds
 September 30, 2014

	Pension Trust Funds	Agency Funds
Assets		
Cash and cash equivalents	\$ 5,237,173	\$ 648,220
Due from other funds	-	900,000
State contributions receivable	662,916	-
Employer contributions receivable	3,077,933	-
Employee contributions receivable	45,936	-
Interest receivable	229,389	-
Accounts receivable	-	6,382
Due from broker	1,271,200	-
Investments:		
Corporate bonds	9,459,079	-
Equity securities	79,907,034	-
U.S. Obligations	12,243,662	-
Hedge funds	18,455,455	-
Insurance company separate account	65,251,195	-
Real estate investment trust	8,571,999	-
Prepaid expense	12,171	-
Total assets	<u>204,425,142</u>	<u>1,554,602</u>
Liabilities		
Accounts payable	135,762	141,662
Due for securities purchased	632,377	-
Due to others	-	1,412,940
	<u>768,139</u>	<u>1,554,602</u>
Deferred Inflows of Resources		
Advance City contribution	<u>186,553</u>	-
Net Position		
Held in trust for pension benefits	<u>\$ 203,470,450</u>	<u>\$ -</u>

City of Hallandale Beach, Florida

Statement of Changes in Fiduciary Net Position
Pension Trust Funds
Year Ended September 30, 2014

Additions	
Contributions:	
Employer	\$ 12,896,863
Plan members	1,525,332
State of Florida	662,916
Other income	21,471
Total contributions	<u>15,106,582</u>
Investment earnings:	
Interest and dividends	2,353,173
Net increase in fair value of investments	17,937,724
Total investment earnings	<u>20,290,897</u>
Less investment expense	(1,020,402)
Net investment earnings	<u>19,270,495</u>
Total additions	<u>34,377,077</u>
Deductions	
Benefits	13,711,223
Professional services	121,454
Total deductions	<u>13,832,677</u>
Change in net position	<u>20,544,400</u>
Net position, beginning	182,926,050
Net position, ending	<u>\$ 203,470,450</u>



Hallandale Beach
PROGRESS. INNOVATION. OPPORTUNITY.

Notes to Financial Statements

City of Hallandale Beach, Florida

Notes to Financial Statements

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. A component unit is a legally separate organization for which the City is financially accountable.

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. The City is also financially accountable if the entity is fiscally dependent on the City. Additionally, the City is required to consider other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's basic financial statements to be misleading or incomplete. Accordingly, 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.

Blended Component Units:

Golden Isles Safe Neighborhood 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

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.

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" 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

City of Hallandale Beach, Florida

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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. For the most part, interfund activities have been removed from these statements. 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.

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 for, 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.

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.

City of Hallandale Beach, Florida

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

The City reports the following major proprietary funds:

The Water Fund accounts for the provision of water services to residents and businesses of the City.

The Sewer Fund accounts for the provision of 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, other post-employment benefits, 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 for payroll related costs and other miscellaneous assets.

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 non-operating revenues and expenses.

City of Hallandale Beach, Florida

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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 the investments held by the State Board of Administration. The Florida PRIME, is recorded at the value of the pool shares (2a-7 like pool), which is fair value. The difference between cost and fair value of investments held is recorded as net unrealized gains or losses and is included in net investment earnings.

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 uncollectibles. Based on past experience, the City deems all balances greater than 90 days to be uncollectible unless a lien can be placed against the property of the customer.

G. Inventory and Prepaid Items

Inventory, which generally consists of supplies held for consumption, is valued at lower of cost (first-in, first-out) or market. The cost is recorded as an expenditure/expense at the time individual inventory items are consumed.

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.

Certain payments to vendors for services that will benefit periods beyond September 30, 2014 are recorded as prepaid items in both the government-wide and fund financial statements.

In the governmental funds, prepaid items and inventory are reported in the classification of non-spendable fund balance.

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.

City of Hallandale Beach, Florida

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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 fair value on the date contributed. Depreciation is recorded as an operating expense for all assets meeting the City's capitalization threshold. Interest is capitalized on projects of the business-type activities and proprietary funds during construction based upon the cost of borrowings less interest earned on related investments acquired with the proceeds of borrowings. There was no interest to be capitalized in the 2014 fiscal year. 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. 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.

K. 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.

City of Hallandale Beach, Florida

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

L. 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.

M. 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 and any deferred inflows/outflows related to the 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 represent resources that are available for spending.

N. 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.

City of Hallandale Beach, Florida

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

O. 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.

P. 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 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. Any excess or deficiencies in contributions compared to the annual required contributions are shown as net pension assets or obligations in the governmental activities in the government-wide statement of net position.

Q. 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. Operating funds are charged premiums by the OPEB internal service fund. The accrued liability for other post employment benefits represents the excess of the annual required contribution for other post employment benefits over the actuarially determined implicit subsidy for the current year. The expense for the implicit subsidy portion is recorded within the operating funds as part of the health care costs incurred.

R. 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.

S. 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.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

T. 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 prepaid pension contribution 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 reports business tax licenses in this category.

U. Implementation of Governmental Accounting Standards Board Statements

The City implemented the following GASB Statements during the year ended September 30, 2014:

GASB Statement No. 65 Items Previously Reported as Assets and Liabilities.

This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

GASB Statement No. 67 Financial Reporting for Pension Plans.

For defined benefit plans that met the definition of a pension trust, this statement establishes the standards for financial reporting for pension plans and specifies the required approach to measuring the pension liability of the City for benefits provided through the plan (net pension liability) and about what information should be presented.

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 5.6833 mills, 1.0934 mills, and .6600 mills for the General fund, the Golden Isles Safe Neighborhood District and the Three Islands Safe Neighborhood District, respectively, for the 2013-14 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

Note 3. Deposits and Investments

Cash and investments consist of the following at September 30, 2014:

City:

Cash and cash equivalents:

Deposits with financial institutions	\$ 28,082,232
Commercial paper	4,021,430
Florida PRIME	2,992,506
	<u>35,096,168</u>

Investments:

Corporate notes	4,562,739
U.S. Government agencies	9,050,961
U.S. Government treasuries	31,739,616
Municipal bonds	1,304,958
	<u>46,658,274</u>

Pension funds:

Money market funds	5,237,173
U.S. Government agencies	8,082,559 *
U.S. Government treasuries	4,062,663 *
Municipal Obligations	98,440
Corporate bonds	9,459,079 *
Equities - Foreign and Domestic	79,907,034 *
Insurance company separate account	65,251,195 *
Hedge funds	18,455,455 *
Real estate investment trust	8,571,999 *
	<u>199,125,597</u>
Total Investments	<u>245,783,871</u>
Total Cash, Cash Equivalents and Investments	<u>\$ 280,880,039</u>

*These investments are uninsured and unregistered, with securities held by the counter party but not in the City's name.

Cash and investments are classified in the accompanying financial statements as follows:

Statement of net position	
Cash and cash equivalents	\$ 25,752,143
Restricted cash and cash equivalents	9,344,025
Investments	46,658,274
Pension trust funds	
Cash and cash equivalents	5,237,173
Investments	193,888,424
Total Cash, Cash Equivalents and Investments	<u>\$ 280,880,039</u>

City of Hallandale Beach, Florida

Notes to Financial Statements

Note 3. Deposits and Investments (continued)

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 depositories 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. The fair value of the position in the Florida PRIME is equal to the value of the pool shares. The weighted average days to maturity (WAM) of the Florida PRIME at September 30, 2014, is 39 days.

The investments in the Florida PRIME 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 100% of available funds
- United States Government Securities—up to 100% of available funds
- 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 25% 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 of Hallandale Beach, Florida

Notes to Financial Statements

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, Federal Instrumentalities and Interest Bearing Time Deposits or Savings Accounts.

The City's professional/managerial plan and the general employees plan invest in pooled separate accounts under a group annuity contract with an insurance company.

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 co-mingled 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 and professional/management plans)

Interest rate risk: Interest rate risk is the risk that changes in market interest rates 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 market value 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 fair values of the City's and the defined benefit pension plan's 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	5 - 10 Years	Greater than 10 Years
U.S. Government treasuries	\$ 35,802,279	\$ 251,818	\$ 33,983,921	\$ 863,852	\$ 702,688
U.S. Government agencies	17,133,520	-	9,050,961	-	8,082,559
Municipal bonds	1,403,398	-	1,304,958	98,440	-
Insurance company separate account	28,823,501	-	-	28,823,501	-
Corporate Bonds and Notes	14,021,818	150,473	7,346,477	3,000,945	3,523,923
Commercial paper	4,021,430	4,021,430	-	-	-
SBA	2,992,506	2,992,506	-	-	-
Total	<u>\$ 104,198,452</u>	<u>\$ 7,416,227</u>	<u>\$ 51,686,317</u>	<u>\$ 32,786,738</u>	<u>\$ 12,309,170</u>

City of Hallandale Beach, Florida

Notes to Financial Statements

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 Officers' & Firefighters' Personnel Retirement Trust limits investments to those instruments in one of the four highest classifications by a major rating service. The General Employees and Professional Management Pension 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 separate account.

Presented below is the minimum rating as required for each debt type instrument.

Average Rating	Corporate Bonds and Notes	U.S. Govt. Obligations	Municipal Bonds	Separate Account	Commercial Paper	SBA	Total
AAA	\$ 951,160	\$ 4,062,663	\$ -	\$ -	\$ -	\$ 2,992,506	\$ 8,006,329
AA+	374,216	40,790,577	-	-	-	-	41,164,793
AA	1,893,487	-	1,304,958	-	-	-	3,198,445
AA-	2,427,304	-	-	-	-	-	2,427,304
A+	200,424	-	-	-	-	-	200,424
A	652,023	-	-	-	-	-	652,023
A-	1,068,945	-	-	-	-	-	1,068,945
A-1	-	-	-	-	3,171,430	-	3,171,430
A-1+	-	-	-	-	850,000	-	850,000
BBB+	2,054,116	-	-	-	-	-	2,054,116
BBB	1,869,053	-	98,440	-	-	-	1,967,493
BBB-	1,694,699	-	-	-	-	-	1,694,699
BB+	469,948	-	-	-	-	-	469,948
BB	230,422	-	-	-	-	-	230,422
Unrated	136,021	8,082,559	-	28,823,501	-	-	37,042,081
TOTAL	\$ 14,021,818	\$ 52,935,799	\$ 1,403,398	\$ 28,823,501	\$ 4,021,430	\$ 2,992,506	\$ 104,198,452

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 Officers' and Firefighters' Personnel Retirement Trust, 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 and Professional/Management Retirement Plans, 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.

City of Hallandale Beach, Florida

Notes to Financial Statements

Note 3. Deposits and Investments (Continued)

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.

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, 2014 were as follows:

Governmental Activities	General	Hallandale Beach Community Redevelopment Agency	Nonmajor Funds	Internal Service Funds	Total Governmental Activities
EMS transport	\$ 8,741,684	\$ -	\$ -	\$ -	\$ 8,741,684
Property tax	1,886	-	-	-	1,886
Utility and sales tax	548,744	-	-	-	548,744
Franchise fees	518,460	-	-	-	518,460
Sales and user fees	308,310	-	223,989	-	532,299
Miscellaneous	135	-	21,185	83,167	104,487
Interest	37,524	4,630	-	6,758	48,913
Insurance Claims	-	-	-	148,645	148,645
CRA Loans	-	1,441,911	-	-	1,441,911
Gross receivables	10,156,744	1,446,541	245,174	238,570	12,087,029
Less: allowance for uncollectibles	(8,089,047)	(109,598)	(12,755)	-	(8,211,400)
Net total receivables	\$ 2,067,697	\$ 1,336,943	\$ 232,419	\$ 238,570	\$ 3,875,629

Affordable Housing Loan Program

The CRA issues single and multi-family housing loans to assist with the cost of a new construction home, townhouse or condo, or the purchase of an existing home, townhouse or condo to qualified residents. Repayment is not required if the resident remains in the home until the completion of ten years. The CRA does not report these amounts in their financial statements due to the uncertainty as to the date or amount of future collections.

City of Hallandale Beach, Florida

Notes to Financial Statements

Note 4. Receivables (Continued)

Receivables for the City's business-type activities and each proprietary fund, with the related allowance for uncollectible accounts, as of September 30, 2014 were as follows:

Business-type Activities	Water Fund	Sewer Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Cemetery Fund	Total Business-Type Activities
Water sales	\$ 2,404,892	\$ -	\$ -	\$ -	\$ -	\$ 2,404,892
Sewer service charges	-	2,581,105	-	-	-	2,581,105
Garbage and trash	-	-	803,728	-	-	803,728
Special trash	-	-	127,708	-	-	127,708
Recycling	-	-	31,504	-	-	31,504
Franchise fees	-	-	63,100	-	-	63,100
Stormwater drainage services	-	-	-	343,170	-	343,170
Interest receivable	31,483	12,275	7,357	-	-	51,115
Burial rights contracts	-	-	-	-	20,278	20,278
Other	-	31,586	-	560	-	32,146
Gross receivables	2,436,375	2,624,966	1,033,397	343,730	20,278	6,458,746
Less: allowance for uncollectibles	(613,877)	(386,193)	(536,969)	(148,800)	-	(1,685,839)
Net total receivables	<u>\$ 1,822,498</u>	<u>\$ 2,238,773</u>	<u>\$ 496,428</u>	<u>\$ 194,930</u>	<u>\$ 20,278</u>	<u>\$ 4,772,907</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, 2014 include the following:

Governmental Activities	General Fund	Grant Administration	Nonmajor Funds	Total Governmental Activities
Federal Government	\$ -	\$ 2,162,457	\$ -	\$ 2,162,457
Florida Department of Revenue	638,300	225,916	54,500	918,716
Local Governments	305,789	2,683	-	308,472
	<u>\$ 944,089</u>	<u>\$ 2,391,056</u>	<u>\$ 54,500</u>	<u>\$ 3,389,645</u>

City of Hallandale Beach, Florida

Notes to Financial Statements

Note 6. Capital Assets

The following is a summary of capital asset activity for the year ended September 30, 2014:

Governmental activities:

	Beginning Balance	Additions and Transfers	Retirements and Transfers	Ending Balance
Capital assets not being depreciated:				
Land	\$ 41,909,084	\$ 1,491,775	\$ 31,377	\$ 43,369,482
Construction in progress	(1) 6,252,248	16,183,934	6,460,089	15,976,093
Total capital assets not being depreciated	<u>48,161,332</u>	<u>17,675,709</u>	<u>6,491,466</u>	<u>59,345,575</u>
Capital assets being depreciated:				
Buildings	19,316,098	-	-	19,316,098
Improvements other than buildings	9,128,490	47,040	-	9,175,530
Vehicles and equipment	17,365,227	3,499,932	1,228,419	19,636,740
Infrastructure	(1) 24,373,825	1,218,012	-	25,591,837
Total capital assets being depreciated	<u>70,183,640</u>	<u>4,764,984</u>	<u>1,228,419</u>	<u>73,720,205</u>
Less accumulated depreciation for:				
Buildings	14,639,097	726,626	-	15,365,723
Improvements other than buildings	6,244,435	182,300	-	6,426,735
Vehicles and equipment	12,402,028	1,717,161	616,687	13,502,502
Infrastructure	17,431,585	595,314	-	18,026,899
Total accumulated depreciation	<u>50,717,145</u>	<u>3,221,401</u>	<u>616,687</u>	<u>53,321,859</u>
Total capital assets being depreciated, net	<u>19,466,495</u>	<u>1,543,583</u>	<u>611,732</u>	<u>20,398,346</u>
Governmental activities capital assets, net	<u>\$ 67,627,827</u>	<u>\$ 19,219,292</u>	<u>\$ 7,103,198</u>	<u>\$ 79,743,921</u>

(1) Increases and decreases include assets constructed by governmental activities of \$5,242,077 contributed to enterprise funds.

City of Hallandale Beach, Florida

Notes to Financial Statements

Note 6. Capital Assets (Continued)

Business-type activities:

	Beginning Balance	Additions and Transfers	Retirements and Transfers	Ending Balance
Capital assets not being depreciated:				
Land	\$ 1,159,302	\$ -	\$ -	\$ 1,159,302
Construction in progress	(1) 4,609,017	6,322,813	-	10,931,830
Total capital assets not being depreciated	<u>5,768,319</u>	<u>6,322,813</u>	<u>-</u>	<u>12,091,132</u>
Capital assets being depreciated:				
Buildings	21,230,219	-	-	21,230,219
Improvements other than buildings	3,747,983	-	-	3,747,983
Vehicles and equipment	10,330,896	199,226	40,921	10,489,201
Infrastructure	(1) 49,904,629	1,602,176	-	51,506,805
Total capital assets being depreciated	<u>85,213,727</u>	<u>1,801,402</u>	<u>40,921</u>	<u>86,974,208</u>
Less accumulated depreciation for:				
Buildings	10,285,267	904,370	-	11,189,637
Improvements other than buildings	1,317,965	203,624	-	1,521,589
Vehicles and equipment	8,442,482	649,592	40,921	9,051,153
Infrastructure	<u>33,598,707</u>	<u>1,236,952</u>	<u>-</u>	<u>34,835,659</u>
Total accumulated depreciation	<u>53,644,421</u>	<u>2,994,538</u>	<u>40,921</u>	<u>56,598,038</u>
Total capital assets being depreciated, net	<u>31,569,306</u>	<u>(1,193,136)</u>	<u>-</u>	<u>30,376,170</u>
Business-type activities capital assets, net	<u>\$ 37,337,625</u>	<u>\$ 5,129,677</u>	<u>\$ -</u>	<u>\$ 42,467,302</u>

(1) Increase in assets contributed from governmental activities of \$5,242,077.

City of Hallandale Beach, Florida

Notes to Financial Statements

Note 6. Capital Assets (Continued)

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

Governmental activities:	
General government	\$ 2,106,226
Public safety	
Law enforcement	187,382
Fire protection	438,408
Physical environment	10,887
Economic environment	26,374
Culture and recreation	249,462
Transportation	153,292
Human services	49,370
Total depreciation expense, governmental activities	<u>\$ 3,221,401</u>
Business-type activities:	
Water utility	\$ 1,546,548
Sewer utility	408,356
Sanitation	272,328
Stormwater drainage	758,820
Cemetery	8,486
Total depreciation expense, business-type activities	<u>\$ 2,994,538</u>

Note 7. Interfund Activities

Transfers: The composition of interfund transactions for the year ended September 30, 2014 is as follows:

Transfers Out	Transfers In					Total Transfers Out
	General Fund	Community Redevelopment Agency	Grant Administration Fund	Capital Projects Fund	Internal Service Fund	
General Fund	\$ -	3,542,687	\$ -	25,000	\$ -	\$ 3,567,687
Community Redevelopment Agency Fund	-	-	-	1,985,000	-	1,985,000
Nonmajor Governmental Funds	62,471	-	-	-	-	62,471
Water Fund	-	-	-	-	50,000	50,000
Sewer Fund	-	-	-	-	25,000	25,000
Sanitation Fund	-	-	-	-	75,000	75,000
Stormwater Drainage Fund	-	-	-	-	50,000	50,000
Internal Service Funds	-	-	-	-	50,000	50,000
	<u>\$ 62,471</u>	<u>\$ 3,542,687</u>	<u>\$ -</u>	<u>\$ 2,010,000</u>	<u>\$ 250,000</u>	<u>\$ 5,865,158</u>

City of Hallandale Beach, Florida

Notes to Financial Statements

Note 7. Interfund Activities (Continued)

The transfer from the CRA fund to the Capital Projects fund is to provide funds to pay the debt service on the 2007A bonds. The transfer from the General fund to the CRA fund is to transfer property tax revenue. The transfers into the Internal Service fund are to provide funding for payment of claims and other expenses.

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, 2014 were as follows:

	Hallandale Beach						
Governmental Activities	General Fund	Community Redevelopment Agency	Grant Administration Fund	Capital Projects Fund	Nonmajor Funds	Internal Service Funds	Total Governmental Activities
Vendor payables	\$ 783,722	\$ 467,257	\$ 70,208	\$ 446,542	\$ 75,189	\$ 71,385	\$ 1,914,303
Retainage payable	-	167,028	177,509	190,489	-	-	535,026
A/R overpayments	3,938	-	-	-	850	-	4,788
Other liabilities	272,462	130,661	-	-	60,833	47,636	511,592
Total payables	<u>\$ 1,060,122</u>	<u>\$ 764,946</u>	<u>\$ 247,717</u>	<u>\$ 637,031</u>	<u>\$ 136,872</u>	<u>\$ 119,021</u>	<u>\$ 2,965,709</u>

Accounts payable and accrued liabilities for the City's business-type activities, each major and nonmajor proprietary fund as of September 30, 2014 were as follows:

Business-type Activities	Water Fund	Sewer Fund	Sanitation Fund	Stormwater Fund	Nonmajor Funds	Total Business-type Activities
Vendor payables	\$ 514,906	\$ 97,077	\$ 241,959	\$ 253,530	\$ 17,378	\$ 1,124,850
Retainage payable	85,925	-	-	9,351	-	95,276
Accrued wastewater treatment expense	-	746,788	-	-	-	746,788
Other liabilities	4,889	-	-	-	-	4,889
Total payables	<u>\$ 605,720</u>	<u>\$ 843,865</u>	<u>\$ 241,959</u>	<u>\$ 262,881</u>	<u>\$ 17,378</u>	<u>\$ 1,971,803</u>

City of Hallandale Beach, Florida

Notes to Financial Statements

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, 2014:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
Revenue Bonds - Series 2007A	\$ 20,535,000	\$ -	\$ (955,000)	\$ 19,580,000	\$ 1,000,000
Revenue Note - Series 2012	5,050,000	-	(610,000)	4,440,000	715,000
Unamortized bond premium	207,461	-	(24,921)	182,540	-
	<u>25,792,461</u>	<u>-</u>	<u>(1,589,921)</u>	<u>24,202,540</u>	<u>1,715,000</u>
Other long-term liabilities:					
Accrued claims for self-insured risks	2,336,790	368,814	(436,856)	2,268,748	553,072
Capital lease	17,768	-	(6,687)	11,081	6,687
Net OPEB obligation	4,098,782	672,166	-	4,770,948	-
Compensated absences	3,984,760	3,704,727	(3,812,043)	3,877,444	989,895
	<u>10,438,100</u>	<u>4,745,707</u>	<u>(4,255,586)</u>	<u>10,928,221</u>	<u>1,549,654</u>
Total governmental activities, long-term liabilities	<u>\$ 36,230,561</u>	<u>\$ 4,745,707</u>	<u>\$ (5,845,507)</u>	<u>\$ 35,130,761</u>	<u>\$ 3,264,654</u>
Business-type activities:					
Revenue Bonds - Series 2005A	\$ 6,100,000	\$ -	\$ (395,000)	\$ 5,705,000	\$ 410,000
Revenue Note - Series 2012	2,770,000	-	(290,000)	2,480,000	290,000
Unamortized bond premium	146,827	-	(20,765)	126,062	-
	<u>9,016,827</u>	<u>-</u>	<u>(705,765)</u>	<u>8,311,062</u>	<u>700,000</u>
Compensated absences	564,900	542,627	(542,698)	564,829	254,329
Total business-type activities, long-term liabilities	<u>\$ 9,581,727</u>	<u>\$ 542,627</u>	<u>\$ (1,248,463)</u>	<u>\$ 8,875,891</u>	<u>\$ 954,329</u>

The Revenue Bonds, Series 2007A were issued for the purpose of financing the acquisition of park land. The bonds are not general obligation bonds of the City, bear interest at rates ranging from 4.25-5.00% and are to be repaid solely from non-ad valorem revenue. Principal is payable annually and the bonds mature on October 1, 2027.

The Revenue Note, Series 2012 for \$5,050,000 was issued for the purpose of financing the purchase of 63 vehicles. The note is not a general obligation of the City, bears interest at 1.31% and is to be repaid solely from non-ad valorem revenue. Principal is payable annually, and the note matures on October 1, 2019.

The Revenue Note – Series 2012 was issued through the issuance of a revenue note from JPMorgan Chase in the amount of \$2,770,000 at 1.5% interest. 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.

City of Hallandale Beach, Florida

Notes to Financial Statements

Note 9. Long-Term Debt and Other Obligations (Continued)

The Revenue Bonds, Series 2005A were issued for the purpose of financing the acquisition and construction of a new membrane water treatment plant, construction and improvements to the stormwater drainage system, and construction and improvements to the sewer system. The bonds are not general obligation bonds of the City, bear interest at rates ranging from 3.25-5.0% and are to be repaid solely from water, sewer and stormwater fund net revenue. Principal is payable annually and the bonds mature on February 1, 2025.

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 net pension obligation. 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, 2014 is as follows:

Year Ending September 30,	Governmental Activities				Business-Type Activities			
	Revenue Bonds Series 2007A		Revenue Note Series 2012		Revenue Note Series 2012		Revenue Bonds Series 2005A	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 1,000,000	\$ 940,000	\$ 715,000	\$ 53,481	\$ 290,000	\$ 35,025	\$ 410,000	\$ 263,046
2016	1,050,000	888,750	725,000	44,049	300,000	30,600	425,000	247,221
2017	1,105,000	834,875	735,000	34,486	305,000	26,063	445,000	230,039
2018	1,160,000	778,250	745,000	24,791	310,000	21,450	460,000	209,750
2019	1,220,000	722,563	755,000	14,967	310,000	16,800	485,000	186,125
2020-2024	7,030,000	2,663,313	765,000	5,011	965,000	21,937	2,825,000	531,125
2025-2028	7,015,000	723,125	-	-	-	-	655,000	16,375
	<u>\$ 19,580,000</u>	<u>\$ 7,550,876</u>	<u>\$ 4,440,000</u>	<u>\$ 176,785</u>	<u>\$ 2,480,000</u>	<u>\$ 151,875</u>	<u>\$ 5,705,000</u>	<u>\$ 1,683,681</u>

Pledged Revenue: General long-term debt bonds and the note are collateralized by multiple sources. The City has pledged certain revenue to repay revenue bonds and the note outstanding as of September 30, 2014. 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, 2014:

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:						
Revenue bonds, Series 2007A	Non Ad Valorem	\$ 30,686,625	\$ 1,965,000	6.40%	\$ 25,648,375	2027
TD Bank Loan 2012	Net revenue - fleet services	1,403,907	672,159	47.88%	4,616,785	2019
Business-type Activities:						
Revenue bonds, Series 2005A	Non Ad Valorem	7,137,465	672,390	9.42%	7,388,681	2025
JPMorgan Chase Loan 2012	Net revenues of water, sewer, and stormwater utility	9,969,973	329,375	3.30%	2,631,875	2021

City of Hallandale Beach, Florida

Notes to Financial Statements

Note 10. Pension Plans

The City provides three separate defined benefit single-employer pension plans (General Employees Retirement Plan, Police Officers' and Firefighters' Personnel Retirement Trust, and the Professional/Management Employees 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.

Investments

Plan investments are reported at fair value. Quoted market prices, when available, have been used to value investments. The fair value of quoted investments is based on the closing sales price or bid price as reported by recognized security exchanges. The fair values for securities that have no quoted market price represent estimated fair value. Many factors are considered in arriving at that value. In general, corporate debt securities have been valued at quoted market prices or, if not available, values are based on yields currently available on comparable securities of issuers with similar credit ratings. Unrealized gains and losses are presented as net appreciation (depreciation) 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.

Real estate investments are stated at fair value as determined by the Plans' independent valuation consultants. Appraisals are performed for each investment annually by independent third party MAI certified appraisers, with all appraisals being performed in accordance with the Uniform Standard of Professional Appraisal Practice. Thereafter, values are updated daily by the valuation consultant based on changes in factors such as occupancy levels, lease rates, overall market conditions and capital improvements. Determination of estimated fair value involves subjective judgment because the actual fair value of real estate can be determined only by negotiation between the parties in a sales transaction.

Administrative Expenses

Administrative expenses paid by the General Employees Retirement Plan, Police Officers' and Firefighters' Personnel Retirement Trust and the Professional/Management Employees Retirement Plan 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.

City of Hallandale Beach, Florida

Notes to Financial Statements

Note 10. Pension Plans (Continued)

General Employees Retirement Plan

Plan description: The General Employees Retirement Plan is a single-employer defined-benefit plan, which covers all City employees except police officers, firefighters and management/professional employees. The City's payroll for employees covered by this plan for the year ended September 30, 2014, was approximately \$7.4 million. As of the date of the most recent actuarial valuation, October 1, 2013, employee membership data related to the plan was as follows:

Inactive plan members and beneficiaries currently receiving benefits	134
Inactive plan members entitled but not yet receiving benefits	70
Active plan members	<u>142</u>
Total	<u>346</u>

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 and contribution provisions. 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.

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.

The City does not issue a stand-alone financial report for the Plan.

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, 2014, there were 22 DROP participants, with a total balance of \$1,135,706. These funds are included in the Plan's Fiduciary Net Position.

Actuarially determined contribution requirements and contributions made: 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-aggregate actuarial cost method.

City of Hallandale Beach, Florida

Notes to Financial Statements

Note 10. Pension Plans (Continued)

General Employees Retirement Plan (Continued)

The employees, in accordance with City ordinance, made contributions for the year ending September 30, 2014 totaling \$253,217. Employer contributions for same period, as determined by the October 1, 2012 actuarial valuation, totaled \$3,940,595 or 100% of the actual amount required.

Rate of Return: The money-weighted rate of return is calculated as a rate of return on pension plan investments incorporating the timing and amount of cash flows. This return is calculated net of investment expenses. For the year ended September 30, 2014, the annual money-weighted rate of return on plan investments was 8.13%.

Portfolio Allocations: The Plan's investment policy establishes authorized investment classes and stipulates the following maximum portfolio percentages.

<u>Asset Class</u>	<u>Target Allocation</u>
U.S. equity	30%
International equity	10%
Fixed income - core bonds	45%
Fixed income - high yield	5%
Real estate	5%
Mutual Funds	5%
Total	<u>100%</u>

Police Officers' and Firefighters' Personnel Retirement Trust

Plan description: The Police Officers' and Firefighters' Personnel Retirement Trust is a single-employer defined benefit plan, which covers all police officers and firefighters. The City's total payroll for employees covered by this plan for the year ended September 30, 2014, was approximately \$12.2 million. As of the date of the most recent actuarial valuation, October 1, 2013, employee membership data related to the plan was as follows:

Inactive plan members and beneficiaries currently receiving benefits	177
Inactive plan members entitled but not yet receiving benefits	5
Active plan members	<u>148</u>
Total	<u>330</u>

The plan provides retirement benefits as well as death and disability benefits. Employees vest after 10 years of service. Employees who retire at or after age 52 with 10 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 10 years of credited service may retire at or after age 45 and receive reduced retirement benefits. Employees who attain the 80% maximum multiplier 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.

Note 10. Pension Plans (Continued)

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

Covered employees are required by ordinance to contribute 9.5% of their salary to the plan. If an employee leaves covered employment or dies before 10 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 non-service-incurred benefit requires 10 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 ½% 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 70½. As of the date of the most recent actuarial valuation, there were 18 active employees in the DROP plan. The balance in the DROP account for these employees as well as for those already retired is \$21,466,275. These funds are included in the Plan's Fiduciary Net Position.

The Police Officers' and Firefighters' Personnel Retirement Trust issues a stand-alone financial report. Copies of this report are available in the Finance Department in the Municipal Complex.

Actuarially determined contribution requirements and contributions made: 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.

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 premiums collected on property insurance policies covering property within the City. This amount totaled \$662,916 for the year ended September 30, 2014. This amount was recognized as an expenditure and revenue in the General Fund. Contributions for year ended September 30, 2014 consisting of \$8,043,523 for the employer, or 100% of the required employer contribution, \$1,190,421 for the employees and \$662,916 for the State of Florida, 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, 2012.

Rate of Return: For the year ended September 30, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 12.02%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

City of Hallandale Beach, Florida

Notes to Financial Statements

Note 10. Pension Plans (Continued)

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

Portfolio Allocations: The Plan's investment policy establishes authorized investment classes and stipulates the following allowable ranges.

<u>Asset Class</u>	<u>Target Allocation</u>
Equity	60-65%
Fixed income	15-20%
Real estate	0-5%
Hedge funds	0-17.5%
Total	<u>100%</u>

Professional/Management Employees Retirement Plan

Plan description: The Professional/Management Employees Retirement Plan is a single-employer defined-benefit plan, which 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's payroll for employees covered by the Plan for the year ended September 30, 2014, was approximately \$739,000.

As of the date of the most recent actuarial valuation, October 1, 2013, employee membership data related to the plan was as follows:

Inactive plan members and beneficiaries currently receiving benefits	16
Inactive plan members entitled but not yet receiving benefits	10
Active plan members	<u>14</u>
Total	<u>40</u>

The Plan provides enhanced retirement benefits as well as death and disability benefits. Benefits vest 100% after 4 years. Employees can retire at or after age 60 with 4 years of credited service or age 52 with 10 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 three-year average compensation. Employees who retire early with 10 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 Plan, Medical Stipend, Excess Benefit Plan, Cost of Living Adjustment and Additional Accrual Service purchase benefits.

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.

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.

City of Hallandale Beach, Florida

Notes to Financial Statements

Note 10. Pension Plans (Continued)

Professional/Management 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, 2014, there were 7 DROP participants, with a total asset balance of \$1,160,045. These funds are included in the Plan's Fiduciary Net Position.

The City does not issue a stand-alone financial report for the plan.

Actuarially determined contribution requirements and contributions made: 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 employees, in accordance with plan documents, made contributions for the year ended September 30, 2014, totaling \$81,694. Employer contributions for the same period, as determined by the October 1, 2012 actuarial valuation totaled \$912,745 or 100% of the actual amount required. Payments of contributions, benefits and refunds are recognized in the financial statements as they are paid.

Rate of Return: The money-weighted rate of return is calculated as a rate of return on pension plan investments incorporating the timing and amount of cash flows. This return is calculated net of investment expenses. For the year ended September 30, 2014, the annual money-weighted rate of return on plan investments was 8.83%.

Portfolio Allocations: The Plan's investment policy establishes authorized investment classes and stipulates the following maximum portfolio percentages.

<u>Asset Class</u>	<u>Target Allocation</u>
U.S. equity	37.5%
International equity	12.5%
Fixed income - core bonds	36%
Fixed income - high yield	4%
Real estate	5%
Mutual Funds	5%
Total	<u>100%</u>

City of Hallandale Beach, Florida

Notes to Financial Statements

Note 10. Pension Plans (Continued)

Annual Pension Cost and Net Pension Asset – All Defined Benefit Pension Plans

The annual pension cost and net pension assets for the General Employees, Professional/Management, and Police Officers' and Firefighters' Personnel Retirement Trust for the year ended September 30, 2014 are as follows:

	General Employees	Police Officers and Firefighters	Professional/ Management
Annual required contribution (ARC)	\$ 3,940,595	\$ 8,651,807	\$ 912,745
Interest on net pension asset	(5,887)	(50,623)	(1,683)
Adjustment to annual required contribution	9,424	89,328	6,701
Annual pension cost	3,944,132	8,690,512	917,763
Contributions made	3,940,595	8,651,807	912,745
Adjustment for prior period contributions	-	41,143	-
Increase (decrease) in net pension asset	(3,537)	2,438	(5,018)
Adjustment for prior period contributions	-	(41,143)	-
Net pension asset, beginning	81,196	653,200	22,443
Net pension asset, ending	<u>\$ 77,659</u>	<u>\$ 614,495</u>	<u>\$ 17,425</u>

Trend information: Trend information indicates the progress made in accumulating sufficient assets to pay benefits when due. An analysis of funding progress for the year ended September 30, 2014 is as follows:

Year Ended September 30,	Three Year Trend Information		
	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
General Employees Retirement Plan:			
2014	\$ 3,944,132	99.9%	\$ 77,659
2013	3,516,383	99.9%	81,196
2012	3,394,838	99.9%	84,895
Police Officers and Firefighters Retirement Plan:			
2014	\$ 8,690,512	99.6%	\$ 614,495
2013	8,182,063	99.5%	653,200
2012	9,163,610	99.8%	694,343
Professional/Management Employees Retirement Plan:			
2014	\$ 917,763	99.5%	\$ 17,425
2013	773,077	96.5%	22,443
2012	961,087	99.2%	49,498

City of Hallandale Beach, Florida

Notes to Financial Statements

Note 10. Pension Plans (Continued)

Funded Status and Funding Progress: The following is the funded status information for each plan as of the most recent actuarial valuation as of October 1, 2013:

Retirement Plan	Actuarial Valuation of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as Percentage of Covered Payroll	Actuarial Valuation Date
General Employees Retirement Plan	\$ 41,173,497	\$ 56,234,327	\$ 15,060,830	73%	\$ 7,176,000	210%	10/1/2013
Police Officers and Firefighters Retirement Plan	107,082,903	177,807,251	70,724,348	60%	12,459,090	568%	10/1/2013
Professional/Management Employees Retirement Plan	13,815,273	17,479,708	3,664,435	79%	695,000	527%	10/1/2013

The schedule of funding progress, presented as RSI following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time, relative to the AAL for benefits. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Because the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information about the funded status and funding progress of the General Employees Plan has been prepared using the entry age actuarial cost method for that purpose and that the information presented is intended to serve as a surrogate for the funded status and funding progress of the plan.

The information presented in the required supplementary schedules was determined as part of the actuarial valuations. Information as of the latest actuarial valuation is as follows:

	General Employees Pension Plan	Police and Firefighters Pension Plan	Professional Management Pension Plan
Actuarial valuation	October 1, 2013	October 1, 2013	October 1, 2013
Cost method	Aggregate	Entry age normal	Entry age normal - frozen initial liability
Asset valuation method	Market value, adjusted by spreading expected value less actual value over four years	5 Year Smooth (Market)	Market value, adjusted by spreading expected value less actual value over four years
Amortization method	Level payment	Level percent, closed	Level dollar, closed
Remaining amortization period	N/A	28 years	20 years
Actuarial assumptions:			
Assumed rate of return on investments	7.25%	7.75%	7.50%
Salary increases	Table S-5 from the Actuary's Pension Handbook plus 2.80%	4.5-10.0%, based on service	Table S-5 from the Actuary's Pension Handbook plus 4.50%
Cost of living adjustments	None	2%	2%
Inflation rate	2.5%	4.0%	2.5%

City of Hallandale Beach, Florida

Notes to Financial Statements

Note 10. Pension Plans (Continued)

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, 2014

	General Employees	Professional/ Management
Assets		
Cash and cash equivalents	\$ -	\$ 1,360,707
Investments:		
Insurance company separate account	47,050,636	21,586,951
Employer contributions receivable	985,149	228,186
Total assets	<u>48,035,785</u>	<u>23,175,844</u>
Net position		
Held in trust for pension benefits	<u>\$ 48,035,785</u>	<u>\$ 23,175,844</u>
	General Employees	Professional/ Management
Additions		
Contributions:		
Employer	\$ 3,940,595	\$ 912,745
Plan members	253,217	81,694
Total contributions	<u>4,193,812</u>	<u>994,439</u>
Investment earnings:		
Net increase in fair value of investments	3,539,668	2,039,756
Total investment earnings	3,539,668	2,039,756
Less: investment expense	(60,475)	(32,797)
Net investment income	3,479,193	2,006,959
Total additions	7,673,005	3,001,398
Deductions		
Benefits	2,395,369	1,417,749
Change in net position	5,277,636	1,583,649
Net position, beginning	42,758,149	21,592,195
Net position, ending	<u>\$ 48,035,785</u>	<u>\$ 23,175,844</u>

City of Hallandale Beach, Florida

Notes to Financial Statements

Note 10. Pension Plans (Continued)

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

The components of the net pension liability of the City at September 30, 2014 were as follows:

	2014	2014	2014
	Professional/ Management Retirement Plan	Police Officers' and Firefighters' Personnel Retirement Trust	General Employees
Total pension liability	\$ 18,567,868	\$ 182,531,377	\$ 60,211,636
Plan fiduciary net position	(15,974,460)	(132,233,499)	(48,035,785)
Net Pension Liability	\$ 2,593,408	\$ 50,297,878	\$ 12,175,851

Plan fiduciary net position as a percentage of the total pension liability	86.03%	72.44%	79.78%
--	--------	--------	--------

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, 2014 are summarized in the following table:

	2014	2014
	General Employees	Professional/ Management Retirement Plan
<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equity	6.25%	6.25%
International equity	6.25%	6.25%
Fixed income - core bonds	3.35%	3.35%
Fixed income - high yield	5.15%	5.15%
Real estate	5.70%	5.70%
Mutual Funds	6.15%	6.15%

	2014
	Police Officers' and Firefighters' Personnel Retirement
<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity-large cap	6.5%
Domestic equity-small/medium cap	7.4%
International equity	6.5%
Fixed income	2.2%
Real estate	5.8%
Hedge fund of funds	5.0%

City of Hallandale Beach, Florida

Notes to Financial Statements

Note 10. Pension Plans (Continued)

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

Discount Rate: The discount rate used to measure the total pension liability was 7.50% for Professional/Management, 7.75% for Police and Fire, and 7.25% for General Employees. 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.

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:

Professional/Management Retirement Plan	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability	\$ 4,755,437	\$ 2,593,408	\$ 803,453
Police Officers' and Firefighters' Personnel Retirement Trust	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Net pension liability	\$ 68,501,187	\$ 50,297,878	\$ 35,107,069
General Employees	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability	\$ 18,919,559	\$ 12,175,851	\$ 6,474,518

Excess Benefit Plan

Plan Description

The City established, under Ordinance No. 2004-23, effective date September 21, 2004, the Excess Benefit Plan as a separate 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.

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.

Benefit 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.

City of Hallandale Beach, Florida

Notes to Financial Statements

Note 10. Pension Plans (Continued)

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

Excess Benefit Plan (Continued)

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 has recorded a net pension asset in the amount of \$161,667 in the government-wide financial statements that represents the Net Pension Asset of the Plan as of September 30, 2014. The City has elected to present this Net Pension Asset because of the nature of the Excess Benefit Plan. 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. A schedule of funding progress has not been provided since no funding has been provided to the Plan.

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. As of September 30, 2014, the total balance of DROP assets covering five persons in the excess benefit plan was \$778,013. At September 30, 2014, the City set aside \$7,201,384 which is included in the investments of the Professional/Management Pension Trust Fund.

Annual Pension Cost and Net Pension Obligation

As of October 1, 2013 (date of the latest actuarial valuation), the City's annual pension cost and net pension obligation are as follows:

Annual required contribution	\$ (152,133)
Interest on net pension obligation	50,348
Adjustments to annual required contribution	<u>(200,431)</u>
Annual pension cost	(302,216)
Contributions made	<u>530,754</u>
Decrease in net pension obligation	(832,970)
Net pension obligation, beginning	<u>671,303</u>
Net pension asset, ending	<u>\$ (161,667)</u>

City of Hallandale Beach, Florida

Notes to Financial Statements

Note 10. Pension Plans (Continued)

Funded Status:

The following is the funded status information for the plan as of the most recent actuarial valuation dates:

Retirement Plan	Actuarial Valuation of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as Percentage of Covered Payroll	Actuarial Valuation Date
Excess Benefit Plan	\$ -	\$ 8,630,188	\$ 8,630,188	0%	\$ 695,382	1241%	10/1/2013

Fiscal Year Ending	Three Year Trend Information		
	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
2014	\$ (302,216)	-56.9%	\$ (161,667)
2013	(120,764)	-232.0%	671,303
2012	(494,782)	-92.0%	1,311,776

Additional information as of the latest actuarial valuation is as follows:

Valuation date	10/1/2013
Actuarial cost method	Unprojected unit credit
Amortization method	Immediate recognition
Remaining amortization period	1 year
Asset valuation method	Unfunded
Actuarial assumptions:	
Investment rate of return*	7.50%
Projected salary increases*	Table S-5 from the Actuary's Pension Handbook plus 4.50%
Payroll growth assumptions	None
*Include inflation at 2.5%	

City of Hallandale Beach, Florida

Notes to Financial Statements

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 six 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 plan. At September 30, 2014, there were 127 members participating in the plan. 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 plans are administered by an independent third party administrator.

The City's contributions were calculated using the covered payroll amount of approximately \$5,227,661. In fiscal year 2014, the City's contribution amounted to \$560,032, or approximately 10.71% of current 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. Other Post-Employment Benefits

Pursuant to Section 112.081, 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.

The plan does not issue a separate financial statement.

Plan Description: The City of Hallandale Beach administers a single-employer defined benefit healthcare plan (the "Plan") that provides medical insurance benefits to its employees and retirees, and their eligible dependents. These retirees pay 100% of the blended rate for active and retired employees with no explicit subsidy from the City. Because the blended rate is 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.

Funding Policy: An actuarial valuation was performed as of October 1, 2012, the date of the most recent valuation, for the purpose of enhancing the City's understanding of the OPEB obligation and to establish policy implications regarding the funding of this obligation. While the City does not directly contribute toward the costs of retiree premiums via an explicit subsidy, the implicit subsidy is considered to be an Other Post Employment Benefit (OPEB) obligation of the City. The actuary's estimate, using the Projected Unit Credit Method as of October 1, 2012, included other actuarial assumptions as classified above. The calculation produced an unfunded actuarially accrued liability (UAAL) of \$8,126,096, and an estimated net OPEB obligation of \$4,770,948 as of September 30, 2014.

Actuarial methods: Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Calculations 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. Actuarial calculations reflect a long-term perspective.

City of Hallandale Beach, Florida

Notes to Financial Statements

Note 11. Other Post-Employment Benefits (Continued)

Actuarial methods and significant actuarial assumptions used to determine the annual required contribution for the current year were as follows:

Actuarial valuation date	10/1/2012
Actuarial cost method	Projected unit credit
Amortization method	Level dollar, open
Remaining amortization period	30 years
Asset valuation method	Unfunded
Actuarial assumptions:	
Investment rate of return*	4.50%
Projected salary increases*	N/A
Inflation rate	3.00%
Post retirement benefit increases	Benefits tied to premium rate (see health care cost
Health care cost trend:	HMO1- 5.5% in 2023
	HMO2- 5.5% in 2023
	PPO- 5.5% in 2023

Annual OPEB Cost and Net OPEB Obligation: The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's OPEB obligation to the City's Plan:

Annual required contribution (ARC)	\$ 1,091,849
Interest on net OPEB obligation	184,445
Adjustments to annual required contribution	<u>(240,795)</u>
Annual OPEB cost	1,035,499
Contributions made (pay as you go)	<u>(363,333)</u>
Increase in net OPEB obligation	672,166
Net OPEB obligation, beginning of year	<u>4,098,782</u>
Net OPEB obligation, end of year	<u>\$ 4,770,948</u>

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation were as follows:

Fiscal Year Ended	2014	2013	2012
Annual OPEB cost	\$ 1,035,499	\$ 1,045,860	\$ 815,666
Percentage of OPEB cost contributed	35.09%	28.00%	24.00%
Net OPEB obligation	4,770,948	4,098,782	3,445,170

City of Hallandale Beach, Florida

Notes to Financial Statements

Note 11. Other Post-Employment Benefits (Continued)

Schedule of Funding Progress: Funding progress of the OPEB liability as of October 1, 2012, the date of the latest valuation date, is presented below:

Actuarial Valuation Date	Actuarial Valuation of Assets (a)	Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as Percentage of Covered Payroll ((b-a)/c)
10/1/2012	\$ -	\$ 8,126,096	\$ 8,126,096	0%	\$ 27,215,000	0%

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Note 12. 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 \$66,000,000 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.

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, 2014 of \$2,268,748 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, 2014 and 2013, the total estimated liabilities on pending claims were as follows:

	2014	2013
Claims payable - beginning	\$ 2,336,790	\$ 3,299,429
Incurred claims	368,814	231,796
Payments on claims	(436,856)	(1,194,435)
Claims payable - ending	<u>\$ 2,268,748</u>	<u>\$ 2,336,790</u>

City of Hallandale Beach, Florida

Notes to Financial Statements

Note 13. Commitments and Contingent Liabilities

Construction and purchase commitments: The City has active construction and economic development projects as of September 30, 2014. The projects include park development, bridge repairs, street and beautification projects, water distribution and stormwater drainage improvements, and sanitary sewer and capacity improvements. As of September 30, 2014, the City's significant commitments with contractors are as follows:

	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Sanitary sewer improvements	\$ 739,376	\$ 519,479
Street and beautification projects	2,225,355	20,498
Water plant and distribution	1,082,113	703,359
Sewer capacity improvements	159,916	5,855
Parks and Recreation / Open Spaces projects	5,566,983	2,721,428
Drainage improvements	10,418,820	240,790
Other projects	92,026	4,895
Total	<u>\$ 20,284,589</u>	<u>\$ 4,216,304</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 revenues, as well as City funding. All other commitments are financed from existing City 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

Note 14. 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, 2014:

	<u>Deposits</u>	<u>Withdrawals</u>
Source of deposits:		
Tax increment revenues - Hallandale Beach	\$ 3,542,687	\$ -
Tax increment revenues - other agencies	3,904,548	-
Loan repayments	322,577	-
Loan application fees	28,939	-
Investment income	84,710	-
Purpose of withdrawals:		
Salaries and benefits	-	528,051
Utilities	-	4,463
Materials and supplies	-	75,066
Repairs and maintenance	-	4,019
Community redevelopment programs	-	1,940,150
Grants to community organizations	-	148,382
Professional and outside services	-	2,758,027
Other service charges	-	146,164
Subsidized loan programs	-	1,081,897
Administrative charges	-	236,280
Capital outlay	-	6,652,238
Reimbursement for debt service	-	1,985,000
	<u>\$ 7,883,461</u>	<u>\$ 15,559,737</u>

Note 15. Prior Period Adjustment

During the year, the City restated beginning fund balance of the governmental funds in the amount of \$1,470,686 to correct debt payments of principal on Series 2007A Bonds.

During the year, the City restated beginning net position of business-type activities in the amount of \$1,507,437 to correct a prior period estimate for wastewater charge true-ups.

Note 16. Subsequent Event

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.



Hallandale Beach
PROGRESS. INNOVATION. OPPORTUNITY.

**Required Supplementary
Information**

City of Hallandale Beach, Florida

Required Supplementary Information
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 General Fund
 Year Ended September 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 21,380,477	\$ 21,380,477	\$ 21,295,960	\$ (84,517)
Charges for services	7,260,795	7,260,795	7,634,665	373,870
Utility taxes	3,970,000	3,970,000	4,362,844	392,844
Intergovernmental	3,852,920	3,852,920	3,382,550	(470,370)
Franchise taxes	4,247,749	4,247,749	4,215,933	(31,816)
Licenses and permits	2,799,697	2,799,697	2,505,076	(294,621)
Fines and forfeitures	970,000	970,000	710,219	(259,781)
Fire assessments	5,497,708	5,497,708	5,601,904	104,196
Investment earnings	250,000	250,000	119,805	(130,195)
Slot machine proceeds	1,900,000	1,900,000	1,648,689	(251,311)
Other revenues	423,929	423,929	669,323	245,394
Total revenues	52,553,275	52,553,275	52,146,968	(406,307)
Expenditures:				
Personal services	44,984,722	44,492,565	44,073,799	418,766
Operating expenditures	7,047,826	8,167,621	7,135,162	1,032,459
Contingency	-	136,000	-	136,000
Grants and aids	740,437	783,376	671,897	111,479
Capital outlay	805,642	5,898,287	2,019,909	3,878,378
Total expenditures	53,578,627	59,477,849	53,900,767	5,577,082
Excess (deficiency) of revenues over (under) expenditures	(1,025,352)	(6,924,574)	(1,753,799)	5,170,775
Other financing sources (uses)				
Transfers in	63,500	63,500	62,471	(1,029)
Transfers out	(4,211,746)	(4,211,746)	(3,567,687)	644,059
Sale of capital assets	100	429,330	430,648	1,318
Total other financing uses	(4,148,146)	(3,718,916)	(3,074,568)	644,348
Net change in fund balance	\$ (5,173,498)	\$ (10,643,490)	\$ (4,828,367)	\$ 5,815,123
Appropriated Fund Balance	\$ 5,173,498	\$ 10,643,490		

See Notes to Required Supplementary Information.

City of Hallandale Beach, Florida

Required Supplementary Information
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 Special Revenue Funds - Community Redevelopment Agency Fund
 Year Ended September 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Charges for services	\$ 25,000	\$ 25,000	\$ 28,939	\$ 3,939
Intergovernmental	3,915,226	3,915,226	3,904,548	(10,678)
Investment earnings	1,630,000	1,630,000	84,710	(1,545,290)
Other revenues	375,000	429,000	322,577	(106,423)
Total revenues	5,945,226	5,999,226	4,340,774	(1,658,452)
Expenditures:				
Personal services	547,137	547,137	528,054	19,083
Operating expenditures	5,211,044	9,144,406	5,164,165	3,980,241
Grants and aids	1,889,529	2,744,200	1,230,280	1,513,920
Capital outlay	3,928,226	10,259,438	6,652,238	3,607,200
Total expenditures	11,575,936	22,695,181	13,574,737	9,120,444
Deficiency of revenues under expenditures	(5,630,710)	(16,695,955)	(9,233,963)	7,461,992
Other financing sources (uses):				
Transfers in	3,561,746	3,561,746	3,542,687	(19,059)
Transfers out	(1,985,000)	(1,985,000)	(1,985,000)	-
Total other financing sources (uses)	1,576,746	1,576,746	1,557,687	(19,059)
Net change in fund balance	\$ (4,053,964)	\$ (15,119,209)	\$ (7,676,276)	\$ 7,442,933
Appropriated Fund Balance	\$ 4,053,964	\$ 15,119,209		

See Notes to Required Supplementary Information.

City of Hallandale Beach, Florida

Notes to Budgetary Comparison Schedules (unaudited)

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 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 special revenue funds on a basis consistent with GAAP.

The "final" reported budgetary data represents the approved budget after amendments approved by the City Commission. There was a supplemental appropriation in the general fund of \$10,643,490.

The CRA provides funds allocated to specific projects for two main categories – community redevelopment programs (operating expenditures) and 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.

During the year, the CRA's Board passed a resolution to increase the budget for anticipated projects, most of which were not completed during the current fiscal year.

City of Hallandale Beach, Florida

Required Supplementary Information
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Valuation of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as Percentage of Covered Payroll [(b-a)/c]
General Employees Retirement Plan (1):						
October 1, 2013	\$ 41,173,497	\$ 56,234,327	\$ 15,060,830	73%	\$ 7,176,000	210%
October 1, 2012	36,192,655	53,598,417	17,405,762	68%	7,059,000	247%
October 1, 2011	32,766,978	48,313,484	15,546,506	68%	7,109,000	219%
October 1, 2010	32,088,033	47,389,801	15,301,768	68%	7,130,000	215%
October 1, 2009	30,645,061	44,950,637	14,305,576	68%	7,431,000	193%
October 1, 2008	30,818,192	42,953,783	12,135,591	72%	6,983,000	174%

(1) The annual required contribution (ARC) is calculated using the aggregate actuarial cost method. Information in this schedule is calculated using the entry age actuarial cost method as a surrogate for the funding progress of the plan.

Police Officers and Firefighters Retirement Plan:

October 1, 2013	\$ 107,082,903	\$ 177,807,251	\$ 70,724,348	60%	\$ 12,459,090	568%
October 1, 2012	97,793,889	174,280,586	76,486,697	56%	13,244,000	578%
October 1, 2011	74,817,891	115,958,179	41,140,288	65%	12,200,000	337%
October 1, 2010	73,356,988	112,129,949	38,772,961	65%	11,996,000	323%
October 1, 2009	86,510,000	123,896,000	37,386,000	70%	11,035,000	339%
October 1, 2008	81,971,000	119,650,000	37,679,000	69%	10,952,000	344%

Professional/Management Employees Retirement Plan:

October 1, 2013	\$ 13,815,273	\$ 17,479,708	\$ 3,664,435	79%	\$ 695,000	527%
October 1, 2012	12,248,259	16,276,449	4,028,190	75%	985,000	409%
October 1, 2011	10,788,956	13,420,945	2,631,989	80%	1,240,000	212%
October 1, 2010	10,186,540	13,114,220	2,927,680	78%	1,593,000	184%
October 1, 2009	9,505,895	12,573,932	3,068,037	76%	1,633,000	188%
October 1, 2008	9,127,536	11,166,975	2,039,439	82%	1,824,000	112%

Other Post-Employment Benefits (2):

October 1, 2012	\$ -	\$ 8,126,096	\$ 8,126,096	0%	\$ 27,215,000	30%
October 1, 2010	-	7,998,803	7,998,803	0%	24,995,000	32%
October 1, 2008	-	8,530,000	8,530,000	0%	26,238,000	33%

(2) The GASB 45 actuarial valuation is performed every two years. The fiscal year ended September 30, 2009 was the first year of implementation of GASB Statement No. 45.

City of Hallandale Beach, Florida

Required Supplementary Information
 Schedule of Changes in the City's Net Pension Liability and Related Ratios

	2014	2014	2014
	Professional/ Management Retirement Plan	Police Officers' and Firefighters' Personnel Retirement Trust	General Employees
Total Pension Liability			
Service cost	\$ 271,262	\$ 2,068,244	\$ 1,302,508
Interest	1,208,389	13,484,951	4,185,733
Benefit payments	(849,115)	--	(2,395,369)
Differences between expected and actual experience	1,608,966	--	(773,811)
Employee contributions	--	(9,905,885)	--
Changes in assumptions	--	--	--
Changes in benefit terms	--	--	--
Net Change in Total Pension Liability	2,239,502	5,647,310	2,319,061
Total Pension Liability - Beginning	16,328,366	176,884,067	57,892,575
Total Pension Liability - Ending	\$ 18,567,868	\$ 182,531,377	\$ 60,211,636
Plan Fiduciary Net Position			
Contributions - employer	\$ 912,745	\$ 7,988,891	\$ 3,940,595
Contributions - state	--	662,916	--
Contributions - member	85,052	1,190,421	262,685
Net investment income	1,282,016	13,794,259	3,508,511
Benefit payments	(849,115)	(9,905,885)	(2,395,369)
Administrative expense	(22,133)	(109,957)	(38,785)
Other	--	--	--
Net Change in Plan Fiduciary Net Position	1,408,565	13,620,645	5,277,637
Plan Fiduciary Net Position - Beginning	14,565,895	118,612,854	42,758,149
Plan Fiduciary Net Position - Ending	\$ 15,974,460 *	\$ 132,233,499	\$ 48,035,786
City's Net Pension Liability - Ending	\$ 2,593,408	\$ 50,297,878	\$ 12,175,850
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.03%	72.44%	79.78%
Covered Employee Payroll	\$ 738,758	\$ 12,179,211	\$ 7,447,800
City's Net Pension Liability as a Percentage of Covered-Employee Payroll	351.05%	412.98%	163.48%

*Excludes excess benefit plan

This schedule is presented as required by accounting principles generally accepted in the United States of America; however, until a full 10 year trend is compiled, information is presented for those years available.

City of Hallandale Beach, Florida

**Required Supplementary Information
Schedule of City Contributions - Professional/ Management Retirement Plan**

	2014
	Professional/ Management Retirement Plan
Actuarially determined contribution	\$ 912,745
Contributions in relation to the actuarially determined contribution	912,745
Contribution deficiency (excess)	\$ --
Covered-employee payroll	\$ 738,758
Contributions as a percentage or covered-employee payroll	123.55%

**Methods and Assumptions Used to Determine Contribution Rates for
Year Ending September 30, 2014:**

Valuation Date:	October 1, 2012
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	20 Years (as of 10/1/2012)
Asset Valuation Method	4 Year Smooth (Market)
Inflation and Other General Increases	2.5 %
Cost of Living	2.00% per year.
Salary Increases	6.62% - 9.62%
Discount Rate of Return	7.5%
Retirement Age	Normal retirement age as defined in Summary of Plan Provisions.
Mortality	IRS Prescribed Mortality – Generational Non-annuitant, male and female.

This schedule is presented as required by accounting principles generally accepted in the United States of America; however, until a full 10 year trend is compiled, information is presented for those years available.

City of Hallandale Beach, Florida

**Required Supplementary Information
Schedule of City Contributions - Police Officers' and Firefighters' Personnel Retirement Trust**

	2014
	Police Officers' and Firefighters' Personnel Retirement Trust
Actuarially determined contribution	\$ 8,651,807
Contributions in relation to the actuarially determined contribution	8,651,807
Contribution deficiency (excess)	\$ -
Covered-employee payroll	\$ 12,179,211
Contributions as a percentage or covered-employee payroll	71.04%

**Methods and Assumptions Used to Determine Contribution Rates for
Year Ending September 30, 2014:**

Valuation Date:	October 1, 2012
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	30 Years (as of 10/1/2012)
Asset Valuation Method	5 Year Smooth (Market)
Inflation and Other General Increases	4%
Salary Increases	For 10 or more years of credited service, the assumption is 4.5%.
Investment rate of return	7.75%
Retirement Age	service, or 2) the completion of 25 years of credited service, regardless of age.
Mortality	RP2000, Combined Healthy Mortality Table without projection.

This schedule is presented as required by accounting principles generally accepted in the United States of America; however, until a full 10 year trend is compiled, information is presented for those years available.

City of Hallandale Beach, Florida

**Required Supplementary Information
Schedule of City Contributions - General Employees**

	<u>2014</u>
	<u>General Employees</u>
Actuarially determined contribution	\$ 3,940,595
Contributions in relation to the actuarially determined contribution	<u>3,940,595</u>
Contribution deficiency (excess)	\$ --
Covered-employee payroll	\$ 7,447,800
Contributions as a percentage or covered-employee payroll	52.91%

**Methods and Assumptions Used to Determine Contribution Rates for
Year Ending September 30, 2014:**

Valuation Date:	October 1, 2012
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	Aggregate
Amortization Method	Level Payment
Remaining Amortization Period	N/A
Asset Valuation Method	4 Year Smooth (Market)
Inflation and Other General Increases	2.5 %
Cost of Living	None
Salary Increases	4.68% - 7.90%
Discount Rate of Return	7.25%
Retirement Age	Normal retirement age as defined in Summary of Plan Provisions.
Mortality	IRS Prescribed Mortality – Generational Non-annuitant, male and female.

This schedule is presented as required by accounting principles generally accepted in the United States of America; however, until a full 10 year trend is compiled, information is presented for those years available.

City of Hallandale Beach, Florida

**Required Supplementary Information
Schedule of Investment Returns**

	2014	2014	2014
	Professional/ Management Retirement Plan	Police Officers' and Firefighters' Personnel Retirement Trust	General Employees
Annual money-weighted rate of return, net of investment expense	8.83%	12.02%	8.13%

This schedule is presented as required by accounting principles generally accepted in the United States of America; however, until a full 10 year trend is compiled, information is presented for those years available.



Hallandale Beach
PROGRESS. INNOVATION. OPPORTUNITY.

**Combining and Individual
Fund Financial Statements and
Schedules**

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally 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.

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

City of Hallandale Beach, Florida

Combining Balance Sheet
 Nonmajor Governmental Funds
 September 30, 2014

	Special Revenue										Total Nonmajor Governmental Funds
	Police Training Fund	Police Outside Services Fund	Police Equitable Sharing Fund	Transportation Fund	Golden Isles Safe Neighborhood Fund	Three Islands District Fund	Law Enforcement Trust Fund				
Assets											
Cash and cash equivalents	\$ 56,936	\$ 11,368	\$ 668,929	\$ 361,431	\$ 387,651	\$ 568,424	\$ 392,208	\$ 2,446,947			
Receivables, net of allowance	-	216,234	11,185	5,000	-	-	-	232,419			
Due from other funds	-	-	-	300,000	-	-	-	300,000			
Due from other governments	-	-	-	54,500	-	-	-	54,500			
Total assets	\$ 56,936	\$ 227,602	\$ 680,114	\$ 720,931	\$ 387,651	\$ 568,424	\$ 392,208	\$ 3,033,866			
Liabilities and Fund Balances											
Liabilities:											
Accounts payable and accrued liabilities	\$ 3,220	\$ 850	\$ -	\$ 42,628	\$ 14,691	\$ 3,972	\$ 71,511	\$ 136,872			
Unearned revenue	-	75,260	-	52,060	-	-	-	127,320			
Total liabilities	3,220	76,110	-	94,688	14,691	3,972	71,511	264,192			
Fund Balances:											
Restricted:											
Law enforcement	53,716	-	680,114	-	-	-	320,697	1,054,527			
Transportation	-	-	-	626,243	-	-	-	626,243			
Safe neighborhood districts	-	-	-	-	372,960	564,452	-	937,412			
Assigned:											
Police outside services	-	151,492	-	-	-	-	-	151,492			
Total fund balances	53,716	151,492	680,114	626,243	372,960	564,452	320,697	2,769,674			
Total liabilities and fund balances	\$ 56,936	\$ 227,602	\$ 680,114	\$ 720,931	\$ 387,651	\$ 568,424	\$ 392,208	\$ 3,033,866			

City of Hallandale Beach, Florida

Combining Statement of Revenue, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 Year Ended September 30, 2014

	Special Revenue							Total Nonmajor Governmental Funds
	Police Training Fund	Police Outside Services Fund	Police Equitable Sharing Fund	Transportation Fund	Golden Isles Safe Neighborhood Fund	Three Islands District Fund	Law Enforcement Trust Fund	
Revenues:								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 232,595	\$ 290,015	\$ -	\$ 522,610
Charges for services	-	1,132,189	-	198,215	-	-	-	1,330,404
Intergovernmental	-	-	-	878,279	-	-	-	878,279
Fines and forfeitures	11,858	-	94,794	-	-	-	48,192	154,844
Investment earnings	166	300	2,151	7,524	1,375	2,277	1,296	15,089
Other revenues	-	62,471	-	50,452	-	-	-	112,923
Total revenues	12,024	1,194,960	96,945	1,134,470	233,970	292,292	49,488	3,014,149
Expenditures:								
Current:								
Public safety	23,220	1,121,485	127,436	-	195,249	345,187	72,245	1,884,822
Transportation	-	-	-	1,705,222	-	-	-	1,705,222
Capital outlay	-	-	13,199	1,441,621	-	-	9,195	1,464,015
Total expenditures	23,220	1,121,485	140,635	3,146,843	195,249	345,187	81,440	5,054,059
Excess (deficiency) of revenues over (under) expenditures	(11,196)	73,475	(43,690)	(2,012,373)	38,721	(52,895)	(31,952)	(2,039,910)
Other financing uses:								
Transfers out	-	(62,471)	-	-	-	-	-	(62,471)
Total other financing uses	-	(62,471)	-	-	-	-	-	(62,471)
Net change in fund balances	(11,196)	11,004	(43,690)	(2,012,373)	38,721	(52,895)	(31,952)	(2,102,381)
Fund balances, beginning	64,912	140,488	723,804	2,638,616	334,239	617,347	352,649	4,872,055
Fund balances, ending	\$ 53,716	\$ 151,492	\$ 680,114	\$ 626,243	\$ 372,960	\$ 564,452	\$ 320,697	\$ 2,769,674

City of Hallandale Beach, Florida

Schedule of Revenue, Expenditures and Changes in Fund Balance -
 Budget and Actual
 Special Revenue Funds - Police Training Fund
 Year Ended September 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 10,000	\$ 11,858	\$ 11,858	\$ -
Investment earnings	300	166	166	-
Total revenues	10,300	12,024	12,024	-
Expenditures:				
Cost of sales and services	20,000	23,220	23,220	-
Total expenditures	20,000	23,220	23,220	-
Excess of revenues over expenditures	\$ (9,700)	\$ (11,196)	\$ (11,196)	\$ -
Appropriated fund balance	\$ 9,700	\$ 11,196		

City of Hallandale Beach, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 Special Revenue Funds - Police Outside Services Fund
 Year Ended September 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 1,200,000	\$ 1,200,000	1,132,189	\$ (67,811)
Investment earnings	350	350	300	(50)
Other revenues	63,500	63,500	62,471	(1,029)
Total revenues	1,263,850	1,263,850	1,194,960	(68,890)
Expenditures:				
Personal services	1,100,140	1,100,140	1,121,485	(21,345)
Excess of revenues over expenditures	163,710	163,710	73,475	(90,235)
Other financing uses:				
Transfers out	63,500	63,500	62,471	1,029
Net change in fund balance	\$ 100,210	\$ 100,210	\$ 11,004	\$ (89,206)

City of Hallandale Beach, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 Special Revenue Funds - Police Equitable Sharing Fund
 Year Ended September 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ -	94,794	94,794	\$ -
Investment earnings	6,000	2,151	2,151	-
Total revenues	6,000	96,945	96,945	-
Expenditures:				
Personal services	99,223	55,205	55,206	(1)
Operating expenditures	75,000	72,230	72,230	-
Capital outlay	18,562	13,199	13,199	-
Total expenditures	192,785	140,634	140,635	(1)
Deficiency of revenues under expenditures	\$ (186,785)	\$ (43,689)	\$ (43,690)	\$ (1)
Appropriated fund balance	\$ 186,785	\$ 43,689		

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
 Year Ended September 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Ad valorem taxes	236,885	232,595	232,595	\$ -
Investment earnings	1,500	1,375	1,375	-
Total revenues	238,385	233,970	233,970	-
Expenditures:				
Operating expenditures	231,563	195,247	195,249	(2)
Contingency	10,000	-	-	-
Total expenditures	241,563	195,247	195,249	(2)
Excess (deficiency) of revenues under expenditures	\$ (3,178)	\$ 38,723	\$ 38,721	\$ (2)
Appropriated fund balance	\$ 3,178	\$ -		

City of Hallandale Beach, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 Special Revenue Funds - Transportation Fund
 Year Ended September 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 276,002	198,215	\$ 198,215	\$ -
Intergovernmental	917,000	909,579	878,279	(31,300)
Investment earnings	10,000	7,524	7,524	-
Other revenues	-	50,452	50,452	-
Total revenues	1,203,002	1,165,770	1,134,470	(31,300)
Expenditures:				
Personal services	739,768	650,321	650,321	-
Operating expenditures	834,622	1,158,384	1,054,901	103,483
Capital outlay	558,333	1,347,402	1,441,621	(94,219)
Total expenditures	2,132,723	3,156,107	3,146,843	9,264
Deficiency of revenues under expenditures	\$ (929,721)	\$ (1,990,337)	\$ (2,012,373)	\$ (22,036)
Appropriated fund balance	\$ 929,721	1,990,337		

City of Hallandale Beach, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 Special Revenue Funds - Three Islands District Fund
 Year Ended September 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 290,134	\$ 290,015	\$ 290,015	\$ -
Investment earnings	2,600	2,277	2,277	-
Total revenues	292,734	292,292	292,292	-
Expenditures:				
Operating expenditures	437,713	345,186	345,187	(1)
Contingency	15,000	-	-	-
Total expenditures	452,713	345,186	345,187	(1)
Excess (deficiency) of revenues under expenditures	\$ (159,979)	\$ (52,894)	\$ (52,895)	\$ (1)
 Appropriated fund balance	 \$ 159,979	 \$ 52,894		

City of Hallandale Beach, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 Special Revenue Funds - Law Enforcement Trust Fund
 Year Ended September 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ -	48,192	48,192	\$ -
Investment earnings	1,800	1,296	1,296	-
Total revenues	1,800	49,488	49,488	-
Expenditures:				
Operating expenditures	157,126	72,244	72,245	(1)
Capital outlay	9,195	9,195	9,195	-
Total expenditures	166,321	81,439	81,440	(1)
Excess (deficiency) of revenues under expenditures	\$ (164,521)	\$ (31,951)	\$ (31,952)	\$ (1)
Appropriated fund balance	\$ 164,521	31,951		

ENTERPRISE FUNDS

Cemetery Fund - The Cemetery Fund was established to account for the Municipal Cemetery's operations, including the sale of cemetery lots, vaults, niches, and markers as well as the ongoing maintenance of the cemetery property.

Marina Fund - The Marina Fund was established to account for the Marina Dock operations, including the rental of docks as well as the supplies and maintenance of the docks, such as equipment, utilities, and licenses.

City of Hallandale Beach, Florida

Combining Statement of Net Position
 Nonmajor Proprietary Funds
 September 30, 2014

	Cemetery Fund	Marina Fund	Total Nonmajor Enterprise Funds
Assets			
Current Assets:			
Cash and cash equivalents	\$ 120,515	\$ 10,929	\$ 131,444
Restricted assets:			
Cash and cash equivalents	291,498	-	291,498
Receivables, net of allowance	20,278	-	20,278
Inventory	391,332	-	391,332
Total current assets	823,623	10,929	834,552
Capital assets:			
Land	375,478	-	375,478
Improvements other than buildings	150,673	-	150,673
Vehicles and equipment	44,899	-	44,899
Total capital assets	571,050	-	571,050
Less accumulated depreciation	(178,557)	-	(178,557)
Net capital assets	392,493	-	392,493
Total assets	1,216,116	10,929	1,227,045
Liabilities and Net Position			
Current liabilities:			
Accounts payable and accrued liabilities	4,270	13,108	17,378
Due to other funds	-	20,000	20,000
Compensated absences	9,721	-	9,721
Total current liabilities	13,991	33,108	47,099
Noncurrent liabilities:			
Compensated absences	19,262	-	19,262
Total noncurrent liabilities	19,262	-	19,262
Total liabilities	33,253	33,108	66,361
Net Position			
Net investment in capital assets	392,493	-	392,493
Restricted for cemetery care	291,498	-	291,498
Unrestricted	498,872	(22,179)	476,693
Total net position	\$ 1,182,863	\$ (22,179)	\$ 1,160,684

City of Hallandale Beach, Florida

Combining Statement of Revenue, Expenditures and Changes in Net Position
 Nonmajor Proprietary Funds
 Year Ended September 30, 2014

	Cemetery Fund	Marina Fund	Total Nonmajor Enterprise Funds
Operating revenues:			
Charges for services	\$ 182,813	35,828	\$ 218,641
Other revenues	1,300	-	1,300
Total operating revenues	184,113	35,828	219,941
Operating expenses:			
Cost of sales and services	70,519	26,977	97,496
Personal services	144,725	21,226	165,951
Depreciation	8,486	-	8,486
Total operating expenses	223,730	48,203	271,933
Operating loss	(39,617)	(12,375)	(51,992)
Nonoperating revenues (expenses):			
Investment earnings (loss)	493	32	525
Total nonoperating revenues (expenses)	493	32	525
Change in net position	(39,124)	(12,343)	(51,467)
Total net position, beginning	1,221,987	(9,836)	1,212,151
Total net position, ending	\$ 1,182,863	\$ (22,179)	\$ 1,160,684

City of Hallandale Beach, Florida

Combining Statement of Cash Flows
 Nonmajor Proprietary Funds
 Year Ended September 30, 2014

	Cemetery Fund	Marina Fund	Total Nonmajor Enterprise Funds
Cash Flows From Operating Activities:			
Cash received from fees and charges	\$ 172,269	\$ 35,828	\$ 208,097
Cash paid to suppliers for goods, services, claims and administrative charges	(48,375)	(26,982)	(75,357)
Cash paid to employees for services	(147,492)	(21,226)	(168,718)
Cash received from other funds or (paid) to other funds	-	20,000	20,000
Net cash provided (used) by operating activities	<u>(23,598)</u>	<u>7,620</u>	<u>(15,978)</u>
Cash Flows Provided By Investing Activities			
Interest and investment income (loss) received	492	32	524
Net cash provided (used) by investing activities	<u>492</u>	<u>32</u>	<u>524</u>
Net increase (decrease) in cash and cash equivalents	(23,106)	7,652	(15,454)
Cash and cash equivalents, beginning	435,119	3,277	438,396
Cash and cash equivalents, ending	<u>\$ 412,013</u>	<u>\$ 10,929</u>	<u>\$ 422,942</u>
Reconciliation to the statement of net position:			
Cash and cash equivalents	120,515	10,929	131,444
Restricted assets, cash and cash equivalents	291,498	-	291,498
	<u>\$ 412,013</u>	<u>\$ 10,929</u>	<u>\$ 422,942</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	(39,617)	(12,375)	(51,992)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	8,486	-	8,486
(Increase) decrease in receivables	(11,844)	-	(11,844)
(Increase) decrease in inventory	18,977	-	18,977
Increase (decrease) in accounts payable and accrued liabilities	3,167	(5)	3,162
Increase (decrease) in due to other funds	-	20,000	20,000
Decrease in compensated absences	(2,767)	-	(2,767)
Net cash provided (used) by operating activities	<u>\$ (23,598)</u>	<u>\$ 7,620</u>	<u>\$ (15,978)</u>

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.

OPEB Fund – to account for the costs of providing other post-employment benefits to retirees of the City. The City is self-funded in this area.

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, 2014

	General Liability Trust Fund	Workers' Compensation Fund	OPEB Fund	Fleet Fund	Total Internal Service Funds
Assets					
Current assets:					
Cash and cash equivalents	\$ 402,182	\$ 632,389	\$ 1,442,775	\$ -	\$ 2,477,346
Investments	-	-	3,205,625	-	3,205,625
Due from other funds	2,000,000	1,000,000	300,000	1,500,000	4,800,000
Restricted assets:					
Cash and cash equivalents	-	-	-	208,047	208,047
Receivables, net of allowance	231,812	-	6,758	-	238,570
Other assets	-	-	-	-	-
Total current assets	2,633,994	1,632,389	4,955,158	1,708,047	10,929,588
Noncurrent Assets:					
Capital assets:					
Vehicles and equipment	-	-	-	4,771,194	4,771,194
Total capital assets	-	-	-	4,771,194	4,771,194
Less accumulated depreciation	-	-	-	(840,630)	(840,630)
Net capital assets	-	-	-	3,930,564	3,930,564
Total noncurrent assets	-	-	-	3,930,564	3,930,564
Total assets	2,633,994	1,632,389	4,955,158	5,638,611	14,860,152
Liabilities					
Current liabilities:					
Accounts payable and accrued liabilities	84,892	1,082	-	33,047	119,021
Accrued interest	-	-	-	29,082	29,082
Compensated absences	8,836	-	-	-	8,836
Accrued claims for self-insured risks	255,307	297,765	-	-	553,072
Current portion of bonds and notes payable	-	-	-	715,000	715,000
Total current liabilities	349,035	298,847	-	777,129	1,425,011
Noncurrent liabilities:					
Compensated absences	20,626	-	-	-	20,626
Accrued claims for self-insured risks	915,563	800,113	-	-	1,715,676
Accrued other post employment benefits	-	-	4,770,948	-	4,770,948
Bonds and notes payable	-	-	-	3,725,000	3,725,000
Total noncurrent liabilities	936,189	800,113	4,770,948	3,725,000	10,232,250
Total liabilities	1,285,224	1,098,960	4,770,948	4,502,129	11,657,261
Net position					
Net investment in capital assets	-	-	-	(509,436)	(509,436)
Unrestricted	1,348,770	533,429	184,210	1,645,918	3,712,327
Total net position	\$ 1,348,770	\$ 533,429	\$ 184,210	\$ 1,136,482	\$ 3,202,891

City of Hallandale Beach, Florida

Combining Statement of Revenues, Expenses and Changes in Net Position

Internal Service Funds

Year Ended September 30, 2014

	General Liability Trust Fund	Workers' Compensation Fund	OPEB Fund	Fleet Fund	Total Internal Service Funds
Operating revenues:					
Charges for services	\$ 56,539	\$ 843,004	\$ 672,166	\$ 3,323,718	\$ 4,895,427
Other revenues	-	-	-	-	-
Total operating revenues	56,539	843,004	672,166	3,323,718	4,895,427
Operating expenses:					
Cost of services	310,962	176,830	-	386,411	874,203
Personal services	266,151	-	672,166	894,786	1,833,103
Depreciation	-	-	-	711,001	711,001
Claims expense	137,537	350,754	-	-	488,291
Total operating expenses	714,650	527,584	672,166	1,992,198	3,906,598
Operating income (loss)	(658,111)	315,420	-	1,331,520	988,829
Nonoperating revenues (expenses):					
Investment earnings	8,144	4,081	19,797	938	32,960
Interest expense	-	-	-	(106,164)	(106,164)
Sale of capital assets	-	-	-	47,233	47,233
Income (loss) before transfers	(649,967)	319,501	19,797	1,273,527	962,858
Transfers in	250,000	-	-	-	250,000
Transfers out	-	(50,000)	-	-	(50,000)
Change in net position	(399,967)	269,501	19,797	1,273,527	1,162,858
Net position, beginning	1,748,737	263,928	164,413	(137,045)	2,040,033
Net position, ending	\$ 1,348,770	\$ 533,429	\$ 184,210	\$ 1,136,482	\$ 3,202,891

City of Hallandale Beach, Florida

Combining Statement of Cash Flows
Internal Service Funds
Year Ended September 30, 2014

	General Liability Trust Fund	Workers' Compensation Fund	OPEB Fund	Fleet Fund	Total
Cash Flows From Operating Activities:					
Cash received from fees and charges	\$ 56,539	\$ 843,004	\$ 671,988	\$ 3,323,718	\$ 4,895,249
Cash paid to suppliers for goods, services, claims and administrative charges	(664,814)	(393,381)	-	174,200	(883,995)
Cash paid to employees for services	(302,538)	-	-	(894,786)	(1,197,324)
Cash paid to other funds	(2,000,000)	(1,000,000)	(300,000)	(1,500,000)	(4,800,000)
Net cash provided (used) by operating activities	(2,910,813)	(550,377)	371,988	1,103,132	(1,986,070)
Cash Flows From Noncapital Financing Activities:					
Transfers from other funds	250,000	-	-	-	250,000
Transfers to other funds	-	(50,000)	-	-	(50,000)
Net cash provided by non-capital financing activities	250,000	(50,000)	-	-	200,000
Cash Flows From Capital and Related Financing Activities:					
Purchase of capital assets	-	-	-	(2,484,283)	(2,484,283)
Proceeds from sale of capital assets	-	-	-	47,233	47,233
Proceeds from long-term debt	-	-	-	-	-
Principal paid on long-term debt	-	-	-	(610,000)	(610,000)
Interest paid on long-term debt	-	-	-	(106,164)	(106,164)
Net cash used capital and related financing activities	-	-	-	(3,153,214)	(3,153,214)
Cash Flows From Investing Activities					
Purchase of investments	-	-	(288,697)	-	(288,697)
Interest received	8,144	4,081	19,797	938	32,960
Net cash provided by investing activities	8,144	4,081	(268,900)	938	(255,737)
Net increase (decrease) in cash and cash equivalents	(2,652,669)	(596,296)	103,088	(2,049,144)	(5,195,021)
Cash and cash equivalents:					
Beginning	3,054,851	1,228,685	1,339,687	2,257,191	7,880,414
Ending	\$ 402,182	\$ 632,389	\$ 1,442,775	\$ 208,047	\$ 2,685,393
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (658,111)	\$ 315,420	\$ -	\$ 1,331,520	\$ 988,829
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense				711,001	711,001
(Increase) decrease in receivables	(97,188)	-	(178)	-	(97,366)
(Increase) decrease in other assets	-	-	-	940,410	940,410
(Increase) decrease in due from other funds	(2,000,000)	(1,000,000)	(300,000)	(1,500,000)	(4,800,000)
Increase (decrease) in accounts payable and accrued liabilities	(6,833)	370	-	(379,799)	(386,262)
Decrease in compensated absences	(36,387)	-	-	-	(36,387)
Increase in accrued claims for self-insured risks	(112,294)	133,833	-	-	21,539
Increase in accrued liability for other post-employment benefits	-	-	672,166	-	672,166
Net cash provided (used) by operating activities	\$ (2,910,813)	\$ (550,377)	\$ 371,988	\$ 1,103,132	\$ (1,986,070)
Noncash Capital and Related Financing Activities					
Unrealized gain (loss) on investments	\$ -	\$ -	\$ (13,357)	\$ -	\$ (13,357)

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 and Firefighters Pension Fund - 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 Statement of Fiduciary Net Position
Pension Trust Funds
September 30, 2014

	General Employees Pension Plan	Police and Firefighters Pension Plan	Professional/ Management Pension Plan	Total Pension Trust Funds
Assets				
Cash and cash equivalents	\$ -	\$ 3,876,466	\$ 1,360,707	\$ 5,237,173
State contributions receivable	-	662,916	-	662,916
Employer contributions receivable	985,149	1,864,598	228,186	3,077,933
Employee contributions receivable	-	45,936	-	45,936
Interest receivable	-	229,389	-	229,389
Due for securities sold	-	1,271,200	-	1,271,200
Investments:				
Corporate bonds	-	9,459,079	-	9,459,079
Equity securities	-	79,907,034	-	79,907,034
U.S. Obligations	-	12,243,662	-	12,243,662
Hedge funds	-	18,455,455	-	18,455,455
Insurance company separate account	44,512,604	-	20,738,591	65,251,195
Real estate investment trust	2,538,032	5,185,607	848,360	8,571,999
Prepaid expense	-	12,171	-	12,171
Total assets	48,035,785	133,213,513	23,175,844	204,425,142
Liabilities				
Accounts payable	-	135,762	-	135,762
Due for securities purchased	-	632,377	-	632,377
Total Liabilities	-	768,139	-	768,139
Deferred Inflows of Resources				
Advance City contribution	-	186,553	-	186,553
Net position				
Held in trust for pension benefits	\$ 48,035,785	\$ 132,258,821	\$ 23,175,844	\$ 203,470,450

City of Hallandale Beach, Florida

Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
Year Ended September 30, 2014

	General Employees Pension Plan	Police and Firefighters Pension Plan	Professional/ Management Pension Plan	Total Pension Trust Funds
Contributions:				
Employer	\$ 3,940,595	\$ 8,043,523	\$ 912,745	\$ 12,896,863
Plan members	253,217	1,190,421	81,694	1,525,332
State of Florida	-	662,916	-	662,916
Other income	-	21,471	-	21,471
Total contributions	4,193,812	9,918,331	994,439	15,106,582
Investment earnings:				
Interest and dividends	-	2,353,173	-	2,353,173
Net increase in fair value of investments	3,539,668	12,358,300	2,039,756	17,937,724
Total investment earnings	3,539,668	14,711,473	2,039,756	20,290,897
Less investment expense	(60,475)	(927,130)	(32,797)	(1,020,402)
Net investment income	3,479,193	13,784,343	2,006,959	19,270,495
Total additions	7,673,005	23,702,674	3,001,398	34,377,077
Deductions				
Benefits	2,395,369	9,898,105	1,417,749	13,711,223
Professional services	-	121,454	-	121,454
Total deductions	2,395,369	10,019,559	1,417,749	13,832,677
Change in net position	5,277,636	13,683,115	1,583,649	20,544,400
Net position, beginning	42,758,149	118,575,706	21,592,195	182,926,050
Net position, ending	\$ 48,035,785	\$ 132,258,821	\$ 23,175,844	\$ 203,470,450

City of Hallandale Beach, Florida

Combining Statement of Fiduciary Assets and Liabilities

Agency Funds

September 30, 2014

	Payroll Trust Fund	General Trust Fund	Total Agency Funds
Assets			
Cash and cash equivalents	\$ 264,357	\$ 383,863	\$ 648,220
Due from other funds	900,000	-	900,000
Accounts receivable	6,382	-	6,382
	<u>\$ 1,170,739</u>	<u>\$ 383,863</u>	<u>\$ 1,554,602</u>
Liabilities			
Accounts payable	\$ 138,219	\$ 3,443	\$ 141,662
Due to others	1,032,520	380,420	1,412,940
	<u>\$ 1,170,739</u>	<u>\$ 383,863</u>	<u>\$ 1,554,602</u>

City of Hallandale Beach, Florida

Schedule of Changes in Assets and Liabilities
 Payroll Trust Fund
 Year Ended September 30, 2014

	Beginning Balance	Additions	Deductions	Ending Balance
Assets				
Cash and cash equivalents	\$ 797,132	\$ 150,350,598	\$ (150,883,373)	\$ 264,357
Due from other funds	-	900,000	-	900,000
Accounts receivable	5,969	1,088,254	(1,087,841)	6,382
	<u>\$ 803,101</u>	<u>\$ 152,338,852</u>	<u>\$ (151,971,214)</u>	<u>\$ 1,170,739</u>
Liabilities				
Accounts payable	\$ -	\$ 10,113,916	\$ (9,975,697)	\$ 138,219
Due to others	803,101	90,059,822	(89,830,403)	1,032,520
	<u>\$ 803,101</u>	<u>\$ 100,173,738</u>	<u>\$ (99,806,100)</u>	<u>\$ 1,170,739</u>

City of Hallandale Beach, Florida

Schedule of Changes in Assets and Liabilities

General Trust Fund

Year Ended September 30, 2014

	Beginning Balance	Additions	Deductions	Ending Balance
Assets				
Cash and cash equivalents	\$ 392,721	\$ 499,907	\$ (508,765)	\$ 383,863
Liabilities				
Accounts payable	\$ -	\$ 3,443	\$ -	\$ 3,443
Due to others	392,721	942,583	(954,884)	380,420
	<u>\$ 392,721</u>	<u>\$ 946,026</u>	<u>\$ (954,884)</u>	<u>\$ 383,863</u>

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, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	100
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	105
Debt Capacity 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.	106
Demographic and Economic Information This schedule offers demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	113
Operating Information These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	115

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

City of Hallandale Beach, Florida

Schedule 1

Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities:										
Net investment in capital assets	\$ 34,511	\$ 39,855	\$ 41,876	\$ 37,148	\$ 39,425	\$ 45,621	\$ 45,545	\$ 48,484	\$ 42,885	\$ 59,760
Restricted	3,106	3,461	13,123	18,832	22,576	24,788	28,498	25,446	20,408	11,543
Unrestricted	39,288	36,252	31,793	37,555	36,920	33,243	31,454	25,314	34,225	19,727
Total governmental activities net position	\$ 76,905	\$ 79,568	\$ 86,792	\$ 93,535	\$ 98,921	\$ 103,652	\$ 105,497	\$ 99,244	\$ 97,518	\$ 91,030
Business-type activities:										
Net investment in capital assets	\$ 11,475	\$ 18,783	\$ 25,470	\$ 27,519	\$ 26,859	\$ 28,347	\$ 27,910	\$ 24,702	\$ 28,361	\$ 33,465
Restricted	137	-	-	-	-	-	-	-	-	292
Unrestricted	24,532	20,841	16,983	16,381	23,438	26,158	30,937	34,028	38,672	40,562
Total business-type activities net position	\$ 36,144	\$ 39,624	\$ 42,453	\$ 43,900	\$ 50,297	\$ 54,505	\$ 58,847	\$ 58,730	\$ 67,033	\$ 74,319
Primary government:										
Net investment in capital assets	\$ 45,986	\$ 58,638	\$ 67,346	\$ 64,667	\$ 66,284	\$ 73,968	\$ 73,455	\$ 73,186	\$ 71,246	\$ 93,225
Restricted	3,243	3,461	13,123	18,832	22,576	24,788	28,498	25,446	20,408	11,835
Unrestricted	63,820	57,093	48,776	53,936	60,358	59,401	62,391	59,342	72,897	60,289
Total primary government net position	\$ 113,049	\$ 119,192	\$ 129,245	\$ 137,435	\$ 149,218	\$ 158,157	\$ 164,344	\$ 157,974	\$ 164,551	\$ 165,349

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)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses:										
Governmental activities:										
General government	\$ 8,448	\$ 13,030	\$ 13,069	\$ 11,986	\$ 11,990	\$ 9,633	\$ 11,684	\$ 11,530	\$ 9,302	\$ 15,289
Public safety	22,460	25,531	29,825	30,601	31,654	32,167	33,038	34,941	36,091	39,809
Physical environment	3,674	3,465	3,693	3,841	2,839	2,037	2,411	2,507	2,312	2,028
Transportation	893	1,324	1,641	1,574	1,571	1,295	1,127	1,221	1,943	2,142
Economic environment	37	1,542	2,363	4,946	3,227	6,479	3,659	6,820	4,798	4,879
Culture/Recreation	2,414	2,583	2,685	2,467	2,445	2,438	2,417	2,622	2,005	3,806
Human services	1,009	1,379	1,154	1,141	1,139	931	1,014	1,215	2,684	2,139
Interest on long-term debt	66	57	125	1,272	1,220	1,056	1,110	1,068	1,078	1,861
Total governmental activities expenses	39,001	48,911	54,555	57,828	56,085	56,036	56,460	61,924	60,213	71,953
Business-type activities:										
Nonmajor	86	95	89	104	134	333	231	253	277	272
Sanitation	4,538	4,661	5,117	5,274	5,213	4,943	4,724	4,775	5,267	6,422
Sewer	6,418	7,528	7,416	9,602	8,683	11,214	10,368	12,641	11,937	11,679
Stormwater drainage	1,308	1,346	1,359	1,382	1,425	1,932	1,873	1,678	1,768	2,075
Water	5,601	5,289	6,352	7,896	8,640	8,049	8,484	8,640	9,351	10,140
Total business-type activities expenses	17,951	18,919	20,333	24,258	24,095	26,471	25,680	27,987	28,600	30,588
Total primary government expenses	\$ 56,952	\$ 67,830	\$ 74,888	\$ 82,086	\$ 80,180	\$ 82,507	\$ 82,140	\$ 89,911	\$ 88,813	\$ 102,541
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 4,312	\$ 4,018	\$ 5,029	\$ 4,659	\$ 5,564	\$ 4,456	\$ 4,409	\$ 1,627	\$ 1,757	\$ 6,840
Public safety	5,886	3,392	4,276	7,178	3,966	5,512	4,735	4,022	6,591	13,831
Physical environment	-	-	-	-	39	40	-	1,881	3,560	4,786
Transportation	232	160	134	131	156	197	240	292	465	518
Economic environment	-	-	-	-	20	-	-	941	236	433
Culture/Recreation	117	132	125	99	101	79	50	25	218	332
Human services	-	-	-	-	-	-	-	60	398	482
Operating grants and contributions	911	4,247	1,823	1,893	1,267	5,384	1,811	1,589	901	892
Capital grants and contributions	3,316	392	620	839	1,615	1,061	566	1,697	2,989	1,575
Total governmental activities program revenues	14,774	12,341	12,007	14,799	12,708	16,749	11,811	12,134	17,125	29,689
Business-type activities										
Charges for services:										
Nonmajor	227	105	124	105	342	353	210	226	229	219
Sanitation	4,481	4,951	5,228	5,474	5,636	5,435	4,920	4,971	4,955	4,925
Sewer	6,985	7,233	7,340	8,310	10,304	10,158	10,222	10,297	11,659	12,112
Stormwater drainage	1,112	1,299	1,302	1,347	1,420	1,429	1,542	1,979	1,958	2,065
Water	7,062	7,473	7,310	9,055	11,392	11,347	11,852	11,656	11,985	11,612
Capital grants and contributions	102	-	371	28	644	9	32	11	933	59
Total business-type activities program revenues	19,969	21,061	21,675	24,319	29,738	28,731	28,778	29,140	31,719	30,992
Total primary government program revenues	\$ 34,743	\$ 33,402	\$ 33,682	\$ 39,118	\$ 42,446	\$ 45,480	\$ 40,589	\$ 41,274	\$ 48,844	\$ 60,681

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

(Continued)

Schedule 2 (Continued)
 Changes in Net Position
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)
 (Amounts Expressed in Thousands)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net (expense)/revenue										
Governmental activities	\$ (24,227)	\$ (36,570)	\$ (42,548)	\$ (43,029)	\$ (43,377)	\$ (39,287)	\$ (44,649)	\$ (49,790)	\$ (43,088)	\$ (42,264)
Business-type activities	2,018	2,142	1,342	61	5,643	2,260	3,098	1,153	3,119	404
Total primary government net expenses	\$ (22,209)	\$ (34,428)	\$ (41,206)	\$ (42,968)	\$ (37,734)	\$ (37,027)	\$ (41,551)	\$ (48,637)	\$ (39,969)	\$ (41,860)

General Revenues and Other Changes in Net Position

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities:										
Taxes										
Property taxes	\$ 17,945	\$ 19,605	\$ 25,151	\$ 24,287	\$ 23,369	\$ 24,340	\$ 20,972	\$ 20,600	\$ 20,579	\$ 21,819
Franchise and utility taxes	6,852	7,404	7,656	8,148	8,486	8,338	8,231	8,326	8,220	12,483
Sales taxes	2,116	2,279	2,228	2,107	1,976	2,112	2,029	2,084	2,223	2,339
Motor fuel taxes	745	668	658	649	673	718	653	639	642	911
Alcoholic beverage taxes	21	24	22	21	18	28	30	22	23	19
Fire assessments		2,476	2,510	3,266	3,686	4,502	4,591	4,702	5,621	-
Intergovernmental revenue	3,575	4,316	6,075	7,221	5,842	4,092	3,818	3,774	4,204	965
Investment earnings	1,094	1,989	2,729	2,188	1,788	911	535	439	291	161
Slot machine proceeds	-	-	1,746	1,985	1,749	1,707	1,922	1,818	1,719	1,649
Other revenue	3,349	358	1,146	-	1,130	1,893	1,672	1,942	2,665	74
Gain on the sale of capital assets	23	19	-	-	8	11	29	105	-	397
Transfers	-	95	(150)	(100)	37	(929)	(638)	(914)	(4,722)	(5,042)
Total governmental activities	35,720	39,233	49,771	49,772	48,762	47,723	43,844	43,537	41,465	35,775
Business-type activities:										
Franchise and utility taxes	34	67	178	214	237	335	240	213	220	165
Investment earnings	855	1,341	1,133	783	445	227	285	373	193	139
Other revenue	1	21	10	288	53	456	60	46	932	28
Gain on the sale of capital assets	77	4	16	-	57	1	22	12	-	-
Transfers	-	(95)	150	100	(37)	929	638	914	4,722	5,042
Total business-type activities	967	1,338	1,487	1,385	755	1,948	1,245	1,558	6,067	5,374
Total primary government	\$ 36,687	\$ 40,571	\$ 51,258	\$ 51,157	\$ 49,517	\$ 49,671	\$ 45,089	\$ 45,095	\$ 47,532	\$ 41,149

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Change in Net Position										
Governmental activities	\$ 11,493	\$ 2,663	\$ 7,223	\$ 6,743	\$ 5,385	\$ 8,436	\$ (805)	\$ (6,253)	\$ (1,623)	\$ (6,489)
Business-type activities	2,985	3,480	2,829	1,446	6,398	4,208	4,343	2,711	9,186	5,778
Total primary government	\$ 14,478	\$ 6,143	\$ 10,052	\$ 8,189	\$ 11,783	\$ 12,644	\$ 3,538	\$ (3,542)	\$ 7,563	\$ (711)

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

City of Hallandale Beach, Florida

Schedule 3
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

	2005	2006	2007	2008	2009	2010	2011 (1)	2012	2013	2014
General Fund										
Reserved	\$ 156	\$ 95	\$ 133	\$ 624	\$ 356	\$ 179	\$ -	\$ -	\$ -	\$ -
Unreserved	24,508	24,302	23,065	20,133	22,187	26,840	-	-	-	-
Non-spendable:										
Inventory	-	-	-	-	-	-	224	203	189	191
Prepaid items	-	-	-	-	-	-	14	16	31	14
Assigned to:										
Vehicles and equipment	-	-	-	-	-	-	2,221	2,449	2,553	1,803
Subsequent year's expenditures	-	-	-	-	-	-	5,673	6,455	4,356	1,622
Unassigned	-	-	-	-	-	-	18,399	15,104	18,721	17,391
Total general fund	\$ 24,664	\$ 24,397	\$ 23,198	\$ 20,757	\$ 22,543	\$ 27,019	\$ 26,531	\$ 24,227	\$ 25,850	\$ 21,021
All Other Governmental Funds										
Reserved	\$ 6,579	\$ 5,460	\$ 11,508	\$ 14,623	\$ 2,419	\$ 3,820	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	3,143	3,445	5,768	7,009	22,832	23,516	-	-	-	-
Capital projects funds	3,144	2,373	8,333	8,704	8,448	7,433	-	-	-	-
Non-spendable:										
Prepaid items	-	-	-	-	-	-	-	-	141	-
Restricted for:										
Assets held for resale	-	-	-	-	-	-	5,552	3,145	1,177	816
Long-term receivable	-	-	-	-	-	-	2,327	1,805	1,214	1,337
Community redevelopment	-	-	-	-	-	-	-	-	-	1,308
Debt service	-	-	-	-	-	-	910	955	1,000	1,000
Developer agreements	-	-	-	-	-	-	2,623	1,628	502	560
Grant programs	-	-	-	-	-	-	-	-	-	922
Law enforcement	-	-	-	-	-	-	2,638	1,727	1,141	1,055
Transportation	-	-	-	-	-	-	2,764	2,919	2,639	626
Safe neighborhood districts	-	-	-	-	-	-	1,209	1,080	952	937
Assigned to:										
Computer equipment	-	-	-	-	-	-	22	22	22	-
Police outside services	-	-	-	-	-	-	79	118	140	151
Special revenue funds	-	-	-	-	-	-	14,243	13,230	7,672	-
Capital projects funds	-	-	-	-	-	-	5,207	4,991	4,054	1,415
Subsequent year's expenditure	-	-	-	-	-	-	-	-	4,054	3,038
Unassigned	-	-	-	-	-	-	-	-	(901)	-
Total all other governmental funds	\$ 12,866	\$ 11,278	\$ 25,609	\$ 30,336	\$ 33,699	\$ 34,769	\$ 37,574	\$ 31,620	\$ 23,807	\$ 13,165

(1) GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions", redefined the components of the fund balance of governmental funds. 2011 is the first year of implementation.

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)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes	\$ 24,075	\$ 27,241	\$ 32,784	\$ 32,665	\$ 31,854	\$ 33,114	\$ 29,194	\$ 28,923	\$ 28,799	\$ 30,397
Licenses, fees and permits	3,733	1,378	1,632	1,756	1,543	1,857	1,630	1,299	2,329	2,505
Fines and forfeitures	465	419	580	3,769	823	1,925	1,099	938	1,076	865
Charges for services	4,853	4,706	5,940	5,045	5,759	6,831	6,389	7,206	10,018	8,994
Intergovernmental	8,239	11,907	10,908	11,890	11,079	11,901	9,443	10,376	9,711	11,072
Investment earnings	958	1,706	2,314	1,895	1,528	896	513	385	246	216
Slot machine proceeds	-	-	1,746	1,985	1,749	1,707	1,922	1,818	1,719	1,649
Other revenues	3,731	3,179	4,197	4,616	4,851	6,385	6,262	6,648	7,800	11,409
Total revenues	46,054	50,536	60,101	63,621	59,186	64,616	56,452	57,593	61,698	67,107
Expenditures										
General government	8,109	10,235	10,271	10,596	9,501	9,632	9,236	9,463	9,244	9,904
Public safety	21,529	24,332	28,860	29,760	30,749	31,428	32,702	34,379	35,620	39,398
Physical environment	2,600	2,920	3,383	3,366	2,355	1,984	2,358	2,443	2,252	2,034
Transportation	996	1,161	1,437	1,390	1,416	1,137	937	1,031	1,637	1,909
Economic development	37	1,542	2,406	4,923	2,728	6,376	3,578	6,736	4,680	4,843
Human services	954	1,318	1,101	1,087	1,098	859	944	1,140	2,698	2,098
Culture and recreation	2,035	2,138	2,308	2,118	2,120	2,067	2,081	2,290	1,563	3,569
Capital outlay	4,720	7,549	22,943	2,476	4,415	2,557	2,319	7,007	7,022	18,763
Debt service:										
Principal	878	689	500	1,180	891	830	865	910	955	955
Interest	57	61	52	1,318	1,189	1,153	1,117	1,075	1,031	1,006
Bond issuance costs	-	-	34	-	-	-	-	-	-	-
Total expenditures	41,915	51,945	73,295	58,214	56,462	58,023	56,137	66,474	66,702	84,479
Excess of revenues over (under) expenditures	4,139	(1,409)	(13,194)	5,407	2,724	6,593	315	(8,881)	(5,004)	(17,372)
Other Financing Sources (Uses)										
Proceeds from sale of capital assets	43	40	-	-	14	13	32	35	272	430
Transfers in	2,553	3,265	4,855	7,444	9,636	8,540	5,734	2,512	2,452	5,615
Transfers out	(2,377)	(3,750)	(5,585)	(8,124)	(7,225)	(9,601)	(6,414)	(2,833)	(3,518)	(5,615)
Issuance of long-term debt	-	-	24,615	-	-	-	-	-	-	-
Total other financing sources (uses)	219	(445)	23,885	(680)	2,425	(1,048)	(648)	(286)	(794)	430
Net change in fund balances	\$ 4,358	\$ (1,854)	\$ 10,691	\$ 4,727	\$ 5,149	\$ 5,545	\$ (333)	\$ (9,167)	\$ (5,798)	\$ (16,942)
Debt service as a percentage of noncapital expenditures	2.5%	1.7%	1.1%	4.5%	4.0%	3.6%	3.7%	3.3%	3.3%	3.0%

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
2005	17,165	2,394	2,939	1,576	2,116	745	21	26,956
2006	19,791	2,699	2,988	1,763	2,251	696	24	30,212
2007	25,075	2,844	3,124	1,741	2,164	685	21	35,654
2008	24,531	2,904	3,367	1,861	2,107	680	21	35,471
2009	23,395	2,891	3,560	2,007	1,936	714	18	34,521
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	2,048	639	22	31,632
2013	20,579	2,519	4,123	1,578	2,188	641	23	31,651
2014	25,361	2,696	4,363	1,520	2,339	602	19	36,900
Change 2005-2014	47.7%	12.6%	48.4%	-3.6%	10.5%	-19.2%	-9.5%	36.9%

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

City of Hallandale Beach, Florida

Schedule 6

Property Tax Rates – Direct and Overlapping Property Taxes Rates
Last Ten Fiscal Years

Direct

Tax roll year	Fiscal Year	City of Hallandale Beach	Overlapping Rates												
			Broward County BOCC					School Board of Broward County							
			Operating Millage	Debt Service Millage	Total Broward County	Operating Millage	Debt Service Millage	Total School District	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)
2004	2005	6.5456	6.4831	0.5399	7.0230	8.0140	0.2555	8.2695	0.6970	0.0385	0.4231	1.5761	24.5728	1.2900	1.1170
2005	2006	6.2838	6.2942	0.4888	6.7830	7.8410	0.2213	8.0623	0.6970	0.0385	0.4231	1.4500	23.7377	1.2900	1.0000
2006	2007	5.9696	5.6433	0.4228	6.0661	7.6790	0.1897	7.8687	0.6970	0.0385	0.4073	1.3300	22.3772	1.2900	0.8000
2007	2008	4.9818	4.8889	0.3979	5.2868	7.4770	0.1714	7.6484	0.6240	0.0345	0.3572	1.1643	20.0970	1.0934	0.6897
2008	2009	4.9818	4.8889	0.4256	5.3145	7.4170	-	7.4170	0.6240	0.0345	0.3754	1.1913	19.9385	1.0934	0.6600
2009	2010	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	5.1021	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	5.1860	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	5.2576	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	5.4400	0.2830	5.7230	7.4800	-	7.4800	0.4110	0.0345	0.4882	0.4000	20.2200	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) The City's millage rate consists of only an operating millage.
- (2) 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 and Nine Years Ago

(Amounts Expressed in Thousands)

Taxpayer	2014			2005		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Gulfstream Pk Racing Assn/Casino	\$ 213,916,810	1	5.528%	\$ 28,964,630	1	1.339%
Florida Power & Light Co.	37,087,187	2	0.958%	22,691,376	5	0.990%
17070 Collins Ave. Shopping Ctr.	36,132,600	3	0.934%	17,458,300	7	0.868%
Three Islands Associates Residential	26,981,086	4	0.697%	25,035,363	2	1.134%
Hollywood Greyhound Track	23,595,261	7	0.610%	18,603,886	6	0.900%
Wal-Mart Stores	16,771,808	5	0.433%	11,095,278	9	0.547%
Village at Gulfstream LLC/CCD	16,167,387	6	0.418%			
Hallandale Group Limited Partnership	14,509,394	9	0.375%			
2500 Hallandale Beach LLC - Receiver Inc.	13,179,222	8	0.341%			
Diplomat Properties Ltd. Partnership	12,435,891	10	0.321%	24,965,767	3	1.539%
Murray Family Assoc.	10,186,415	11	0.263%			
600 Hallandale LLC	10,155,898	12	0.262%			
Omnipoint Communications				24,212,241	4	2.191%
Southern Bell Telephone Co.				13,877,763	8	0.831%
Total	\$ 431,118,960		11.142%	\$ 186,904,604		10.339%

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	Taxes Levied for the Fiscal Year (2)	Collected within the Fiscal Year of the Levy (1)		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2004	\$ 15,859	\$ 15,811	99.69%	\$ 27	\$ 15,838	99.86%
2005	17,738	17,670	99.62%	43	17,713	99.86%
2006	20,426	20,329	99.52%	72	20,401	99.88%
2007	25,750	25,656	99.64%	123	25,779	100.11%
2008	25,226	25,097	99.49%	126	25,223	99.99%
2009	24,950	23,891	95.76%	869	24,760	99.24%
2010	24,832	24,187	97.40%	377	24,564	98.92%
2011	21,343	21,061	98.68%	1	21,062	98.69%
2012	21,237	21,161	99.64%	-	21,161	99.64%
2013	21,116	21,093	99.89%	-	21,093	99.89%
2014	22,535	22,487	99.79%	-	22,487	99.79%

Source: Broward County Revenue Collection Division

(1) This amount represents gross levy (does not include discounts).

(2) 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.

(3) Greater than 100% due to retroactive re-assessments

City of Hallandale Beach, Florida

Schedule 9

Assessed Value and Estimated Actual Value of Taxable Property

Last Nine Fiscal Years
(Amounts Expressed In Thousands)

Fiscal Year	Real 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					
2006	\$ 3,612,869	\$ 401,980	\$ 74,921	\$ 1,069,269	\$ 3,157,547	6.5456	\$ 4,226,816	74.7%
2007	4,977,427	499,783	94,731	1,506,712	4,168,756	5.9696	5,675,468	73.5%
2008	5,556,334	631,372	140,400	1,580,177	4,846,649	4.9818	6,426,826	75.4%
2009	5,314,439	682,485	150,501	1,383,597	4,898,484	4.9818	6,282,081	78.0%
2010	4,171,536	720,600	152,985	1,037,262	4,134,255	5.9000	5,171,517	79.9%
2011	3,360,656	702,187	178,327	807,371	3,550,323	5.9000	4,357,694	81.5%
2012	3,314,833	729,340	188,369	797,854	3,549,220	5.9000	4,347,074	81.6%
2013	3,421,664	712,733	191,941	803,365	3,631,543	5.8833	4,434,908	81.9%
2014	3,778,517	714,609	185,921	921,193	3,878,288	5.6833	4,799,481	80.8%

Source: Broward County Revenue Collection Division

(1) Information for years before 2005 is not available.

(2) Includes tax exempt property.

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	Per Capita
		Pledged Revenue Note	Revenue Note Series 2002	Bonds Series 2007A	Revenue Note Series 2013	Revenue Bonds Series 2001A	Revenue Bonds Series 2005A	Revenue Note Series 2012				
2005	\$ -	\$ 188,831	\$ 1,596,385	\$ -	\$ -	\$ 4,295,000	\$ 8,800,000	\$ -	\$ 14,880,216	1.14%	\$ 416.63	
2006	-	-	1,096,385	-	-	4,125,000	8,510,000	-	13,731,385	1.05%	383.09	
2007	-	-	596,385	24,615,000	-	3,950,000	8,200,000	-	37,361,385	2.62%	978.23	
2008	-	-	96,385	23,935,000	-	3,765,000	7,880,000	-	35,676,385	2.27%	953.91	
2009	-	-	-	23,140,000	-	3,575,000	7,550,000	-	34,265,000	N/A	916.18	
2010	-	-	-	22,310,000	-	3,375,000	7,205,000	-	32,890,000	N/A	886.12	
2011	-	-	-	21,445,000	-	3,165,000	6,850,000	-	31,460,000	N/A	847.68	
2012	-	-	-	20,535,000	-	-	6,480,000	2,770,000	29,785,000	N/A	789.38	
2013	17,768	-	-	20,535,000	5,050,000	-	6,100,000	2,770,000	34,472,768	N/A	925.97	
2014	11,081	-	-	19,580,000	4,440,000	-	5,705,000	2,480,000	32,216,081	N/A	865.35	

City of Hallandale Beach, Florida

Schedule 11

Direct and Overlapping Governmental Activities Debt

As of September 30, 2014

Jurisdiction	Net debt Outstanding	Percentage applicable to City of Hallandale Beach (1)	Amount applicable to City of Hallandale Beach
City of Hallandale Beach	\$ 24,031,081	100.000%	\$ 24,031,081
Broward County	<u>279,630,000</u>	2.943%	<u>8,229,283</u>
Total direct and overlapping debt	<u>\$ 303,661,081</u>		<u>\$ 32,260,364</u>

(1) Percentage of taxable value of property in City of Hallandale Beach, to taxable value of property in overlapping unit.

City of Hallandale Beach, Florida

Schedule 12
Pledged Revenue Coverage
Last Ten Fiscal Years

Fiscal year	Utility Revenue Bonds, Series 2001A, 2005A and Series 2012 Revenue Note					Revenue Note Series 2002 and Bonds 2007A					Pledged Revenue Note					
	Utility Service Charges		Less: Operating Expenses		Net Available Revenue	Debt Service		Pledged Revenue	Debt Service		Debt Service		Franchise Fees	Debt Service		
						Principal	Interest		Coverage	Principal	Interest	Coverage		Principal	Interest	Coverage
2005	\$ 15,158,977	\$ 13,283,428	\$ 1,875,549	\$ 160,000	\$ 387,085	3.43	\$ 4,461,035	\$ 500,000	\$ 48,688	\$ -	-	\$ -	\$ 3,969,778	\$ 377,662	\$ 8,620	10.28
2006	15,753,547	12,819,915	2,933,632	460,000	266,186	4.04	5,827,132	500,000	56,437	-	-	-	4,462,284	188,831	4,331	23.10
2007	15,951,761	14,862,524	1,089,237	485,000	265,067	1.45	9,390,974	500,000	41,645	-	-	-	-	-	-	-
2008	18,712,613	18,424,786	287,827	505,000	334,112	0.34	40,356,815	500,000	16,346	680,000	1,301,576	16.16	-	-	-	-
2009	23,115,163	18,184,821	4,930,342	520,000	562,540	4.55	37,137,163	96,385	1,035	680,000	1,301,576	17.86	-	-	-	-
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	-	-	-	-

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.

City of Hallandale Beach, Florida

Schedule 13
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal year	Population (1)	Personal Income (2)	Personal Income (2)	Personal Income (2)	Broward County Per capita Personal Income (2)	Median Age(6)	Unemployment Rate		Public School Enrollment (5)
							Hallandale Beach	Broward County	
2005	35,716	\$ 1,307,027,020	\$ 36,595	50.9	3.50%	4.70%	(4)	2,895	
2006	35,844	1,424,655,624	39,746	50.9	3.10%	3.90%	(4)	3,010	
2007	38,193	1,572,367,617	41,169	50.9	3.80%	4.50%	(4)	3,073	
2008	37,400	1,569,827,600	41,974	50.9	6.10%	7.40%	(4)	2,978	
2009	37,400	1,540,319,000	41,185	50.9	9.80%	10.70%	(4)	3,070	
2010	37,117	*	*	50.9	10.60%	12.10%	(4)	2,933	
2011	37,113	*	*	46.7	9.00%	10.40%	(4)	2,850	
2012	37,732	*	*	46.7	7.20%	8.90%	(4)	2,777	
2013	38,391	*	*	46.7	6.10%	7.10%	(4)	3,299	
2014	38,273	*	*	46.7	5.80%	6.00%	(4)	2,928	

(1) Source: University of Florida, Bureau of Economic Research for Hallandale Beach (as of 4/1/2013).

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

(3) Source: Florida Department of Labor and Employment Security for City of Hallandale Beach, Florida.

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

(5) Source: Broward School District for City of Hallandale Beach, Florida.

(6) 2010 U. S. Census.

* Data not available.

City of Hallandale Beach, Florida

Schedule 14

Principal Employers

Current and Seven Years Ago

Employer	2014			2007 (3)		
	Employees	Rank	% of total City Employment	Employees	Rank	% of total City Employment
Gulfstream Park Racing & Casino	1,450	1	7.914%	1,077	1	6.446%
Mardi Gras Racetrack & Gaming Center	650	2	3.548%	717	2	4.291%
City of Hallandale Beach	534	3	2.915%	451	3	2.699%
Wal-Mart Stores, Inc.	455	4	2.483%	260	6	1.556%
School Board of Broward County	299	5	1.632%	440	4	2.633%
Diplomat Country Club	240	6	1.310%	239	7	1.430%
Winn Dixie Supermarkets	225	8	1.228%	185	8	1.107%
Publix Supermarket	200	7	1.092%	285	5	1.706%
Burlington Coat Factory	110	9	0.600%	104	9	0.622%
US Post Office	72	10	0.393%	82	10	0.491%
	<u>4,235</u>		<u>23.116%</u>	<u>3,840</u>		<u>22.983%</u>

(1) Source: Individual employers

(2) Does not include seasonal employees

(3) Data from nine years ago unavailable

City of Hallandale Beach, Florida

Schedule 15

Full-time-Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government										
Management	7.0	8.0	8.0	8.0	8.0	7.00	7.00	7.00	7.00	8.00
General Services/ Procurement Department	4.0	4.0	4.0	4.0	4.0	4.00	4.00	4.00	5.00	4.00
City Attorney	3.0	3.0	4.0	4.0	4.0	3.00	3.00	3.00	3.00	4.00
Finance	8.5	9.5	9.75	9.75	9.75	9.75	9.77	11.77	11.75	11.77
Information Technology	5.0	5.0	5.0	5.0	5.0	5.00	5.00	5.00	5.00	5.00
Personnel	5.0	5.75	5.75	5.50	5.00	5.00	5.92	5.20	5.94	5.77
City Clerk	3.0	3.0	3.0	3.0	3.0	2.00	3.00	3.00	3.00	3.00
Development Services	29.00	29.0	30.75	30.75	28.75	22.62	24.00	21.00	22.20	26.00
Other	2.0	2.0	2.0	2.0	2.0	3.50	1.00	2.00	2.00	2.00
Police										
Officers	102.0	101.0	103.0	101.00	101.00	98.00	95.00	99.00	113.47	98.47
Civilians	49.25	37.00	40.0	40.00	41.00	40.52	38.54	37.00	22.27	39.27
Fire										
Paramedics, firefighters, officers	76.0	77.0	80.0	77.0	78.0	75.00	75.00	75.00	87.62	77.00
Civilians	2.0	3.0	3.0	3.0	3.0	2.00	3.00	3.00	4.00	14.85
Public Works										
Administration	8.75	7.75	7.75	7.75	5.76	3.00	5.00	5.00	4.00	1.00
Equipment Maintenance	9.0	9.0	9.0	9.5	10.75	9.75	8.77	8.77	8.77	-
Grounds Maintenance	16.0	17.25	17.00	16.00	16.54	14.76	13.77	15.81	15.81	9.31
Building Maintenance	12.5	14.25	13.50	12.50	11.28	9.52	11.31	10.29	8.00	8.00
Human Services	12.2	12.2	13.2	13.2	10.1	10.15	10.31	9.80	11.67	11.95
Parks and Recreation	37.5	32.8	36.30	32.30	31.12	29.04	27.40	29.67	43.46	56.37
Transportation										
Streets	6.75	6.75	6.75	5.75	4.25	3.27	3.27	4.77	10.77	10.77
Minibus	-	-	-	-	-	-	-	-	-	-
Sanitation	21.00	21.0	17.0	23.0	22.29	24.00	23.93	22.54	24.41	27.85
Cemetery	-	-	-	-	-	1.76	1.77	1.77	1.77	1.77
Water	44.0	43.0	43.0	42.5	40.5	45.03	44.31	43.56	47.02	47.77
Stormwater	2.0	2.0	2.0	4.0	5.53	7.52	6.54	2.00	2.00	4.00
Sewer	12.0	12.0	12.0	12.0	16.0	15.00	14.00	12.00	12.00	12.00
Marina	-	-	-	-	-	-	-	-	2.25	1.54
Fleet Services	-	-	-	-	-	-	-	-	8.77	9.00
Risk Management	-	-	-	-	-	-	-	-	2.00	2.00
Total	479.65	477.45	465.25	475.75	471.50	466.62	450.19	444.61	484.18	502.46

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 16
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Development Services										
Building permits issued	3,526	3,702	2,917	2,558	2,704	3,390	3,261	3,403	3,377	3,435
Building inspections conducted	42,010	32,134	32,134	13,994	9,138	10,387	9,556	8,934	9,624	10,179
Police										
Physical arrests	1,063	977	1,211	1,168	1,655	1,524	1,610	1,222	1,383	1,305
Parking violations	3,434	2,983	1,995	2,674	5,763	3,093	2,382	2,090	2,263	1,850
Traffic violations	13,850	12,680	12,259	13,498	9,254	10,434	10,085	9,127	12,001	12,623
Fire										
EMS responses	5,859	5,781	5,617	5,505	5,277	5,192	4,719	5,690	5,938	6,304
Other emergency responses	1,798	2,362	2,343	1,734	2,285	2,466	2,025	2,413	2,622	2,466
Fires	161	218	156	149	129	122	108	117	113	98
Inspections	2,411	2,097	2,665	2,170	2,451	1,467	1,713	2,294	2,438	2,641
Refuse Collection										
Refuse collected (tons per year)	27,601	26,775	27,934	27,650	25,882	26,611	22,766	24,315	26,652	25,885
Other Public Works										
Street resurfacing (miles)	1.27	2.75	6.67	5.18	-	5.69	3.98	-	-	-
Number of streets repaired	585	468	439	641	455	685	673	796	667	827
Asphalt used (tons)	352	334	312	405	87	125	334	258	217	99
Parks and recreation										
Summer camp participants	95	100	637	609	593	194	63	70	66	89
Athletic teams	38	37	50	66	77	76	84	78	76	0
Water										
New/Replacement connections	66	74	62	32	80	86	47	7	48	32
Average daily consumption (1000's of gallons)	5,990	5,830	5,520	5,462	5,167	5,516	5,313	5,493	5,801	5,461
Peak daily consumption (1000's of gallons)	7,290	6,880	6,780	7,280	7,500	6,890	6,570	6,400	7,738	6,890
Wastewater										
Average daily sewage transmitted (1000's of gallons)	6,330	6,690	6,952	6,841	6,650	6,906	6,483	7,286	6,936	7,049
Transit										
Total route miles per year	45,209	64,584	81,102	107,215	103,109	99,505	99,505	99,505	152,047	152,047
Passengers per year	44,287	91,700	118,266	156,160	145,200	163,370	178,461	211,298	264,577	246,592

* Data not available

City of Hallandale Beach, Florida

Schedule 17

Capital Assets Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
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	*	18	18	18	18	20	20	20	20	20
Collection Trucks										
Other Public Works										
Streets (miles)	67	67	67	67	67	74	74	74	74	74
Sidewalks (miles)	39	39	39	39	41	42	42	43	43	43
Streetlights	*	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	8	8	7	7	10	10	10	10	11	11
Baseball/softball diamonds	4	4	4	4	4	4	4	4	4	3
Outdoor pavilions	5	5	5	5	7	7	7	7	7	10
Community centers	5	5	5	5	5	5	5	5	5	5
Pool	1	1	1	1	1	1	1	1	1	2
Tennis courts	14	14	14	14	14	14	14	14	14	14
Water										
Water mains (miles)	77	77	77	78	79	79	80	80	80	80
Fire hydrants	545	545	554	554	554	554	554	572	572	572
Storage capacity (millions of gallons)	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9
Wastewater										
Sanitary sewers (miles)	72	72	72	72	73	73	73	73	73	73
Storm sewers (miles)	35	35	35	38	38	39	40	40	40	40
Transmission capacity (millions of gallons per day)	6.65	6.65	6.65	6.65	6.65	6.65	6.65	6.65	6.65	6.65

* Data not available

