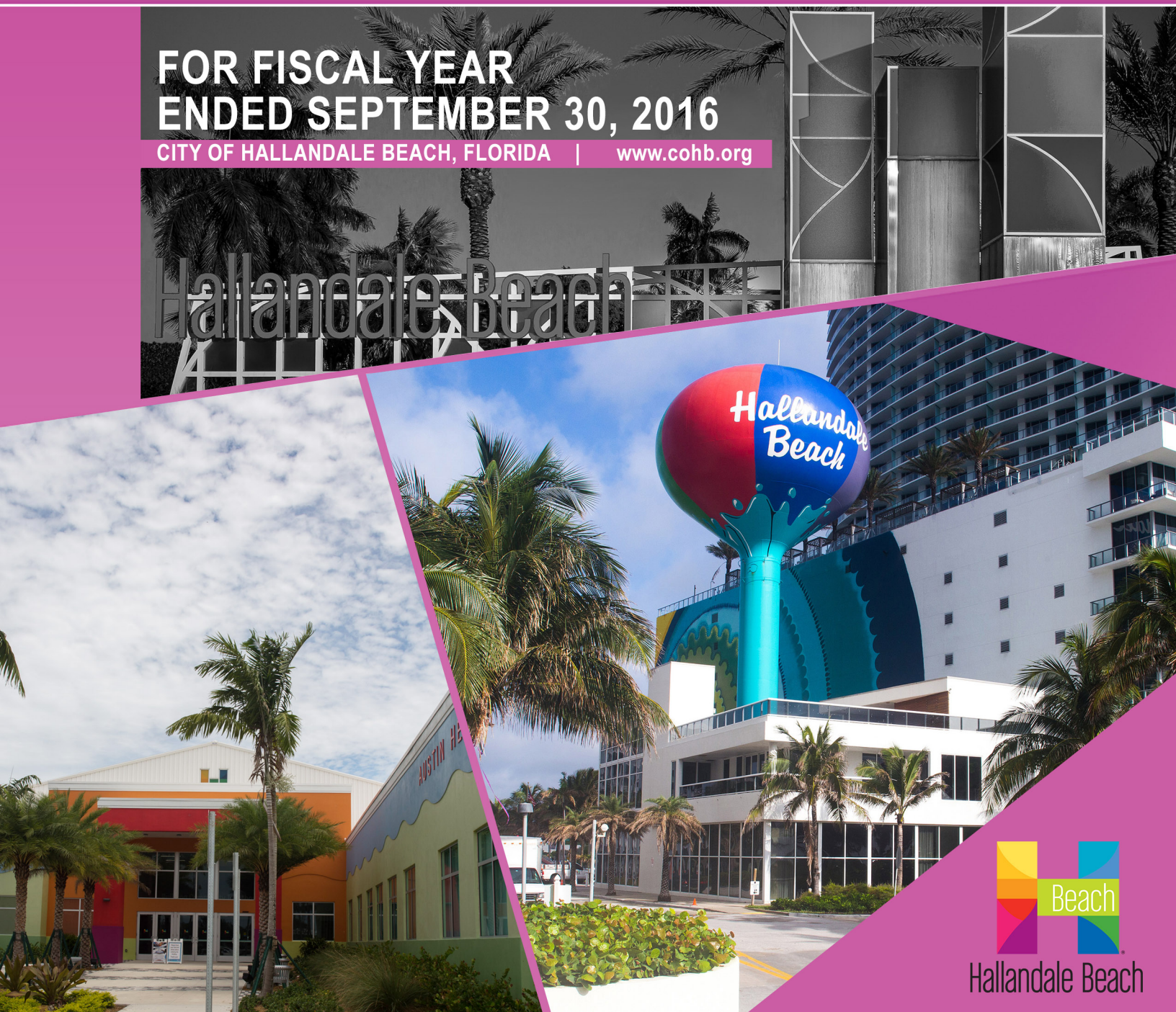
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR FISCAL YEAR ENDED SEPTEMBER 30, 2016

CITY OF HALLANDALE BEACH, FLORIDA | www.cohb.org

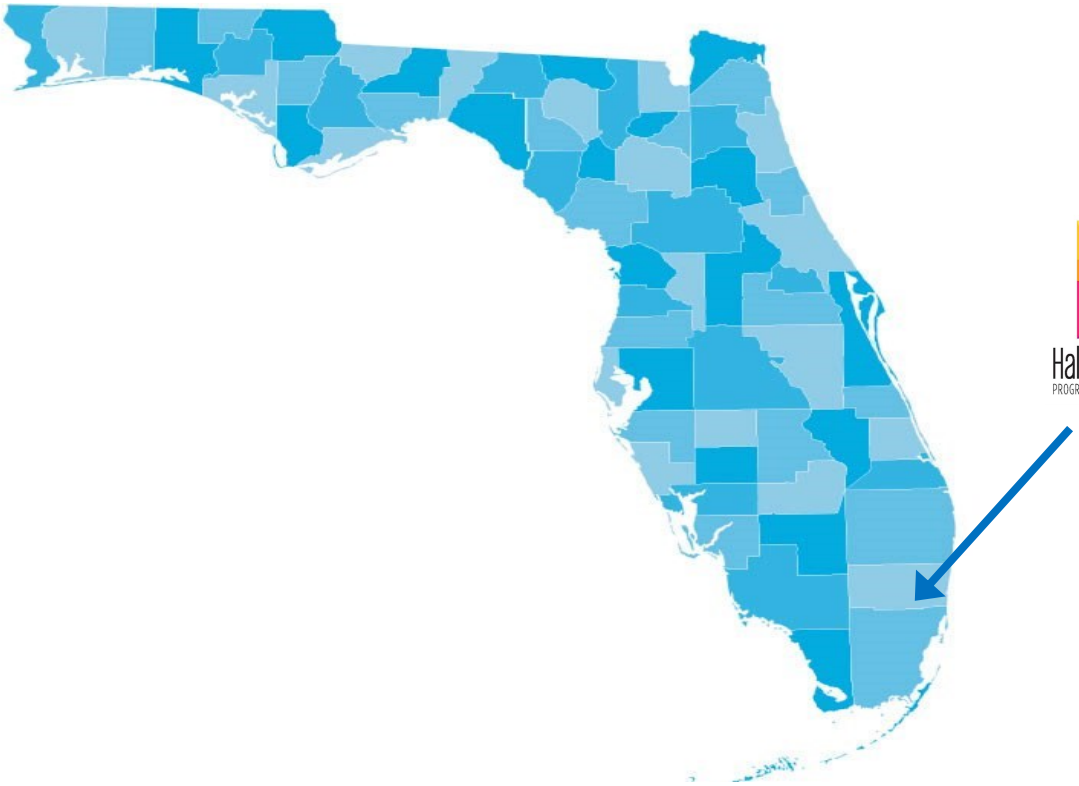


Beach
Hallandale Beach

CITY OF HALLANDALE BEACH, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2016



Hallandale Beach
PROGRESS. INNOVATION. OPPORTUNITY.

Prepared by the Finance Department

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City of Hallandale Beach, Florida
Comprehensive Annual Financial Report
September 30, 2016
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Hallandale Beach

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Introductory Section

Hallandale Beach
PROGRESS. INNOVATION. OPPORTUNITY.

Office of the City Manager

Roger M. Carlton
City Manager

Joy F. Cooper
Mayor

Keith S. London
Vice Mayor

Michele Lazarow
Commissioner

Anthony A. Sanders
Commissioner

Anabelle Taub
Commissioner

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

www.coHB.org

December 6, 2017

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

We are pleased to submit the Comprehensive Annual Financial Report ("CAFR) for the City of Hallandale Beach, Florida (the "City), for the fiscal year ended September 30, 2016. Florida law requires that every general purpose local government publish, within nine months of the close of each year a complete set of audited financial statements. This report was not able to be completed within the required nine month period due to the Commission, acting in their capacity as Directors for the Hallandale Beach Community Redevelopment Agency (HBCRA), approving a contract for a forensic audit to review the transactions between the City and HBCRA. The time required to complete the forensic audit also extended the time necessary to complete the CAFR. In addition, a significant amount of time was required to reconcile and adjust account balances to ensure their accuracy and completeness. Pension information required to be included within the City's financial statements from the Police and Fire Pension Trust and the Excess Benefit Plan were not received until June 2017, further delaying the completion of the CAFR.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including disclosures, rests with the City. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and activities of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City's financial statements have been audited by Marcum LLP, a firm of licensed, certified public accountants. The Police and Fire pension trust fund was audited by other auditors. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2016, are free of material misstatement. The audits involve examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors, have issued an unmodified opinion on the City of Hallandale Beach's financial statements for the year ended September 30, 2016. The independent auditors' report is located at the front of the financial section of this report.

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

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

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 of the 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).

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 evaluations by management and the City's external auditors.

GAAP requires 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 38,621 residents as of April 1, 2016, 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 46.7 in 2015. 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, submitting the proposed annual budget, and overseeing the day-to-day operations of the City.

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 the City 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

Once the recession ended and the slow recovery began in 2010, the State of Florida's economy regained its positive footing. According to the Florida Legislature's Office of Economic and Demographic Research (EDR), Florida's economic growth increased and was in positive territory for five years in a row. Gross Domestic Product (GDP), the total dollar value of all goods and services produced in any given time period, is one of the primary indicators used to measure the health of the economy. Florida's GDP growth in 2015 was 4.0% versus 2.9% in 2014 and 1.9% in 2013. As far as Personal Income, Florida finished the 2014 calendar year with 5.0% growth over the prior year, above the national growth rate of 4.4% and ranking 9th among all states.

Florida's unemployment rate has been falling consistently from its peak of 12.3% in March of 2010 to 4.8% in March 2017. Broward County fared slightly better during this period, with unemployment reaching 10.6% in mid-2010, before reaching the current rate of 4.6%. The City of Hallandale Beach unemployment rate has dropped from 5.4% in December of 2015 to 4.9% in December 2016, 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 is recovering alongside the nation, and continues to display positive signs of growth in the areas of new construction and existing real estate values. The City has seen an increase in building permit submissions locally, with permit applications increasing 36.0% from FY 2011. In 2016, the City recorded an increase in taxable values for the fifth consecutive year and ranked third in percentage change in taxable growth in Broward County. This growth in taxable value is in line with the trend of increased development activity in the City of Hallandale Beach.

MAJOR INITIATIVES

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."

Economic Incentive

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 sectors 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 townhome. This program was vital in providing homeownership opportunities to six new homeowners during FY15/16. The CRA has constructed six and sold five infill single-family homes located in the northwest quadrant of the CRA, thereby increasing availability of quality affordable housing in the area while reducing blight.

The CRA continues to provide funds 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 Façade/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.

Capital Outlay and Improvements

During FY 2016, the City issued debt to fund various capital projects including those listed below:

OB Johnson Park and Hepburn Center Facility: The improvements under this project were funded from CRA loan proceeds and consisted of a complete redesign and new construction of the Park Facility including a 42,000 square foot Intergenerational center which will house the Park programs and the Austin Hepburn Center. The exterior of the park includes a Police Athletic League Building (Office/Storage/Restroom/Concession), playground with shade cover, walking path, multi-purpose field, tennis courts, and on-site parking for 114 vehicles. This $14.85 million capital project was completed in 2 phases. Phase I: The inter-generation building was opened in September 2016 and Phase II: The multi-purpose field opened in November 2016.

Main Fire Station Building and Emergency Operations Center: The City's Main Fire Station is over 40 years old and has outlived its useful life as well as exceeded the capacity and changes to the operations of the Fire Rescue Department. The new facility, funded through the issuance of revenue bonds, will include the City's Emergency Operations Center, four drive-through bays, Fire/Rescue Administrative Offices, Fire Inspection offices, training space, and living quarters. This 2 story, 24,640 square foot facility is scheduled to be completed in December 2017. Construction costs are estimated at $9.2 million.

Parks and Recreation Facilities: The City issued General Obligation Bonds in July 2016 to construct, renovate and improve the City's remaining parks and recreation facilities in accordance with the Parks Master Plan. Parks include are Bluestein Park, Ingalls Park, Golden Isle Tennis Center, Sunrise Park, Historic Village, Chaves Lake and Sunset Park. It is the City's goal to complete the Parks Master Plan by fiscal year 19/20.

Energy Saving/Water Meter Replacement: An energy-saving Advance Metering Infrastructure system for meter reading was implemented at a cost of approximately $2.3 million.

Highlights of the Current Fiscal Year 2016

Playful City USA: The City of Hallandale Beach was named a Playful City USA community for the fourth 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.

AARP Age Friendly Community: The City of Hallandale Beach was recognized as an AARP Age Friendly Community for our Healthy Community Zone Initiative efforts to make our community supportive not only of our older residents but for residents of all ages.

Florida Redevelopment Association Award for Capital Projects/Beautification: The B.F. James Park project won the Florida Redevelopment Association award in the category of Capital Projects/Beautification and was recognized as a catalyst for the redevelopment of the surrounding area and sparking a reinvigoration and sense of community with the residents.

FINANCIAL MANAGEMENT

Long-Term Financial Planning

Each year, the City Commission adopts a financial plan which projects revenue, expenditures and fund balances for major funds for the next five years. The plan is utilized as a tool to illustrate the various ad valorem and other revenue rates required as well as anticipated expenditure 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 stands ready to meet those challenges.

Accounting and Internal Control

City management and staff of the City are 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. In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. The internal controls are designed to provide reasonable, but not absolute assurance regarding (1) safeguarding of assets against loss from unauthorized use or disposition and (2) reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of the proper recording of financial transactions.

Single Audit

As recipient of federal, state, county and local financial assistance, 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. The internal control structure is subject to periodic evaluation by management.

The City is required to undergo an annual single audit performed under the provisions of the Single Audit Act and U.S. Office of Management and Budget Uniform Guidance and Chapter 10.550, Rules of the Auditor General of the State of Florida. As a part of the City's Single Audit, tests were made to determine the adequacy of the City's internal controls and its compliance with applicable laws and regulations, including those related to federal and state assistance programs. In FY 2016 state financial assistance expenditures did not meet the threshold for audit, pursuant to the Florida Single Audit Act. A separate Compliance Report includes the schedule of expenditures of federal awards, schedule of findings and questioned costs, and auditor's reports on the schedule, internal control and compliance with applicable laws and regulations.

Accounting and Budgetary Systems

The City maintains accounting and budgetary systems necessary to report financial information and to control the expenditure of public funds. The accounting systems are required by law to follow the account structure established by the State of Florida Department of Financial Services in order to assure consistency in the statewide consolidation of local financial information. A 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.

FINANCIAL POLICIES

Fund Balance Policies

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

In November 2012, the City established a budgetary policy to maintain reservations of Fund Balance. The following reservations were established for the General Fund:

Minimum Level of Unassigned Fund Balance – there will be an unassigned fund balance of no less than16.6% or two months of regular General Fund operating expenditures.

Committed Fund Balance – there is currently no committed fund balance.

Assigned Fund Balance – the following assigned fund balances were established:

Subsequent Year's Budget - the portion of the existing unassigned fund balance to eliminate a projected deficit in the subsequent year's budget in an amount no greater than the projected excess of expected expenditures over expected revenues.

Fire Equipment – a reserve for the replacement of fire equipment.

Computer Equipment – a reserve for the replacement of computer equipment.

Debt Management

The City's primary objective in debt management is to keep the level of indebtedness within available resources and debt limitations established by state law. The City has a general obligation legal debt limitation not to exceed 10% of total assessed valuation of the taxable property within the City's boundaries. In November 2014, the citizens voted for a $58.5 million general obligation bond to improve and construct additional parks around the City. The current calculated general obligation debt limit is $511,534,977.

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

Investment Policies

The City administers a comprehensive cash management and investment program. The primary goals of the program are to maximize the amount of cash available to meet daily cash requirements and to obtain the highest possible yields consistent with restraints imposed by Florida Statutes and the City's investment policies.

The City has adopted a written comprehensive investment policy to safeguard against the loss of its assets. The City's investment program is established in accordance with the City's investment policy, which was adopted by ordinance by the City Commission, and Florida State Statute Chapter 218.415 (Local Government Investment Policies), which establishes investment plan guidelines for local governments in Florida. The City's permitted investment guidelines include the following investments: U.S. Government Obligations, U.S. Government Sponsored Agency obligations, commercial paper, repurchase agreements, Money Market Funds and intergovernmental pools.

Risk Management

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

Awards and Acknowledgments

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 fiscal year ended September 30, 2015. This was the 35th consecutive year that the City has achieved this 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. Unfortunately, due to the delay in issuance of the 2016 audit report, we will be unable to submit it to the GFOA for participation in the certificate program.

The City also received the GFOA's Award for Distinguished Budget Presentation for its annual budget for the last 30 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.

The preparation of the CAFR was made possible by the dedicated efforts of the entire staff of the Finance Department and the Community Redevelopment Agency. Special thanks must be given to Barbara Trinka, Angela Atkinson, David Friedman, Andrea Simmonds, Isidra Morales, Noemy Sandoval, Fernand Thomas and Nickens Remy for their dedication in the development and preparation of this document. Our appreciation is also extended to Marie (Maggie) Gouin, Diane Mogel, Mylene Silvar, Faith Phinn and Baloidi Albornoz for providing support in the preparation of this report.

We believe that this report clearly illustrates the financial position of the City. We wish to take this opportunity to express our sincere appreciation to the Mayor, Vice Mayor, Commissioners, City Manager's Staff, Department Directors and the citizens of Hallandale Beach for their cooperation and assistance in matters pertaining to the financial affairs of the City.

Respectfully submitted,

Celeste D. Lucia, CPA, CGFO
Finance Director

Barbara Trinka, CPA
Assistant Finance Director

Roger M. Carlton
City Manager

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Hallandale Beach

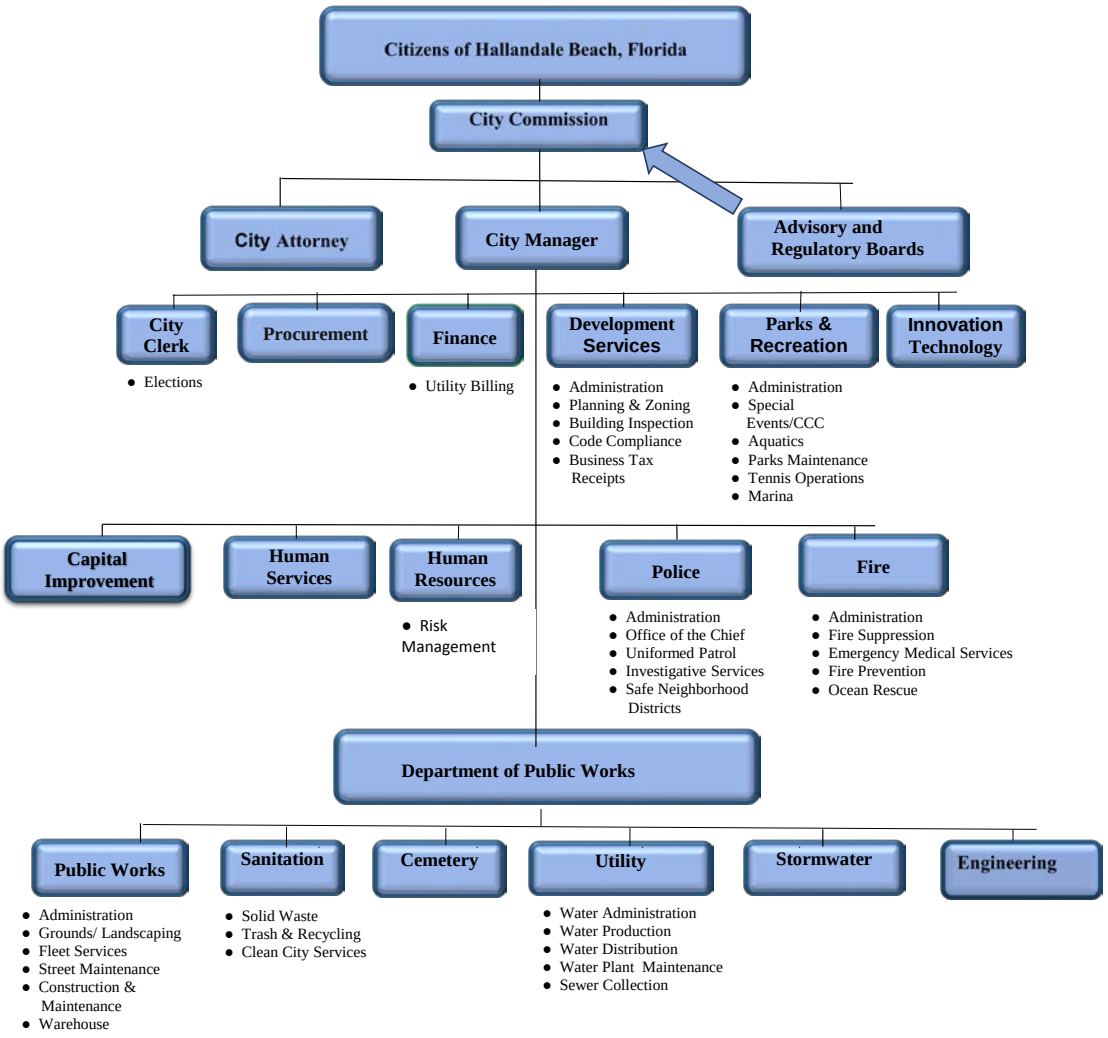
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2015

Jeffrey R. Esser

Executive Director/CEO


Citizens of Hallandale Beach, Florida
City Commission
City Attorney
City Manager
Advisory and Regulatory Boards
City Clerk
Elections
Procurement
Finance
Utility Billing
Development Services
Administration
Planning & Zoning
Building Inspection
Code Compliance
Business Tax Receipts
Parks & Recreation
Administration
Special Events/CCC
Aquatics
Parks Maintenance
Tennis Operations
Marina
Innovation Technology
Capital Improvement
Human Services
Human Resources
Risk Management
Police
Administration
Office of the Chief
Uniformed Patrol
Investigative Services
Safe Neighborhood Districts
Fire
Administration
Fire Suppression
Emergency Medical Services
Fire Prevention
Ocean Rescue
Department of Public Works
Public Works
Administration
Grounds/ Landscaping
Fleet Services
Street Maintenance
Construction & Maintenance
Warehouse
Sanitation
Solid Waste
Trash & Recycling
Clean City Services
Cemetery
Utility
Water Administration
Water Production
Water Distribution
Water Plant Maintenance
Sewer Collection
Stormwater
Engineering

CITY OF HALLANDALE BEACH, FLORIDA

List of City Officials

September 30, 2016

Title	Name
Elected Officials	
Mayor	Joy Cooper
Vice-Mayor	William Julian
Commissioner	Michele Lazarow
Commissioner	Keith London
Commissioner	Anthony Sanders
Appointed Officials	
City Manager and CRA Executive Director	Daniel Rosemond
Deputy City Manager	Nydia Rafols Sallaberry
Assistant City Manager	Jennifer Frastai
City Attorney	Lynn V. Whitfield
City Clerk	Mario Bataille
Director of Finance	Celeste Lucia
Chief Information Officer	Greg Chavarria
Director of Capital Improvement	Sarita Shamah
Director of Development Services	Keven Klopp
Director of Human Resources/Labor Relations	Taren Kinglee
Director of Human Services	Beverly Sanders
Director of Parks and Recreation	Cathleen Schanz
Director of Procurement	Andrea Lues
Director of Public Works, Utilities and Engineering	Steven Parkinson
Interim Fire Chief	Mark Ellis
Police Chief	Dwayne Flournoy
Risk Manager	James Buschman

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, 2016, 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 63 percent, 66 percent, and 55 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.

MARCUM GROUP
MEMBER

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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, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-21, the budgetary comparison information on pages 83-85, and the required supplementary information for OPEB and the pension trust funds on pages 86-93 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We 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 and the other auditors 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 other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, 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 December 6, 2017 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, 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
December 6, 2017

Hallandale Beach

PROGRESS. INNOVATION. OPPORTUNITY.

Management's Discussion and Analysis

The purpose of financial reporting, in general, is to provide the readers of the financial statements with information that will help them make decisions or draw conclusions about an entity. As management of the City of Hallandale Beach, Florida (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year (FY) ended September 30, 2016. We encourage readers to consider the information presented herein in conjunction with the additional information that we have furnished in our letter of transmittal, as well as the financial statements and notes to financial statements that follow. This section of the report presents our discussion and analysis of the City's performance during the fiscal year that ended September 30, 2016. Please read it in conjunction with the City's financial statements, which follow this section.

Financial Highlights

In fiscal year 2016, the City implemented, among other statements, Governmental Accounting Standards Board (GASB) Statement No. 73 "*Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*". This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, Accounting and Financial Reporting for Pensions, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, Financial Reporting for Pension Plans, and Statement 68 for pension plans and pensions that are within their respective scopes. The City implemented the requirements of this Statement that addresses financial reporting for assets accumulated for purposes of providing those pensions. Accordingly, the assets of the Excess Benefit Plan are no longer reported in the Pension Trust Fund and the impact of implementing this new accounting standard resulted in the restatement of fiscal year 2015 by increasing government activities beginning net position and decreasing the beginning net position of the pension trust funds in the amount of $6.5 million. Additional information concerning the impact of this new accounting standard can be found in the financial statement Note 15 – Restatement of Prior Year Balances.

- *Total assets and deferred outflows of resources* exceeded *total liabilities and deferred inflows of resources* by $107 million (net position) at September 30, 2016.

- The City's total net position decreased $6.8 million over the course of this year's operations. Net position of governmental activities decreased $2.7 million and the net position of business-type activities decreased $4.1 million.

- The total unrestricted net position decreased by $81.4 million, resulting in a deficit of $83.3 million, while the total restricted net position increased by $72.2 million for a balance of $86.1 million. These fluctuations are the result of the issuance of new debt, including the General Obligation Bonds, Series 2016 of $61.8 million.

- The overall deficit in total unrestricted net position is due to the GASB 68 pension reporting requirements of deferred outflows, deferred inflows and the full net pension liability. At September 30, 2016, the City's net pension liability was $76.5 million.

- The City's governmental activities total net position of $41.5 million increased $3.8 million. The change in net position was due to a prior period adjustment that increased net position by $6.5 million, which was offset by a $2.7 million decrease in net position related to the current year's operations.

- The City's business-type activities total net position of $65.5 million decreased $4.1 million, primarily due to a $2.5 million operating loss and a $1.3 million transfer out to the general fund for debt service.

- The City's governmental funds reported combined fund balances of $112.1 million, an increase of $76.5 million in fund balance, resulting from the issuance of new debt and a prior period adjustment related to the implementation of GASB Statement 73.

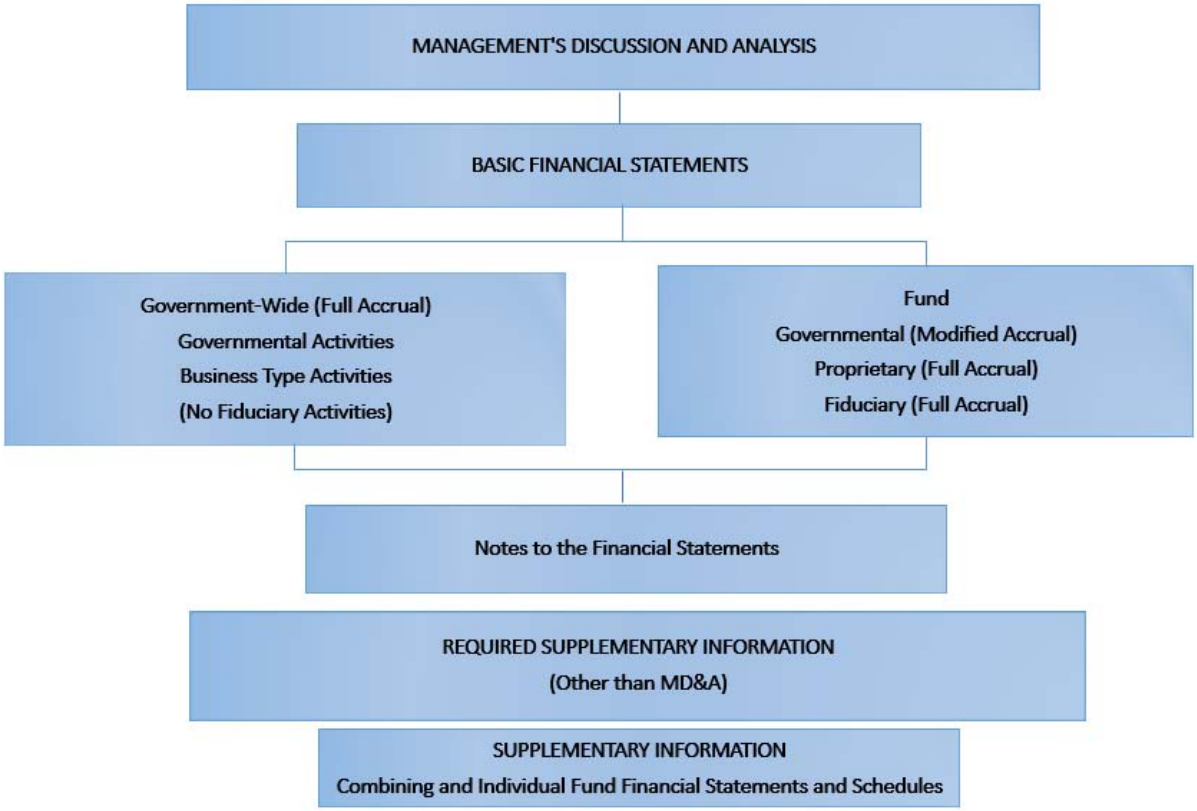
- At the end of the current fiscal year, the general fund reported a fund balance of $26.4 million. Of this amount, the unassigned fund balance was $12.9 million, or 22.0% of total general fund expenditures. This is a decrease of $7.3 million from the previous year. The largest contributing factor for the reduction is the $6.0 million projected use of assigned fund balance to balance the fiscal year 16/17 budget.

Overview of the Financial Statements

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

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

Financial Section



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

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 and liabilities plus deferred inflows 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 or decreases it indicates that, over time, the financial position of the City is improving or deteriorating, respectively.

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes, charges for services, and intergovernmental revenue (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety (law enforcement and fire-rescue), physical environment, transportation, culture and recreation, human services and economic environment. The business-type activities include the combined water and sewer utility, sanitation, stormwater drainage, cemetery, and marina, where the fee for service typically covers all or most of the cost of operations and depreciation.

The City maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the General Fund, which is considered to be a major fund. Other presented major funds include the HBCRA, Capital Projects Fund, General Obligation Bond Fund, and the Grant Administration Fund. The Grant Administration Fund did not meet the minimum accounting criteria for major fund determination during fiscal year 2016; however, they continue to be presented as a major fund for public interest purposes. The City presents data from all other governmental funds in a single column (non-major funds). Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

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.

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

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

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

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 and sewer utility, sanitation, and stormwater drainage 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 statements 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 and are accounted for in a manner similar to proprietary funds.

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.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* (RSI) related to pensions as well 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 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, 2016, and 2015, derived from the government-wide Statement of Net Position:

	Net Position (in thousands)					
	Governmental Activities		Business - type Activities		Total	
	2016	2015	**2016**	2015	**2016**	2015
Current and other assets	**$ 120,101**	$ 46,106	**$ 36,169**	$ 42,876	**$ 156,270**	$ 88,982
Capital assets	**95,019**	81,504	**44,744**	43,193	**139,763**	124,697
Total assets	**215,120**	127,610	**80,913**	86,069	**296,033**	213,679
Deferred outflows of resources	**23,186**	11,395	**2,111**	1,621	**25,297**	13,016
Long-term liabilities	**189,285**	93,043	**12,776**	13,631	**202,061**	106,674
Other liabilities	**6,454**	3,482	**4,361**	4,065	**10,815**	7,547
Total liabilities	**195,739**	96,525	**17,137**	17,696	**212,876**	114,221
Deferred inflows of resources	**1,027**	4,754	**433**	405	**1,460**	5,159
Net position:						
Net investment in capital assets	**66,595**	59,840	**37,651**	35,544	**104,246**	95,384
Restricted	**85,767**	13,523	**291**	291	**86,058**	13,814
Unrestricted	**(110,822)**	(35,637)	**27,512**	33,754	**(83,310)**	(1,883)
Total net position	**$ 41,540**	$ 37,726	**$ 65,454**	$ 69,589	**$ 106,994**	$ 107,315

Changes to net position, over time, may serve as a useful indication of a government's financial position. The City's overall net position of $107 million at September 30, 2016, decreased by $0.3 million; however, this includes a prior period adjustment which increased the beginning net position by $6.5 million.

The City's total net position decreased from operations $6.8 million during the fiscal year. This contrasts with the $5.3 million increase in net position in the prior year, for a fluctuation of $12.1 million. This fluctuation was primarily driven by significant decreases in total net position for General government ($5.2 million), Public safety ($5.1 million), and Interest and other fiscal charges ($1.8 million). Governmental activities resulted in greater expenses than revenues of $2.7 million, with program expenses of $78.9 million compared to general and program revenues of $76.2 million. Net position of business-type activities from operations decreased by $4.1 million, with program expenses and transfers of $35.3 million compared to general and program revenues of $31.2 million.

At the end of the current fiscal year, the City is able to report positive balances in all three categories (net investment in capital assets, restricted and unrestricted) of net position for its business-type activities. However, for the governmental activities, all of the net position is either restricted as to the purpose it can be used for or is invested in capital assets (land, buildings, equipment, etc.). As a result, unrestricted net position for governmental activities reflects a ($110.8) million deficit. The deficit in unrestricted net position for governmental activities is due to the impact of GASB 68, which requires employers to report (not fund) the entire net pension liability on their financial statements. The City continues to fund the pensions based on the Actuarial Required Contribution. Further, the City issued over $85 million in new debt in the governmental funds, which are restricted in purpose, resulting in a $85.7 million restricted net position balance at September 30, 2016, versus $13.8 million in 2015.

By far, the largest portion of the City's net position is its investment in capital assets at $104.2 million or 97.4% of the total net position. 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. It should be noted, that although the net investment in capital assets are shown net of related debt, resources needed to repay this debt must be provided from other sources. Finally, 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.

Governmental total assets increased by $87.5 million or 68.6% due to the issuance of debt. At September 30, 2016, these funds were recorded primarily as restricted cash and investments. Total governmental liabilities also increased by $9.9 million from 2015 primarily from the debt issuance.

As previously noted, net position of business-type activities decreased $4.1 million, which is a result of greater expenses and transfers over revenues and contributions in water and sewer utility of $3.0 million, stormwater drainage of $0.8 million and sanitation of $0.4 million. These deficits are slightly offset by a surplus in the cemetery and marina fund of $28,000 and $41,000, respectively. In addition, there was $50,000 in capital contributions stormwater fund for drainage improvements.

The table below presents a summary of changes in net position for the years ended September 30, 2016 and 2015, as derived from the government-wide Statement of Activities:

	Changes in Net Position (in thousands)					
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	$ 27,620	$ 29,338	$ 30,800	$ 30,567	$ 58,420	$ 59,905
Operating grants and contributions	1,378	816	-	-	1,378	816
Capital grants and contributions	1,096	1,711	-	37	1,096	1,748
General Revenues:						
Property taxes	28,522	26,091	-	-	28,522	26,091
Other taxes	11,926	12,142	-	-	11,926	12,142
Other revenues	3,848	3,177	420	373	4,268	3,550
Total revenues	74,390	73,275	31,220	30,977	105,610	104,252
Expenses:						
General government	18,435	13,876	-	-	18,435	13,876
Public safety	41,337	36,359	-	-	41,337	36,359
Physical environment	2,234	1,897	-	-	2,234	1,897
Transportation	1,972	1,850	-	-	1,972	1,850
Economic environment	3,735	4,474	-	-	3,735	4,474
Culture and recreation	6,063	4,145	-	-	6,063	4,145
Human services	2,353	1,822	-	-	2,353	1,822
Interest and other fiscal charges	2,765	956	-	-	2,765	956
Sanitation	-	-	5,864	6,211	5,864	6,211
Stormwater drainage	-	-	2,705	2,215	2,705	2,215
Utility	-	-	24,722	24,902	24,722	24,902
Nonmajor	-	-	212	280	212	280
Total expenses	78,894	65,379	33,503	33,608	112,397	98,987
Changes in net position before transfers	(4,504)	7,896	(2,283)	(2,631)	(6,787)	5,265
Transfers	1,852	(1,873)	(1,852)	1,873	-	-
Change in net position	(2,652)	6,023	(4,135)	(758)	(6,787)	5,265
Net position, beginning, as restated	44,192	31,703	69,589	70,347	113,781	102,050
Net position, ending	$ 41,540	$ 37,726	$ 65,454	$ 69,589	$ 106,994	$ 107,315

Governmental activities

Governmental activities decreased the City of Hallandale Beach's net position by $2.7 million. This is in contrast to the $6.0 million increase in net position in the prior fiscal year. Key elements of this $8.7 million change in net position are as follows:

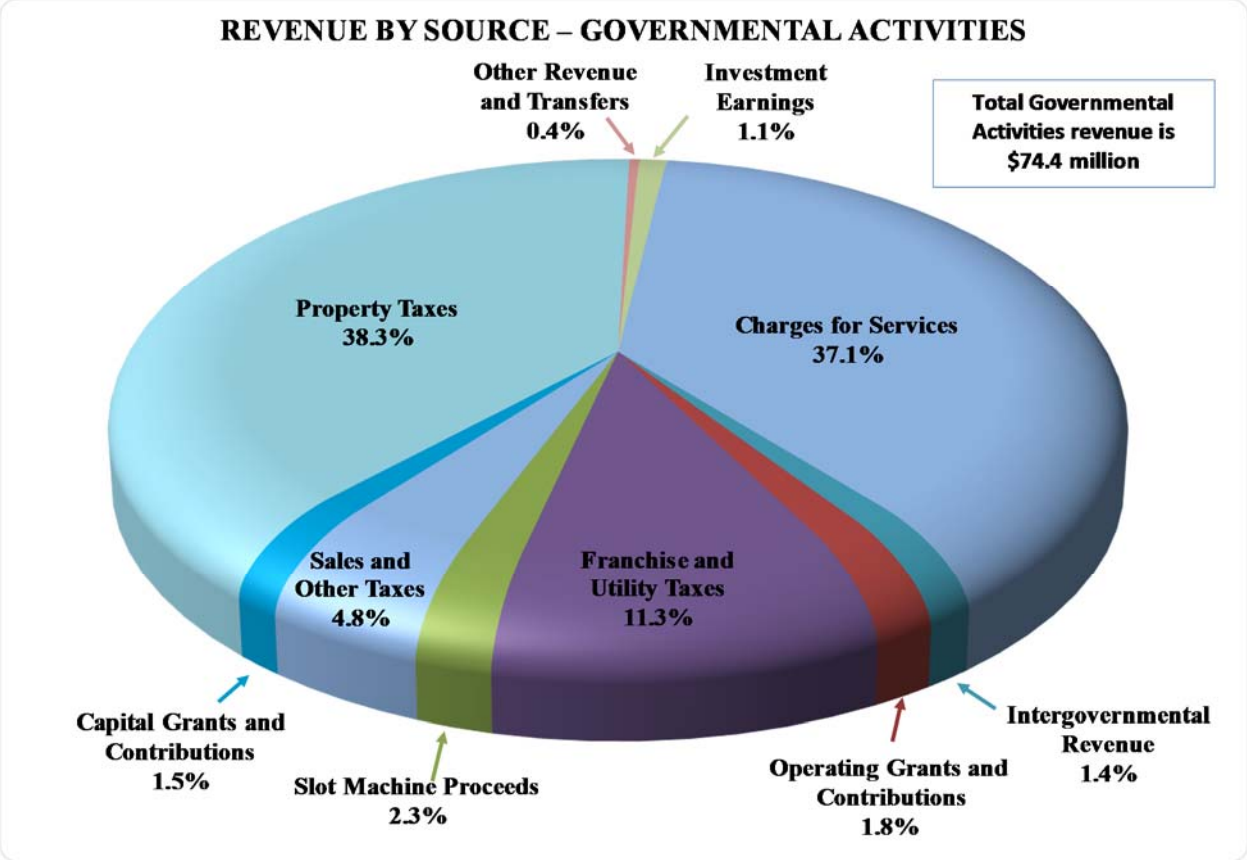
- Public safety expenses of $41.3 million, which comprises 52.4% of total expenses, increased by $5.0 million or 12.0% over the previous year due to increased costs associated with salaries and benefits, including pension;

- General government expenses increased compared to the prior year by 24.7%, or by $4.6 million to $18.4 million, which is 23.4% of total expenses, primarily due to a $2.5 million increase in worker's compensation and general liability claims, and increase in costs associated with salaries and benefits that include the excess benefit payments;

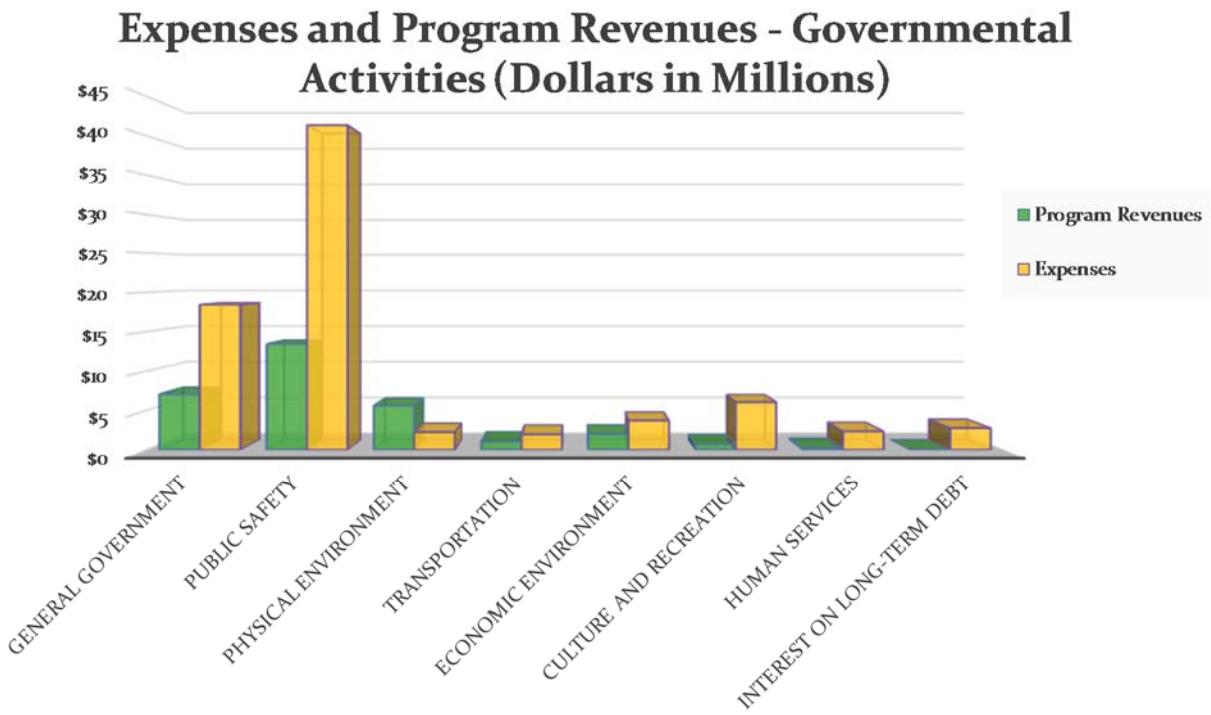
- Interest and other fiscal charges increased 65.4%, or by $1.8 million due to an increase in interest and debt issuance costs. During the fiscal year, the City issued over $85 million in new debt to fund construction costs for the Parks Master Plan, new Main Firestation, and OB Johnson Park;

- Property taxes are the largest component of governmental revenues at $28.5 million or 38.3%. There was a $2.4 million or 9.3% increase from the prior fiscal year due to an increase in property tax values.

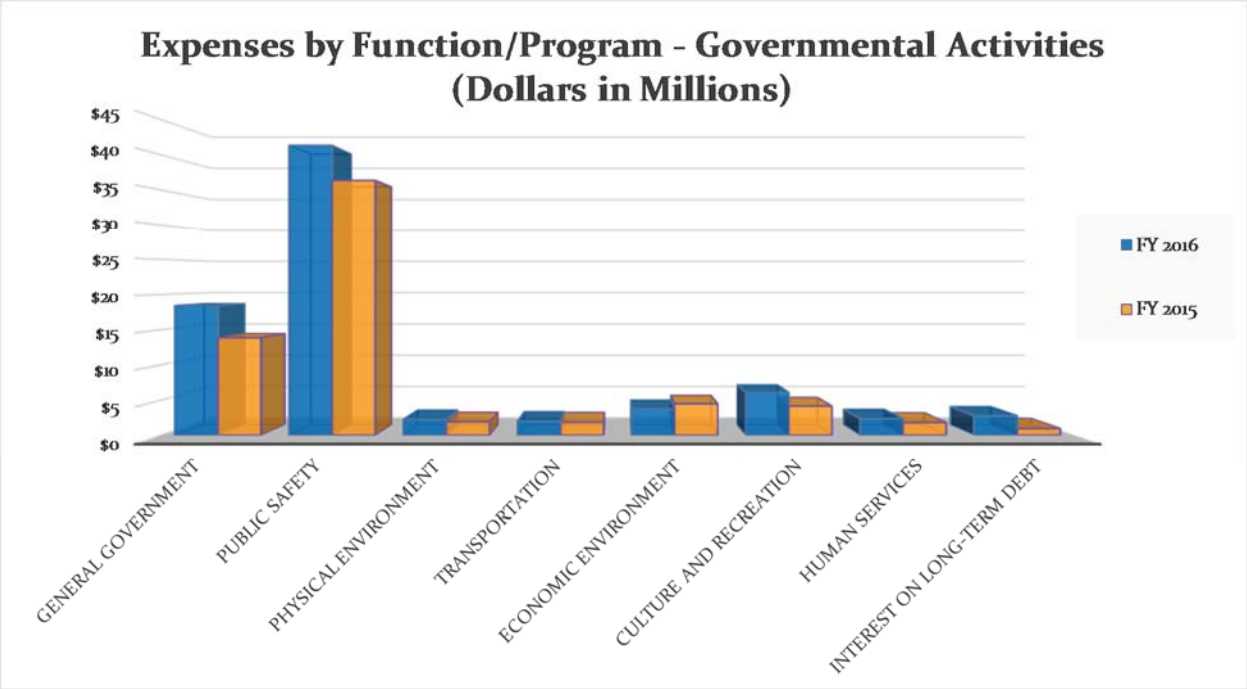
The following is a chart of revenues by source of governmental activities by percent of total revenues for fiscal year 2016:



The following chart compares expenses and program revenues for the governmental activities during fiscal year 2016:



The following is a comparative chart of expenses by function/program for governmental activities for the fiscal year 2016 and 2015:



Business-type activities

From operations, business-type activities decreased the City's net position $4.1 million, which is a change of $3.4 million over the previous year's decrease in net position of $757,000. Key elements of this decrease are as follows:

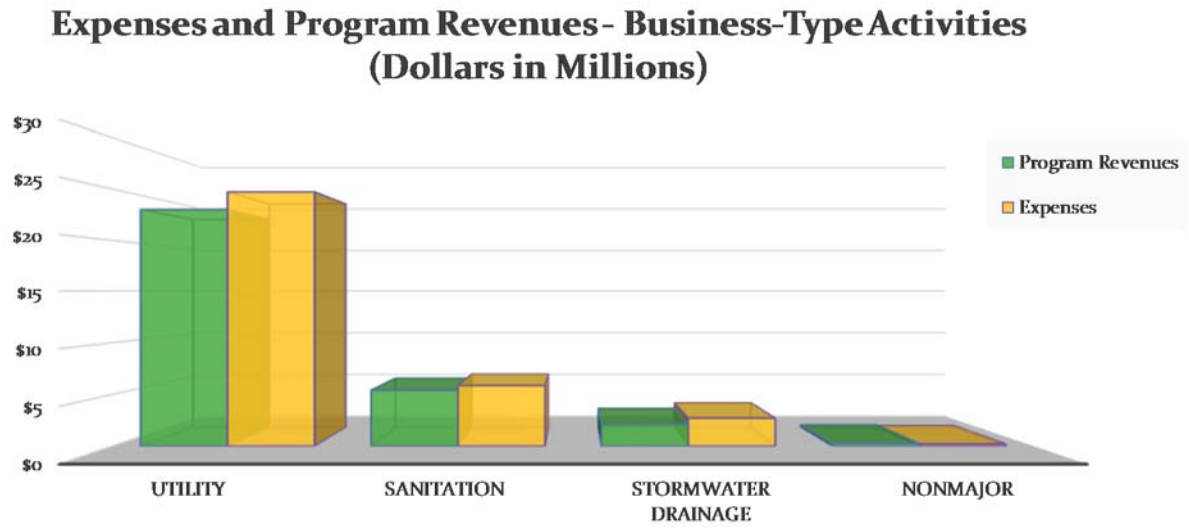
- Utility fund (water and sewer) program expenses exceeded program revenues by $1.7 million, which is an improvement of $0.6 million over the prior year loss of $2.3 million;

- A transfer totaling $1.3 million was advanced to the general fund to pay debt service on the unrefunded portion for Revenue Bonds, Series 2007A;

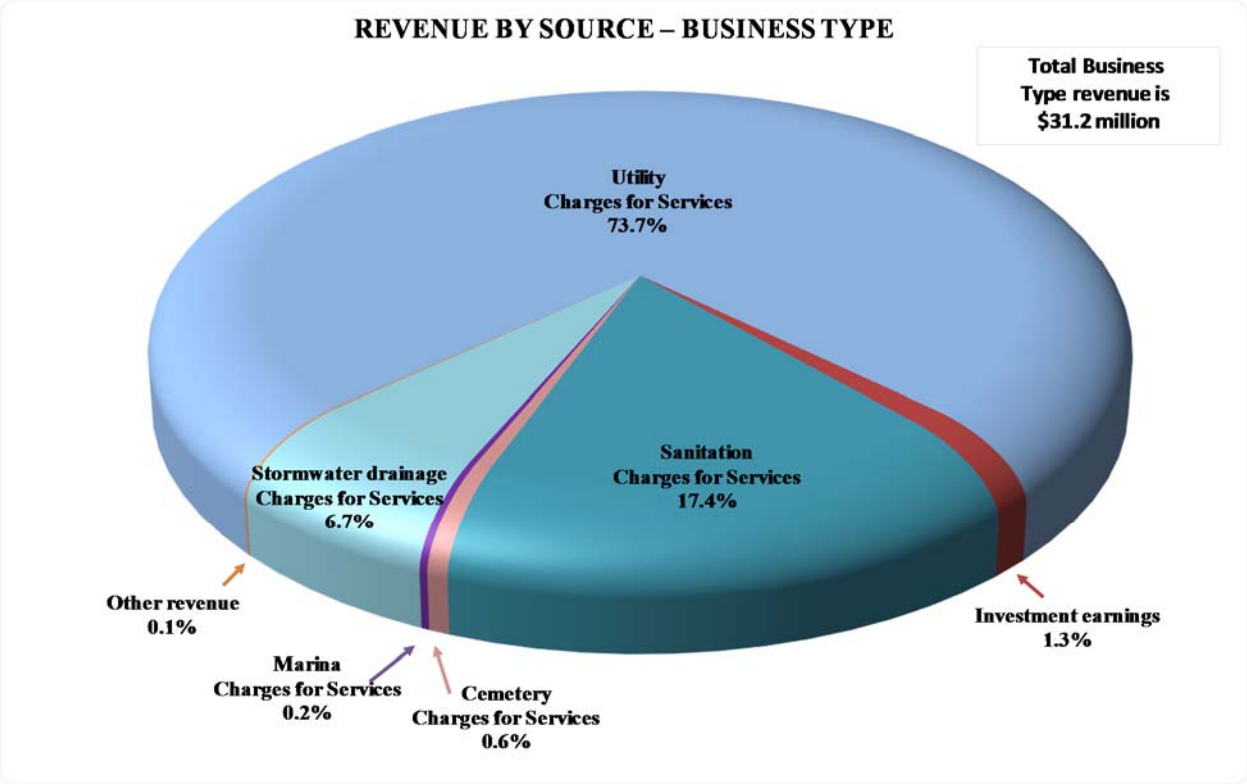
- Stormwater drainage fund program expenses exceeded program revenues by $0.6 million. This is a $1.0 million decrease over the previous year, mainly due to a $0.5 million decrease in charges for services and an $0.5 million increase in depreciation expense;

- Sanitation fund program expenses exceeded program revenues by $0.5 million, which is an improvement of $0.5 million over the prior year, due to an increase in program revenues of $184,000 and a decrease in program expenses of $347,000.

The following chart compares expenses and program revenues for business-type activities during fiscal year 2016:



The following is a chart of revenues by source of business-type activities by percent of total revenues for fiscal year 2016:



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 $112.1 million, which includes a prior period adjustment that increased the beginning balance by $7.0 million. This is an increase of $76.5 million from the prior year's ending fund balance.

Significant fluctuations in components of fund balance include increases in both *restricted* and *assigned* balances. The *restricted* fund balance of $85.8 million increased significantly over the prior year due to the issuance of new debt, including the General Obligation Bonds, Series 2016 of $61.8 million and CRA Note of $15.4 million. *Assigned* fund balance also increased as a result of the excess benefit plan being reported in the general fund, instead of the pension fiduciary fund, and the $6.0 million projected deficit of the fiscal year 16/17 budget.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the general fund was $12.9 million. This is a $7.3 million, or 36.0% decrease when compared with the prior year. As previously mentioned, the decrease is primarily driven by the $6.0 million assignment of fund balance in order to balance the fiscal year 16/17 budget.

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 21.4% of total General fund expenditures and transfers out, while total fund balance represents 43.7% of that same amount.

The fund balance of the City's General fund had a net increase of $4.6 million. This includes a prior period adjustment that increased beginning fund balance by $6.5 million that was offset by a $1.8 million loss from operations. In comparison, fiscal year 2015 had a $0.5 million increase in fund balance from operations. For the General Fund, key factors of the overall increase compared to fiscal year 2015 are as follows:

- A $6.5 million increase in beginning fund balance due to the Excess Benefit Plan prior period adjustment;
- A $1.2 million increase in revenues for the fire assessment;
- A $2.9 million decrease in transfers in. In the prior year, there was a one-time transfer in for the OPEB fund closure and debt service;
- There was a corresponding $3.9 million reduction in property taxes and transfers out due to a change in accounting for property taxes paid by the City to the CRA. Previously the City reported all property tax revenue received in the general fund. Taxes due to the CRA were then recorded as a transfer to the CRA;
- A $2.6 million decrease in expenditures for capital outlay;
- A $1.8 million increase in expenditures for public safety;
- A $1.6 million increase in expenditures for general government that is primarily attributed to excess benefit payments that were previously recorded in the pension trust funds and a significant increase in outside, professional and legal services.

The Hallandale Beach Community Redevelopment Agency ("CRA") fund, accounts for the activities of the CRA. The fund balance of the CRA fund increased $3.1 million from operations during the fiscal year, in contrast to the prior year's operating decrease of $3.1 million. The ending fund balance of $11.5 million increased $3.9 million, which includes an increase of $0.8 million for prior period adjustments. Comparisons to prior year results include:

- Issuance of $15.4 million of debt to fund the construction of OB Johnson Park, offset by transfers to the Capital Improvement fund;
- A $2.8 million decrease in transfers in due to a one time transfers in the prior year for the OPEB fund closure and debt service;
- A $2.4 million decrease in capital outlay;
- A $3.9 million increase in property taxes and a corresponding reduction in transfers in due to a change in accounting for property taxes paid by the City to the CRA. Previously the City reported all property tax revenue received in the general fund. Taxes due to the CRA were then recorded as a transfer to the CRA;
- Economic environment spending decreased were $0.5 million related to a reduction in on-going programs;
- A 9.1% or $0.4 million increase in Tax Increment Financing revenue from outside agencies.

In fiscal year 2016, the City issued General Obligation Bonds, Series 2016 in the amount $57.5 million, with a bond premium of $4.3 million. Accordingly, the City established the General Obligation Bond capital project fund to record the debt issuance and construction costs. The ending fund balance is $59.8 million. Major expenditures include $0.8 million in debt issuance costs and $0.7 million in capital outlay.

The fund balance of the Capital Projects fund increased $9.2 million with an ending fund balance of $11.1 million. During the year, the City issued the Capital Improvement Refunding Revenue Bonds, Series 2016 in the amount of $21.7 million, with a premium of $3.9 million, to partially advance refund the Revenue Bonds, Series 2007A and to build the City's Main Fire station. In addition, proceeds from the HBCRA Redevelopment Note, Series 2015 were transferred into the fund. Major expenditures for this fund include $10.5 million for the construction of OB Johnson Park and $1.9 million for the City's Main Fire station.

Non-major governmental funds reported a combined fund balance of $1.8 million, a $0.7 million decrease over the prior year driven by greater expenditures than revenues.

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 is $27.5 million at September 30, 2016, a $6.2 million decrease over the prior year. Net investment in capital assets increased $2.1 million in the current year due to increases in infrastructure improvements.

The enterprise funds showed a $4.1 million decrease in total net position from the prior year. This consisted of a $2.5 million decrease of operating revenues over operating expenses, an $0.2 million increase of non-operating revenues over non-operating expenses, and a $1.9 million excess of transfers out over capital contributions.

The Internal Service funds net position of $2.2 million decreased $1.8 million over the prior year primarily due to significant increases in claims expense.

General Fund Budgetary Highlights

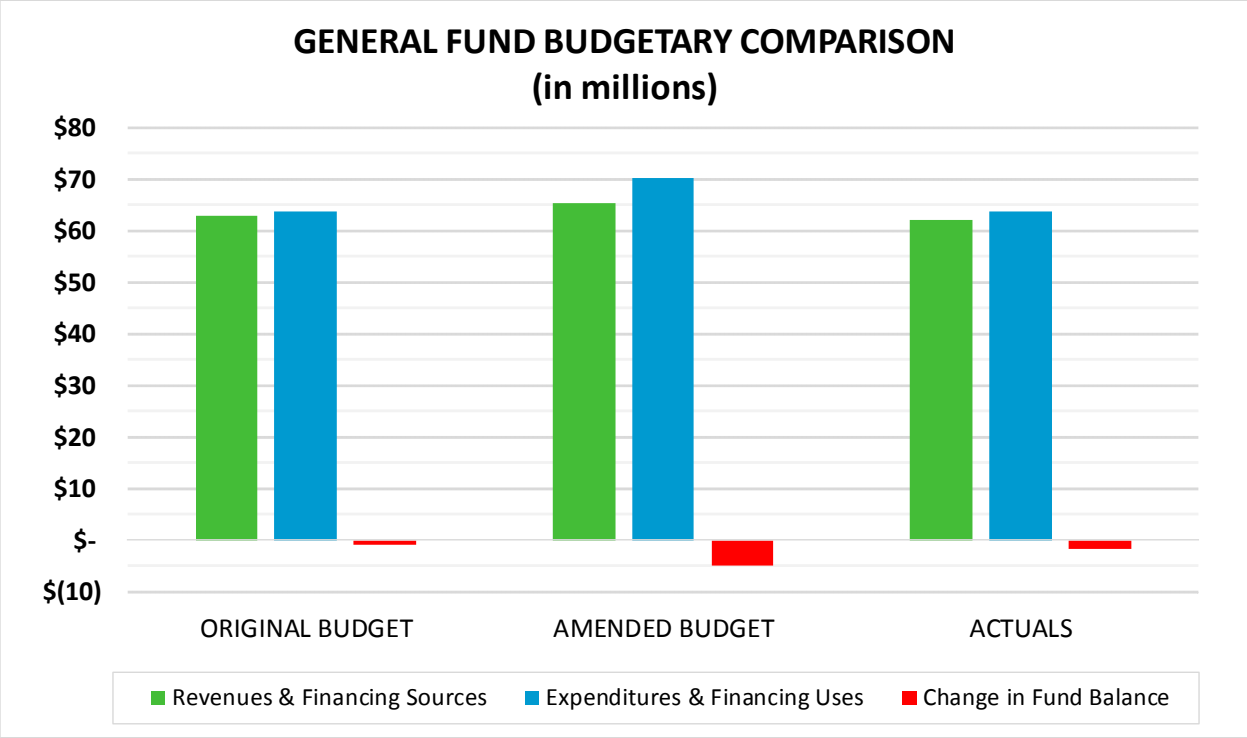
Differences between the original budget and the final amended budget are due to appropriations (i.e. encumbrances and unexpended project budget amounts rolled forward from the prior to the current fiscal year) in excess of additional revenues of approximately $1.1 million. Both the original and final budget anticipated expending $0.7 million and $4.9 million, respectively, from available unassigned fund balance. However, the actual net impact on fund balance was a reduction of $1.8 million.

Actual revenues were less than final budgeted revenues by approximately $4.2 million, primarily due to a reduction in the actual administrative charges to other funds based on the updated Cost Allocation Plan. In addition, revenue from permit and review fees were less than anticipated. This negative impact was offset by significant reductions in expenditures.

Actual expenditures were also less than the final budgeted expenditures by approximately $6.4 million, of which capital outlay was $3.5 million less than anticipated. In addition, there were significant cost savings in operating and personal service expenditures.

The City also had a favorable variance in other financing sources (uses) of $0.9 million primarily due to the reimbursement of O.B. Johnson construction costs from the Capital Projects fund.

The following chart depicts the fiscal year 2016 original and amended budgets, as well as actual results for the fiscal year:



Capital Assets and Debt Administration

Capital assets. As of September 30, 2016 and 2015, the City had $139.8 and $124.7 million, respectively, invested in a variety of capital assets, as reflected in the following schedule:

	Capital Assets (in thousands, net of depreciation)					
	Governmental Activities		Business - type Activities		Total	
	2016	2015*	2016	2015	2016	2015
Land	$ 39,555	$ 39,555	$ 1,264	$ 1,264	$ 40,819	$ 40,819
Construction in progress	9,441	11,874	2,233	13,390	11,674	25,264
Buildings	9,754	3,290	8,227	9,128	17,981	12,418
Improvements other than buildings	21,115	12,393	2,330	2,452	23,445	14,845
Vehicles and equipment	7,929	6,523	658	1,056	8,587	7,579
Infrastructure	7,225	7,869	30,032	15,903	37,257	23,772
Total	$ 95,019	$ 81,504	$ 44,744	$ 43,193	$ 139,763	$ 124,697

**Amounts listed for fiscal year 2015 governmental activities above do not include the restatement in capital assets as explained in Note 6 - Capital Assets.*

Major capital asset events during the year included:

- $8 million in construction costs for the OB Johnson Park;
- $2.2 million was added to construction in progress for the Main Fire Station;
- $2.1 million was spent on City vehicles;
- $0.7 million was added to construction in progress for the Bluestein Park design.

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

Long-term debt. As of year-end, the City had $110.6 million in debt (bonds, notes, etc.) outstanding compared to the $30.0 million last year. The $80.5 million increase is due to the:

- Issuance of $57.5 million in General Obligation bonds with a premium of $4.3 million, to fund the Parks Master Plan;
- Issuance of $21.7 million in Capital Improvement bonds with a premium of $3.9 million, to partially refund $16.3 million of Revenue Bond, Series 2007A and to fund construction of the Main Fire station;
- Issuance of $15.4 million CRA Note to fund the OB Johnson Park, of which $1.2 million of principal payments were made during the year;
- Principal payment of $3.7 million payoff of the Series 2012, Revenue Note;
- $0.8 million in principal payments for business-type activities outstanding debt.

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

	Bonded Debt, Notes and Lease Payable (in thousands)					
	Governmental Activities		Business - Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenue bonds	$ 23,985	$ 22,305	$ -	$ -	$ 23,985	$ 22,305
General Obligation bonds	57,500	-	-	-	57,500	-
Notes payable	14,200	-	6,795	7,580	20,995	7,580
Capital lease payable	-	4	-	-	-	4
Deferred amounts - premium	8,141	158	-	-	8,141	158
Total	$ 103,826	$ 22,467	$ 6,795	$ 7,580	$ 110,621	$ 30,047

Fitch Ratings and S&P Global Ratings assigned the General Obligation bonds a rating of AA+ and AA, respectively. The ratings assigned for the Capital Improvement Bonds from Fitch Ratings and S&P Global Ratings were AA and AA, respectively.

Economic Factors and Next Year's Budgets and Rates

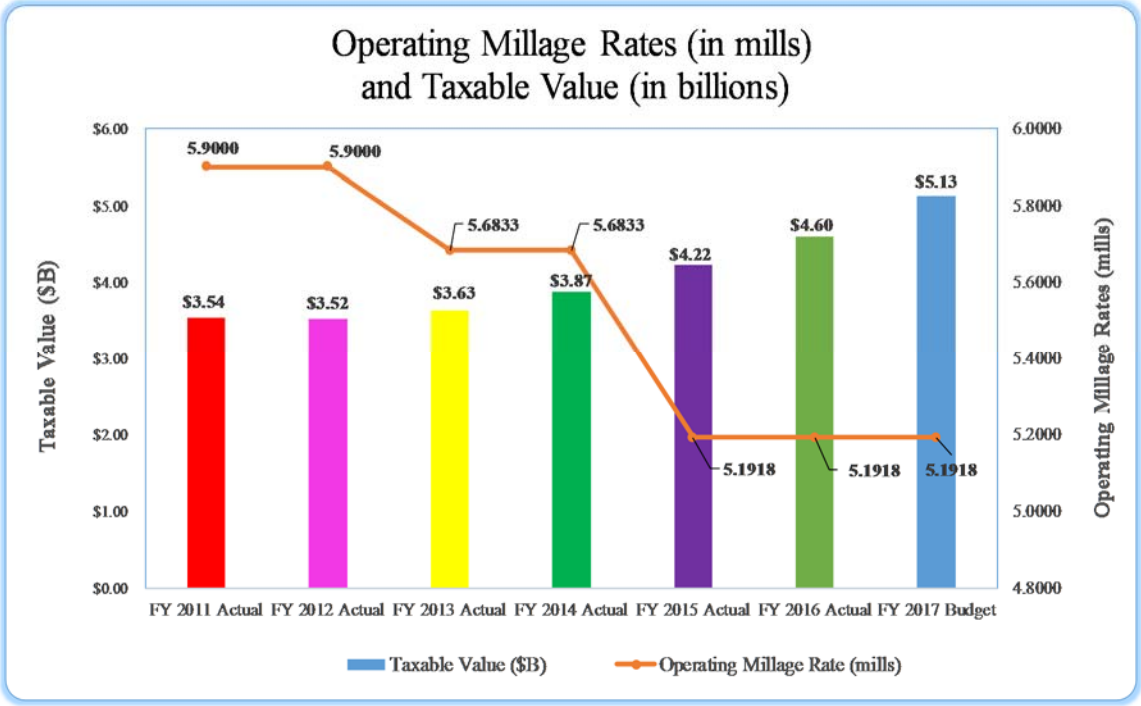
- Florida's unemployment rate has been falling consistently from its peak of 12.3% in March 2010 to 4.8% in March 2017. Broward County fared slightly better during this period, with unemployment reaching 10.6% in mid-2010, before reaching the current rate of 4.6%. The City of Hallandale Beach unemployment rate has dropped from 5.4% in December 2015 to 4.9% in December 2016, 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 enjoyed a favorable sale of its bonds at market as a result of its ratings. Fitch Ratings and S&P Global Ratings assigned the General Obligation bonds a rating of AA+ and AA, respectively. The ratings assigned for the Capital Improvement Bonds from Fitch Ratings and S&P Global Ratings were AA and AA, respectively.

- After several years of deflated real estate prices in South Florida, business reports suggest that real estate prices have begun to rise as the inventory of available homes has been greatly reduced. South Florida experienced one of the highest foreclosure rates in the nation, which is still impacting the value of real estate. The reported rise in Broward County home sales and prices indicate that assessed values are likely to rise again for tax year 2017. This would be the fifth increase in five years, a promising sign for the City and the surrounding municipalities.

- The City of Hallandale Beach is recovering alongside the nation, and continues to display positive signs of growth in the areas of new construction and existing real estate values. The City has seen an increase in building permit submissions locally, with permit applications increasing 36.0% from FY 2011.

- Since fiscal year 2015 the City's millage rate has remained at 5.1918, while the taxable value has increased over the same time period:



- In the fiscal year 16/17 budget, the City anticipates an 11.35% increase in property values over fiscal year 15/16, which translates into approximately $2.5 million in additional ad valorem revenue. This increase is offset by reductions in other revenues including administrative charges to other funds based on the updated Cost Allocation Plan.

- The City faces several ongoing fiscal challenges in fiscal year 16/17. The most significant are: (1) the continued rising costs of healthcare and pensions; (2) the need to eliminate deficit spending; (3) the increase in level of service in some departments; and (4) a reduction in revenues in the General Fund from administrative charges for services. These challenges have resulted in the continued use of fund balance to balance the budget in fiscal year 16/17.

Overall, the increase in property values and new development demonstrate the City's continued appeal to both residents and businesses. City administration is committed to a balanced budget by allocating our resources in alignment with the City Commission's strategic priorities and departmental performance measures. Consequently, the City's budget will successfully meet the challenges faced by the City and set the stage for continued fiscal responsibility in the future.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about this report or need additional information, contact the Chief Financial Officer at the address listed below. A copy of this report will also be available on the City's website at http://cohb.org.

City of Hallandale Beach
Finance Department
400 South Federal Highway
Hallandale Beach, Florida 33009
(954) 457-1370

Hallandale Beach

PROGRESS. INNOVATION. OPPORTUNITY.

Basic Financial Statements

City of Hallandale Beach, Florida
Statement of Net Position
September 30, 2016

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	$ 10,998,669	$ 5,484,528	$ 16,483,197
Investments	14,317,659	19,478,697	33,796,356
Investments - excess benefit plan	6,437,333	-	6,437,333
Receivables, net of allowances	3,037,513	4,642,882	7,680,395
Internal balances	(4,063,161)	4,063,161	-
Due from other governments	1,734,256	2,859	1,737,115
Inventory	124,880	458,918	583,798
Assets held for resale	9,476,454	-	9,476,454
Restricted assets:			
Cash and cash equivalents	29,592,204	2,038,475	31,630,679
Investments	47,526,739	-	47,526,739
Net pension asset	918,775	-	918,775
Capital assets, nondepreciable	48,996,479	3,496,723	52,493,202
Capital assets, net of accumulated depreciation	46,022,363	41,247,093	87,269,456
Total assets	215,120,163	80,913,336	296,033,499
Deferred Outflows of Resources:			
Loss on refunding	887,234	-	887,234
Pensions	22,298,918	2,110,570	24,409,488
Total deferred outflows of resources	23,186,152	2,110,570	25,296,722
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable and accrued liabilities	4,274,919	2,756,438	7,031,357
Deposits	350,627	1,574,549	1,925,176
Unearned revenue	699,562	-	699,562
Accrued interest	981,014	30,363	1,011,377
Due to Agency Funds	147,492	-	147,492
Noncurrent liabilities:			
Due within one year	4,908,675	1,212,874	6,121,549
Due in more than one year	184,377,098	11,562,773	195,939,871
Total liabilities	195,739,387	17,136,997	212,876,384
Deferred Inflows of Resources:			
Gain on refunding	-	86,646	86,646
Gain on sale-leaseback of fire station	211,719	-	211,719
Pensions	814,871	346,233	1,161,104
Total deferred inflows of resources	1,026,590	432,879	1,459,469
Net Position			
Net investment in capital assets	66,594,757	37,650,894	104,245,651
Restricted for capital projects	69,746,537	-	69,746,537
Restricted for community improvements	12,436,789	-	12,436,789
Restricted for debt service	1,167,997	-	1,167,997
Restricted for law enforcement	986,095	-	986,095
Restricted for safe neighborhood districts	905,666	-	905,666
Restricted for grants	524,925	-	524,925
Restricted for cemetery care	-	291,498	291,498
Unrestricted	(110,822,428)	27,511,638	(83,310,790)
Total net position	$ 41,540,338	$ 65,454,030	$ 106,994,368

See Notes to Financial Statements.

City of Hallandale Beach, Florida
Statement of Activities
Year Ended September 30, 2016

Functions/Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Governmental activities:							
General government	$ 18,435,010	$ 7,074,993	$ -	$ -	$ (11,360,017)	$ -	$ (11,360,017)
Public safety	41,336,640	12,668,201	460,042	298,570	(27,909,827)	-	(27,909,827)
Physical environment	2,234,179	5,182,323	201,600	237,415	3,387,159	-	3,387,159
Transportation	1,971,980	506,947	-	560,245	(904,788)	-	(904,788)
Economic environment	3,735,368	1,472,413	529,885	-	(1,733,070)	-	(1,733,070)
Culture and recreation	6,062,923	714,956	-	-	(5,347,967)	-	(5,347,967)
Human services	2,352,566	-	186,833	-	(2,165,733)	-	(2,165,733)
Interest and other fiscal charges	2,765,124	-	-	-	(2,765,124)		(2,765,124)
Total governmental activities	78,893,790	27,619,833	1,378,360	1,096,230	(48,799,367)	-	(48,799,367)
Business-type activities:							
Nonmajor	211,813	280,789	-	-	-	68,976	68,976
Sanitation	5,864,147	5,421,940	-	-	-	(442,207)	(442,207)
Stormwater drainage	2,704,933	2,088,289	-	-	-	(616,644)	(616,644)
Utility	24,722,182	23,009,482	-	-	-	(1,712,700)	(1,712,700)
Total business-type activities	33,503,075	30,800,500	-	-	-	(2,702,575)	(2,702,575)
Total	$ 112,396,865	$ 58,420,333	$ 1,378,360	$ 1,096,230	(48,799,367)	(2,702,575)	(51,501,942)
		General revenue:					
		Property taxes			28,521,941	-	28,521,941
		Franchise and utility taxes			8,372,954	-	8,372,954
		Sales taxes			2,525,956	-	2,525,956
		Motor fuel taxes			1,009,731	-	1,009,731
		Alcoholic beverages taxes			17,030	-	17,030
		Intergovernmental revenue (not restricted to specific programs)			1,072,530	-	1,072,530
		Unrestricted investment earnings			809,356	395,039	1,204,395
		Slot machine proceeds			1,676,989	-	1,676,989
		Impact fees			-	24,772	24,772
		Gain on disposal of capital assets			257,699	-	257,699
		Other revenue			30,843	119	30,962
		Transfers			1,852,206	(1,852,206)	-
		Total general revenue and transfers			46,147,235	(1,432,276)	44,714,959
		Change in net position			(2,652,132)	(4,134,851)	(6,786,983)
		Net position - beginning, as previously reported			37,726,519	69,588,881	107,315,400
		Prior period adjustment (see Note 15)			6,465,951	-	6,465,951
		Net position - beginning, restated			44,192,470	69,588,881	113,781,351
		Net position - ending			$ 41,540,338	$ 65,454,030	$ 106,994,368

See Notes to Financial Statements

City of Hallandale Beach, Florida

Balance Sheet
Governmental Funds

September 30, 2016	General Fund	Community Redevelopment Agency Fund	General Obligation Bond Fund	Grant Administration Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:							
Cash and cash equivalents	$ 1,149,611	$ 5,921,364	$ 133,810	$ 118,215	$ 126,585	$ 1,906,969	$ 9,356,554
Investments	14,299,187	-	-	-	-	-	14,299,187
Investments - excess benefit plan	6,437,333	-	-	-	-	-	6,437,333
Receivables, net of allowances	1,189,882	1,341,280	143,718	-	23,546	339,087	3,037,513
Due from other funds	5,068,709	3,720	-	1,000,000	-	300,000	6,372,429
Due from other governments	880,719	9,129	-	712,298	-	132,110	1,734,256
Inventory	124,880	-	-	-	-	-	124,880
Assets held for resale	-	9,476,454	-	-	-	-	9,476,454
Restricted assets:							
Cash and cash equivalents	91,608	-	24,509,449	-	4,922,697	68,450	29,592,204
Investments	-	-	36,604,651	-	10,922,088	-	47,526,739
Total assets	29,241,929	16,751,947	61,391,628	1,830,513	15,994,916	2,746,616	127,957,549
Liabilities:							
Accounts payable and accrued liabilities	1,394,438	482,106	314,213	187,914	1,567,607	243,528	4,189,806
Deposits	185,951	96,226	-	-	-	68,450	350,627
Due to other funds	1,000,000	4,545,400	1,250,000	-	3,340,190	300,000	10,435,590
Due to agency funds	-	147,492	-	-	-	-	147,492
Unearned revenue	190,034	-	-	161,608	-	347,920	699,562
Total liabilities	2,770,423	5,271,224	1,564,213	349,522	4,907,797	959,898	15,823,077
Deferred Inflows of Resources:							
Unavailable revenue	62,222	-	-	-	-	-	62,222
Total deferred inflows of resources	62,222	-	-	-	-	-	62,222
Fund Balances:							
Non-spendable:							
Inventory	124,881	-	-	-	-	-	124,881
Restricted:							
Assets held for resale	-	9,476,454	-	-	-	-	9,476,454
Long-term receivable	-	1,341,280	-	-	-	-	1,341,280
Community Redevelopment	-	662,989	-	-	-	-	662,989
Debt service	-	-	-	-	1,167,997	-	1,167,997
Capital projects	-	-	59,827,415	-	9,919,122	-	69,746,537
Developer agreements	-	-	-	956,066	-	-	956,066
Grant programs	-	-	-	524,925	-	-	524,925
Law enforcement	-	-	-	-	-	986,095	986,095
Safe neighborhood districts	-	-	-	-	-	905,666	905,666
Assigned:							
Fire equipment	873,181	-	-	-	-	-	873,181
Excess benefit plan	6,437,333	-	-	-	-	-	6,437,333
Computer equipment	10,607	-	-	-	-	-	10,607
Subsequent year's expenditures	6,044,567	-	-	-	-	-	6,044,567
Unassigned:							
General fund	12,918,715	-	-	-	-	-	12,918,715
Transportation	-	-	-	-	-	(25,036)	(25,036)
Police outside services	-	-	-	-	-	(80,007)	(80,007)
Total fund balances	26,409,284	11,480,723	59,827,415	1,480,991	11,087,119	1,786,718	112,072,250
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 29,241,929	$ 16,751,947	$ 61,391,628	$ 1,830,513	$ 15,994,916	$ 2,746,616	$ 127,957,549

See Notes to Financial Statements.

City of Hallandale Beach, Florida

Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position September 30, 2016

Total fund balance - governmental funds		$ 112,072,250
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	$ 144,111,481	
Less accumulated depreciation	(54,316,933)	
		89,794,548
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 - Excess Benefit Plan		918,775
Deferred outflows and inflows of resources related to pensions are recorded in the statement of net position. (Net deferred outflows)		21,258,879
Deferred inflows of resources related to gain on sale-leaseback recorded in the statement of net position.		(211,719)
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.		62,222
Deferred outflows of resources related to loss on refunding of debt		887,234
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Bond premium	(8,141,351)	
Bonds payable	(95,685,000)	
Interest payable	(981,014)	
Net OPEB obligation	(5,744,746)	
Net pension liability	(71,529,582)	
Compensated absences	(3,401,915)	
		(185,483,608)
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.		2,241,757
Net position of governmental activities		$ 41,540,338

See Notes to Financial Statements.

City of Hallandale Beach, Florida

Statement of Revenue, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended September 30, 2016

	General Fund	Community Redevelopment Agency Fund	General Obligation Bond Fund	Grant Administration Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:							
Property taxes	$ 19,222,212	$ 3,940,000	$ -	$ -	$ -	$ 624,234	$ 23,786,446
Charges for services	9,946,005	29,401	-	-	-	1,271,943	11,247,349
Utility taxes	4,382,761	-	-	-	-	-	4,382,761
Intergovernmental	3,680,107	4,735,495	-	1,347,483	-	975,983	10,739,068
Franchise taxes	3,990,193	-	-	-	-	-	3,990,193
Licenses and permits	3,031,411	-	-	-	-	-	3,031,411
Fines and forfeitures	632,954	-	-	-	-	190,949	823,903
Fire assessments	6,814,374	-	-	-	-	-	6,814,374
Investment earnings	800,462	131,732	31,589	-	45,614	4,441	1,013,838
Slot machine proceeds	1,676,989	-	-	-	-	-	1,676,989
Other revenues	1,812,308	529,885	-	201,600	-	97,052	2,640,845
Total revenues	55,989,776	9,366,513	31,589	1,549,083	45,614	3,164,602	70,147,177
Expenditures:							
Current:							
General government	10,593,665	-	-	1,350	60,318	-	10,655,333
Public safety	37,863,660	2,008,148	-	365,777	-	2,056,184	42,293,769
Physical environment	1,943,074	-	-	339,754	-	-	2,282,828
Transportation	-	-	-	336,381	-	1,585,484	1,921,865
Economic environment	-	3,684,702	-	-	-	-	3,684,702
Human services	2,114,424	-	-	186,834	-	-	2,301,258
Culture and recreation	4,504,429	-	454,776	-	476,191	-	5,435,396
Debt service:							
Principal	-	1,200,000	-	-	1,250,000	-	2,450,000
Interest and other fiscal charges	-	134,025	822,244	-	1,233,822	-	2,190,091
Capital outlay	1,602,319	584,348	728,682	405,849	12,746,436	118,792	16,186,426
Total expenditures	58,621,571	7,611,223	2,005,702	1,635,945	15,766,767	3,760,460	89,401,668
Excess (deficiency) of revenues over expenditures	(2,631,795)	1,755,290	(1,974,113)	(86,862)	(15,721,153)	(595,858)	(19,254,491)
Other financing sources (uses):							
Transfers in	2,517,386	-	-	-	16,188,669	-	18,706,055
Transfers out	(1,803,567)	(14,010,102)	-	-	(808,919)	(72,021)	(16,694,609)
Debt issued	-	15,400,000	57,500,000	-	21,720,000	-	94,620,000
Debt issued - premium	-	-	4,301,528	-	3,926,675	-	8,228,203
Payment to refunded bond escrow agent	-	-	-	-	(16,099,870)	-	(16,099,870)
Sale of capital assets	73,513	-	-	-	-	-	73,513
Total other financing sources (uses)	787,332	1,389,898	61,801,528	-	24,926,555	(72,021)	88,833,292
Net change in fund balances	(1,844,463)	3,145,188	59,827,415	(86,862)	9,205,402	(667,879)	69,578,801
Fund balances, beginning, as previously reported	21,787,796	7,547,726	-	1,867,853	1,881,717	2,454,597	35,539,689
Prior period adjustment (see Note 15)	6,465,951	787,809	-	(300,000)	-	-	6,953,760
Fund balances, beginning, restated	28,253,747	8,335,535	-	1,567,853	1,881,717	2,454,597	42,493,449
Fund balances, ending	$ 26,409,284	$ 11,480,723	$ 59,827,415	$ 1,480,991	$ 11,087,119	$ 1,786,718	$ 112,072,250

See Notes to Financial Statements.

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, 2016

Net change in fund balances - total governmental funds		$ 69,578,801
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	$ 16,337,109	
Capital outlay transferred to proprietary fund	(50,419)	
Depreciation expense	(2,917,392)	
		13,369,298
The net effect of various miscellaneous transactions involving capital assets		254,561
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.		(841,234)
The issuance and refunding of long-term debt is reported as an expenditure in Governmental Funds, however, has no effect on the change in net position. In the current year these amounts consist of:		
Issuance of debt	(94,620,000)	
Issuance of debt - premium	(8,228,203)	
Refunded bond payment to escrow agent	16,099,870	
		(86,748,333)
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	2,450,000	
Amortization of bond premium	104,102	
Payment of capital lease	4,394	
		2,558,496
The change in net pension asset is not reported in the fund financial statements, but is reported in the government-wide financial statements.		85,721
Some expenses reported in the statement of activities do not require the use of current financial resources and , therefore, are not reported as expenditures in governmental funds		
Compensated absences payable	(240,293)	
Accrued interest payable	(523,514)	
Net pension liability	2,259,061	
Net OPEB obligation	(830,391)	
		664,863
The amortization of deferred gain on the sale-leaseback has no effect on the revenues in the governmental funds. The gain is reported in the statement of activities.		211,719
The amortization of deferred loss on refunding of 2007A Bonds has no effect on the expenditures in the governmental funds. The losses are reported as interest expense in the statement of activities.		(6,621)
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		(1,779,403)
Change in net position of governmental activities		$ (2,652,132)

See Notes to Financial Statements.

City of Hallandale Beach, Florida

Statement of Net Position
Proprietary Funds
September 30, 2016

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Utility Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Enterprise Funds	Total	
Assets						
Current Assets:						
Cash and cash equivalents	$ 3,537,316	$ 248,655	$ 1,638,540	$ 60,017	$ 5,484,528	$ 1,642,115
Investments	16,674,868	2,803,829	-	-	19,478,697	-
Restricted assets:						
Cash and cash equivalents	1,308,989	399,957	-	329,529	2,038,475	-
Receivables, net of allowance	3,806,768	592,938	217,951	25,225	4,642,882	-
Due from other funds	2,310,486	102,675	2,350,000	-	4,763,161	1,900,000
Due from other governments	2,859	-	-	-	2,859	-
Inventory	84,025	-	-	374,893	458,918	-
Prepaids	-	-	-	-	-	18,472
Total current assets	27,725,311	4,148,054	4,206,491	789,664	36,869,520	- 3,560,587
Noncurrent Assets:						
Capital assets:						
Land	887,624	-	-	375,478	1,263,102	-
Construction in progress	2,101,560	-	132,061	-	2,233,621	-
Buildings and improvements	21,054,740	151,276	24,203	-	21,230,219	-
Improvements other than buildings	3,633,276	26,825	394,120	150,673	4,204,894	-
Vehicles and equipment	5,656,282	1,923,367	473,707	54,240	8,107,596	8,782,343
Infrastructure	41,831,755	-	25,850,830	-	67,682,585	-
Total capital assets	75,165,237	2,101,468	26,874,921	580,391	104,722,017	8,782,343
Less accumulated depreciation	(49,287,250)	(1,851,287)	(8,652,066)	(187,598)	(59,978,201)	(3,558,049)
Net capital assets	25,877,987	250,181	18,222,855	392,793	44,743,816	5,224,294
Total noncurrent assets	25,877,987	250,181	18,222,855	392,793	44,743,816	5,224,294
Total assets	53,603,298	4,398,235	22,429,346	1,182,457	81,613,336	8,784,881
Deferred Outflows of Resources						
Pensions	1,410,593	610,394	37,421	52,162	2,110,570	271,282

(Continued)

See Notes to Financial Statements.

City of Hallandale Beach, Florida

Statement of Net Position (Continued)
Proprietary Funds
September 30, 2016

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Utility Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Enterprise Funds	Total	
Liabilities						
Current liabilities:						
Accounts payable and accrued liabilities	2,404,279	317,241	32,489	2,429	2,756,438	85,113
Due to other funds	-	700,000	-	-	700,000	1,900,000
Accrued interest	21,584	-	8,779	-	30,363	-
Payable from restricted assets:						
Deposits	1,136,561	399,957	-	38,031	1,574,549	-
Compensated absences	276,474	122,286	11,107	3,007	412,874	27,009
Accrued claims for self-insured risks	-	-	-	-	-	813,000
Bonds and notes payable	567,315	-	232,685	-	800,000	-
Total current liabilities	4,406,213	1,539,484	285,060	43,467	6,274,224	2,825,122
Noncurrent liabilities:						
Compensated absences	93,127	48,967	1,921	668	144,683	7,655
Net pension liability	2,916,273	1,267,254	77,613	108,149	4,369,289	563,648
Accrued claims for self-insured risks	-	-	-	-	-	3,229,000
Accrued other post-employment benefits	711,262	274,230	54,265	14,044	1,053,801	142,867
Bonds and notes payable	4,158,909	-	1,836,091	-	5,995,000	-
Total noncurrent liabilities	7,879,571	1,590,451	1,969,890	122,861	11,562,773	3,943,170
Total liabilities	12,285,784	3,129,935	2,254,950	166,328	17,836,997	6,768,292
Deferred Inflows of Resources						
Gain on refunding	57,107	-	29,539	-	86,646	-
Pensions	227,356	103,679	6,350	8,848	346,233	46,114
Total deferred inflows of resources	284,463	103,679	35,889	8,848	432,879	46,114
Net Position						
Net investment in capital assets	20,887,345	250,146	16,120,610	392,793	37,650,894	5,223,576
Restricted for cemetery care	-	-	-	291,498	291,498	-
Unrestricted	21,556,299	1,524,869	4,055,318	375,152	27,511,638	(2,981,819)
Total net position	$ 42,443,644	$ 1,775,015	$ 20,175,928	$ 1,059,443	$ 65,454,030	$ 2,241,757

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, 2016

	Business-Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Utility Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Enterprise Funds	Total	
Operating revenues:						
Charges for services	$ 23,009,482	$ 5,421,940	$ 2,088,289	$ 280,789	$ 30,800,500	$ 4,521,620
Other revenues	-	-	-	119	119	-
Total operating revenues	23,009,482	5,421,940	2,088,289	280,908	30,800,619	4,521,620
Operating expenses:						
Cost of sales and services	17,635,678	3,710,144	1,176,515	58,698	22,581,035	820,171
Personal services	4,986,965	2,002,136	366,834	146,031	7,501,966	781,313
Claims expense	-	-	-	-	-	2,879,454
Depreciation	1,974,995	142,567	1,120,425	7,084	3,245,071	1,584,360
Total operating expenses	24,597,638	5,854,847	2,663,774	211,813	33,328,072	6,065,298
Operating income (loss)	(1,588,156)	(432,907)	(575,485)	69,095	(2,527,453)	(1,543,678)
Nonoperating revenues (expenses):						
Investment earnings	332,260	52,583	9,985	211	395,039	5,620
Impact fees	24,772	-	-	-	24,772	-
Interest expense	(96,776)	-	(41,159)	-	(137,935)	(149,000)
Sale of capital assets	(27,768)	(9,300)	-	-	(37,068)	16,476
	232,488	43,283	(31,174)	211	244,808	(126,904)
Income (loss) before contributions and transfers	(1,355,668)	(389,624)	(606,659)	69,306	(2,282,645)	(1,670,582)
Capital contributions	-	-	50,419	-	50,419	-
Transfers in	-	-	-	-	-	224,690
Transfers out	(1,627,625)	(50,000)	(225,000)	-	(1,902,625)	(333,511)
Change in net position	(2,983,293)	(439,624)	(781,240)	69,306	(4,134,851)	(1,779,403)
Total net position, beginning	45,426,937	2,214,639	20,957,168	990,137	69,588,881	4,021,160
Total net position, ending	$ 42,443,644	$ 1,775,015	$ 20,175,928	$ 1,059,443	$ 65,454,030	$ 2,241,757

See Notes to Financial Statements.

City of Hallandale Beach, Florida

Statement of Cash Flows
Proprietary Funds
Year Ended September 30, 2016

	Business-Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Utility Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Funds	Total	
Cash Flows From Operating Activities:						
Cash received from fees and charges	$ 22,370,696	$ 5,800,709	$ 2,063,233	$ 315,797	$ 30,550,435	$ 4,664,313
Cash received from other funds	-	-	770,000	-	770,000	3,500,000
Cash paid to suppliers for goods, services, claims and administrative charges	(17,111,772)	(3,606,909)	(1,200,899)	(81,223)	(22,000,803)	(1,815,433)
Cash paid to employees for services	(5,265,952)	(2,200,690)	(403,466)	(153,243)	(8,023,351)	(1,062,866)
Cash paid to other funds	(3,310,486)	(902,675)	-	(20,000)	(4,233,161)	-
Net cash provided (used) by operating activities	(3,317,514)	(909,565)	1,228,868	61,331	(2,936,880)	5,286,014
Cash Flows From Noncapital Financing Activities:						
Transfers from other funds	-	-	-	-	-	224,690
Transfers to other funds	(1,627,625)	(50,000)	(225,000)	-	(1,902,625)	(333,511)
Net cash provided (used) by noncapital financing activities	(1,627,625)	(50,000)	(225,000)	-	(1,902,625)	(108,821)
Cash Flows From Capital and Related Financing Activities:						
Purchase of capital assets	(4,717,077)	(4,986)	(91,640)	(4,680)	(4,818,383)	(1,974,232)
Proceeds from sale of capital assets	36,065	-	-	-	36,065	27,999
Proceeds from impact fees	24,772	-	-	-	24,772	-
Principal paid on long-term debt	(557,220)	-	(227,780)	-	(785,000)	(3,725,000)
Interest and fees paid on long-term debt	(87,343)	-	(45,796)	-	(133,139)	(173,399)
Net cash provided (used) by capital financing activities	(5,300,803)	(4,986)	(365,216)	(4,680)	(5,675,685)	(5,844,632)
Cash Flows Provided By Investing Activities						
Purchase of investments	(4,351,831)	(957,804)	-	-	(5,309,635)	-
Sale of investments	10,578,180	2,003,626	-	-	12,581,806	-
Interest and investment income received	351,101	56,151	9,985	210	417,447	5,620
Net cash provided (used) by investing activities	6,577,450	1,101,973	9,985	210	7,689,618	5,620
Net increase (decrease) in cash and cash equivalents	(3,668,492)	137,422	648,637	56,861	(2,825,572)	(661,819)
Cash and cash equivalents, beginning	8,514,797	511,190	989,903	332,685	10,348,575	2,303,934
Cash and cash equivalents, ending	$ 4,846,305	$ 648,612	$ 1,638,540	$ 389,546	$ 7,523,003	$ 1,642,115
Reconciliation to the statement of net position:						
Cash and cash equivalents	$ 3,537,316	$ 248,655	$ 1,638,540	$ 60,017	$ 5,484,528	$ 1,642,115
Restricted assets, cash and cash equivalents	1,308,989	399,957	-	329,529	2,038,475	-
	$ 4,846,305	$ 648,612	$ 1,638,540	$ 389,546	$ 7,523,003	$ 1,642,115

(Continued)

See Notes to Financial Statements.

City of Hallandale Beach, Florida

Statement of Cash Flows
Proprietary Funds (Continued)
Year Ended September 30, 2016

	Business-Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Funds	Total	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	$ (1,588,156)	$ (432,907)	$ (575,485)	$ 69,095	$ (2,527,453)	$ (1,543,678)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	1,974,995	142,567	1,120,425	7,084	3,245,071	1,584,360
(Increase) decrease in receivables	120,562	(21,188)	(25,056)	(3,142)	71,176	142,693
(Increase) decrease in due from other funds	(810,486)	(102,675)	770,000	-	(143,161)	1,500,000
(Increase) decrease in inventory	(22,341)	-	-	-	(22,341)	-
(Increase) decrease in due from other governments	(2,859)	-	-	-	(2,859)	-
(Increase) decrease in other assets	3,204	-	-	-	3,204	(18,472)
(Increase) decrease in deferred outflows - pensions	(239,582)	(202,083)	(22,255)	(25,811)	(489,731)	(53,352)
Increase (decrease) in accounts payable and accrued liabilities	543,043	103,235	(24,384)	15,506	637,400	19
Increase (decrease) in due to other funds	(2,500,000)	(800,000)	-	(20,000)	(3,320,000)	2,000,000
Increase (decrease) in deposits	(756,489)	399,957	-	-	(356,532)	-
Increase (decrease) in compensated absences	61,488	45,607	826	(2,579)	105,342	(34,720)
Increase (decrease) in deferred inflows - pensions	22,172	13,737	(322)	2,820	38,407	(4,597)
Increase (decrease) in net pension liability	(226,832)	(95,223)	(23,447)	16,831	(328,671)	(209,470)
Increase (decrease) in accrued claims for self-insured risks	-	-	-	-	-	1,902,645
Increase (decrease) in accrued other post-employment benefits	103,767	39,408	8,566	1,527	153,268	20,586
Net cash provided (used) by operating activities	$ (3,317,514)	$ (909,565)	$ 1,228,868	$ 61,331	$ (2,936,880)	$ 5,286,014
Noncash Investing, Capital and Financing Activities						
Unrealized loss on investments	$ (18,841)	$ (3,568)	$ -	$ -	$ (22,409)	$ -
Gain on debt refunding	6,922	-	3,580	-	10,502	-
Undepreciated amounts on disposal of capital assets	(63,833)	(9,300)	-	-	-	-
Capital contributions from assets constructed by governmental activities	-	-	50,419	-	50,419	-
	$ (75,752)	$ (12,868)	$ 53,999	$ -	$ 38,512	$ -

See Notes to Financial Statements.

City of Hallandale Beach, Florida

Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2016

	Pension Trust Funds	Agency Funds
Assets		
Cash and cash equivalents	$ 5,893,550	$ 2,193,255
Due from other funds	-	147,492
State contributions receivable	601,707	-
Employer contributions receivable	8,931	-
Employee contributions receivable	49,504	-
Interest receivable	221,785	-
Accounts receivable	-	20,687
Due from broker	585,186	-
Investments:		
Corporate bonds	8,672,236	-
Equity securities	87,959,310	-
U.S. Obligations	15,038,924	-
Hedge funds	18,385,989	-
Equity pooled separate accounts	31,640,592	-
Fixed income pooled separate accounts	31,550,352	-
Real estate pooled separate accounts	5,661,551	-
Real estate investment trust	6,512,345	-
Total investments	205,421,299	-
Prepaid expense	10,422	-
Total assets	212,792,384	2,361,434
Liabilities		
Accounts payable	209,067	13,407
Due for securities purchased	580,262	-
Due to others	-	2,348,027
	789,329	2,361,434
Net Position		
Restricted for pension benefits	$ 212,003,055	$ -

See Notes to Financial Statements.

City of Hallandale Beach, Florida

Statement of Changes in Fiduciary Net Position
Pension Trust Funds
Year Ended September 30, 2016

Additions	
Contributions:	
Employer	$ 11,931,937
Plan members	1,546,848
State of Florida	601,707
Other income	42,610
Total contributions	14,123,102
Investment earnings:	
Interest and dividends	2,742,656
Net appreciation in fair value of investments	14,009,073
Total investment earnings	16,751,729
Less investment expense	(1,086,592)
Net investment earnings	15,665,137
Total additions	29,788,239
Deductions	
Benefits	13,543,852
Professional services	163,383
Total deductions	13,707,235
Change in net position	16,081,004
Net position, beginning, as previously reported	202,388,002
Prior period adjustment (see Note 15)	(6,465,951)
Net position, beginning, restated	195,922,051
Net position, ending	$ 212,003,055

See Notes to Financial Statements.

Hallandale Beach

PROGRESS. INNOVATION. OPPORTUNITY.

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 or the City has operational responsibility. 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", "HBCRA" or "Agency"), effective December 1996. The City Commission, acting as the agency board of directors, approved a Community Redevelopment Plan, which will primarily utilize Tax Increment Financing to fund community redevelopment within the designated area. The specific area incorporates approximately two thirds of the City with the exception of the most easterly portion of the City. The base year established of January 1, 1996, will be utilized in determining the base amount of property valuation. Each

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 90 days of the end of the year. Revenues for expenditure driven grants are recognized when the qualifying expenditure is made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due. Expenditures related to pension and other post-employment benefits are recognized when the City has made a decision to fund those obligations with current available resources.

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

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

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.

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

Additionally, the City reports the following fund types:

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

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

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

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

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

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 insurance pooled separate accounts, real estate investment trusts, and hedge funds which are reported at their net asset value (NAV) which is their fair value.

F. Receivables and Payables

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

Receivables are recorded and where appropriate, an associated allowance for uncollectible accounts has been established in the related fund. All receivables are shown net of an allowance for uncollectible accounts. Based on past experience, the City deems all balances greater than 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, 2016 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.

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 acquisition 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 2016 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. Assets Held for Resale

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

K. Compensated Absences

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

Note 1. Summary of Significant Accounting Policies (Continued)

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.

L. Unearned/Unavailable Revenue

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

M. Long-Term Obligations

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

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

N. Fund Equity/Net Position

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

Note 1. Summary of Significant Accounting Policies (Continued)

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

The restricted category represents the balance of assets restricted by requirements of revenue bonds and other externally imposed constraints or by legislation in excess of the related liabilities payable from restricted assets. Unrestricted net position represents resources that are available for spending.

O. Net Position Flow Assumption

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

P. Fund Balance Flow Assumptions

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

Q. Pension Plans

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

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

Note 1. Summary of Significant Accounting Policies (Continued)

R. Other Post-Employment Benefits

The City is self-funded for other post-employment benefits in accordance with Florida Statute. The City permits eligible retirees and their eligible dependents to participate in the City's health insurance program at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. As a result, the City incurs an implicit subsidy for these retirees. The 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.

S. Self-Insurance

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

T. Use of Estimates

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

U. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports a deferred loss on the refunding of 2007A Revenue Bonds and pension related deferred outflows related 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. Within the government-wide statement of net position, the City reports as deferred inflows amounts representing the net difference between expected and actual results, changes in assumptions and projected and actual earnings of its pension plan. The amounts will be amortized over a five year closed period beginning in the year in which the difference occurred or over the remaining service lives of all employees, as applicable. In addition, the City reports a deferred gain on the refunding of 2005A Revenue Bonds and a deferred gain on a sale-leaseback transaction related to the main fire station in this category.

Note 1. Summary of Significant Accounting Policies (Continued)

V. Implementation of Governmental Accounting Standards Board Statements

The City implemented the following GASB Statements during the year ended September 30, 2016:

GASB Statement No. 72, Fair Value Measurement and Application.

This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

GASB Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68.

This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, Accounting and Financial Reporting for Pensions, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, Financial Reporting for Pension Plans, and Statement 68 for pension plans and pensions that are within their respective scopes. The City implemented the requirements of this Statement that addresses financial reporting for assets accumulated for purposes of providing those pensions which was effective for fiscal years beginning after June 15, 2015.

GASB Statement No. 79, Certain External Investment Pools and Pool Participants.

This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes.

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 5.1918 mills, 1.0934 mills, and 0.6600 mills for the General fund, the Golden Isles Safe Neighborhood District and the Three Islands Safe Neighborhood District, respectively, for the 2015-16 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.

Note 3. Deposits and Investments

The City's cash, cash equivalents and investments consist of the following at September 30, 2016:

Cash and cash equivalents:	
Money market funds	$ 16,317,145
Deposits with financial institutions	14,804,206
Commercial paper	13,932,656
Florida PRIME	3,059,869
	48,113,876
Investments:	
U.S. Government agencies	35,209,003
Corporate notes	24,923,001
U.S. Government treasuries	16,154,181
Domestic equity investment funds	5,248,896
Collateralized Mortgage Obligations	4,836,560
International equity investment funds	682,889
Domestic fixed income investment funds	436,543
Municipal bonds	200,350
Money market funds	69,005
	87,760,428
Total Cash, Cash Equivalents and Investments	$ 135,874,304

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

Cash and cash equivalents	$ 16,483,197
Restricted cash and cash equivalents	31,630,679
Investments	33,796,356
Restricted investments	47,526,739
Investments - excess benefit plan	6,437,333
Total Cash, Cash Equivalents and Investments	$ 135,874,304

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

Note 3. Deposits and Investments (Continued)

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.

In accordance with GASB Statement No. 79, Certain External Investment Pools and Pool Participants, the City's investment in the Florida PRIME meets the definition of a qualifying investment pool that measures, for financial reporting purposes, all of its investments at amortized cost and should disclose the presence of any limitations or restrictions on withdrawals. As of September 30, 2016, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

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 25% of available funds
- United States Government Securities—up to 100% of available funds; a maximum of 10% of treasury strips
- United States Government Agencies—up to 100% of available funds
- Federal Instrumentalities—up to 100% of available funds
- Interest Bearing Time Deposits or Savings Accounts—up to 10% of available funds
- Repurchase Agreements—up to 20% of available funds (excluding one-business day agreements and overnight sweep agreements)
- Commercial Paper—up to 35% of available funds
- Corporate Notes—up to 15% of available funds
- Bankers Acceptances—up to 25% of available funds
- State and/or Local Government Debt—up to 25% of available funds, a maximum of 10% of the various municipalities of the State of Florida
- Money Market Mutual Funds—up to 20% of available funds
- Intergovernmental Investment Pool—up to 25% of available funds
- Foreign Government Debt Issues—up to 5% of available funds

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

Due to the implementation of GASB Statement No. 73, plan assets related to the excess benefit plan offered to Professional/Management Retirement Plan employees are considered assets of the City. As of September 30, 2016, the City has not amended their investment policy to include excess benefit plan investments.

Note 3. Deposits and Investments (Continued)

The City's Professional/Management Retirement Plan and the General Employees Retirement Plan invests in insurance pooled separate accounts under a group annuity contract with an insurance company. As of September 30, 2016, the following are investments in any one organization that represent 5 percent or more of the pension plan's fiduciary net position:

General Employees Retirement Plan	
Principal Financial Group	$ 52,708,876
Professional/Management Employees Retirement Plan	
Principal Financial Group	$ 16,143,619

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 Retirement Plan and Professional/Management Retirement Plan)

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 interest rate risk of investments in the portfolios by structuring them so that funds are available to meet reasonably anticipated cash flow requirements in an orderly manner.

Note 3. Deposits and Investments (Continued)

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

Summary of Investments and Interest Rate Risk	Fair Value	Investment Maturities (in Years) Less than 1 Year	1 - 5 Years	6 - 10 Years	Greater than 10 Years
City					
U.S. Government agencies	$ 35,209,003	$ -	$ 35,209,003	$ -	$ -
Corporate Notes	24,923,001	3,223,352	21,699,649	-	-
U.S. Government treasuries	16,154,181	10,342,857	5,811,324	-	-
Commercial paper	13,932,656	13,932,656	-	-	-
Collateralized Mortgage Obligations	4,836,560	6,246	4,830,314	-	-
Florida PRIME	3,059,869	3,059,869	-	-	-
Domestic fixed income investment funds	436,543	-	-	436,543	-
Municipal obligations	200,350	200,350	-	-	-
Total	$ 98,752,163	$ 30,765,330	$ 67,550,290	$ 436,543	$ -
Professional/Management Employees Retirement Plan					
Fixed income pooled separate accounts	$ 6,107,303	$ 4,078,041	$ 689,050	$ 1,340,212	$ -
General Employees Retirement Plan					
Fixed income pooled separate accounts	$ 25,443,049	$ 17,063,831	$ 2,806,424	$ 5,572,794	$ -
Police and Fire Retirement Plan					
U.S. Government agencies	$ 11,268,221	$ -	$ -	$ 104,098	$ 11,164,123
U.S. Government treasuries	3,770,703	558,168	1,855,112	-	1,357,423
Corporate Bonds	8,672,236	1,400,475	2,055,229	1,656,873	3,559,659
Total	$ 23,711,160	$ 1,958,643	$ 3,910,341	$ 1,760,971	$ 16,081,205

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

As of September 30, 2016, the General Employees Retirement Plan and Professional Management Pension Plans' investments are invested in insurance company pooled separate accounts which are commingled pools, rather than individual securities. As a result, insurance company pooled separate accounts are not rated and are not subject to concentration of credit risk, custodial credit risk or foreign currency risk.

Note 3. Deposits and Investments (Continued)

Presented below is the minimum rating as required for each debt type instrument relating to the City's investments as of September 30, 2016:

Average Rating	Corporate Notes	U.S. Govt. Obligations	Municipal Obligations	Collateralized Mortgage Obligations	Domestic Fixed Income Investment Funds	Commercial Paper	Florida PRIME	Total
AAA	$ -	$ -	$ -	$ 3,614,964	$ -	$ -	$ 3,059,869	$ 6,674,833
AA+	1,668,011	51,363,184	-	-	-	-	-	53,031,195
AA	2,332,798	-	200,350	-	-	-	-	2,533,148
AA-	5,266,154	-	-	-	-	-	-	5,266,154
A+	1,761,592	-	-	-	-	-	-	1,761,592
A	9,214,589	-	-	-	-	-	-	9,214,589
A-	4,569,124	-	-	-	-	-	-	4,569,124
A-1	-	-	-	-	-	11,392,862	-	11,392,862
A-1+	-	-	-	-	-	2,539,794	-	2,539,794
BBB+	110,733	-	-	-	-	-	-	110,733
Unrated	-	-	-	1,221,596	436,543	-	-	1,658,139
Total	$ 24,923,001	$ 51,363,184	$ 200,350	$ 4,836,560	$ 436,543	$ 13,932,656	$ 3,059,869	$ 98,752,163

Presented below is the minimum rating as required for each debt type instrument relating to the Police and Fire Retirement Plan's investments as of September 30, 2016:

Average Rating	Corporate Bonds	U.S. Govt. Obligations	Total
AAA	$ -	$ 3,770,703	$ 3,770,703
AA	503,488	-	503,488
AA-	363,980	-	363,980
A+	809,669	104,098	913,767
A	250,083	-	250,083
A-	472,976	-	472,976
BBB+	2,306,543	-	2,306,543
BBB	1,837,398	-	1,837,398
BBB-	1,419,165	-	1,419,165
BB	94,737	-	94,737
BB+	514,448	-	514,448
BB-	99,749	-	99,749
Unrated	-	11,164,123	11,164,123
Total	$ 8,672,236	$ 15,038,924	$ 23,711,160

Note 3. Deposits and Investments (Continued)

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

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

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

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

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

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

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

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

Note 3. Deposits and Investments (Continued)

The following table summarizes the valuation of the City's investments in accordance with the above mentioned fair value hierarchy levels as of September 30, 2016:

		Fair Value Measurement Using		
Investments by Fair Value Level	9/30/2016	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt securities:				
U.S. Government agencies	$ 35,209,003	$ -	$ 35,209,003	$ -
Corporate notes	24,923,001	-	24,923,001	-
U.S. Government treasuries	16,154,181	16,154,181	-	-
Collateralized Mortgage Obligations	4,836,560	-	4,836,560	-
Domestic fixed income investment funds	436,543	436,543	-	-
Municipal bonds	200,350	-	200,350	-
Commercial paper	13,932,656	13,932,656	-	-
Total debt securities	95,692,294	30,523,380	65,168,914	-
Equity securities:				
Domestic equity investment funds	5,248,896	5,248,896	-	-
International equity investment funds	682,889	682,889	-	-
Total equity securities	5,931,785	5,931,785	-	-
Total investments by fair value level	101,624,079	$ 36,455,165	$ 65,168,914	$ -
Florida PRIME (exempt)	3,059,869			
Money market funds (exempt)	16,386,150			
Deposits with Financial Institutions (exempt)	14,804,206			
Total investments, cash and cash equivalents	$ 135,874,304			

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

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

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

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

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

Note 3. Deposits and Investments (Continued)

As of September 30, 2016, Professional/Management Retirement Plan assets are invested in insurance pooled separate accounts. As a result, all investments related to the Plan are measured at NAV:

Investments Measured at the NAV	9/30/2016	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Equity pooled separate accounts	$ 8,707,540	$ -	Daily	1 Day
Fixed income pooled separate accounts	6,107,303	-	Daily	1 Day
Real estate pooled separate accounts	1,328,776	-	Daily	1 Day
Total investments measured at the NAV	$ 16,143,619	$ -		

As of September 30, 2016, General Employees Retirement Plan assets are invested in insurance pooled separate accounts. As a result, all investments related to the Plan are measured at NAV:

Investments Measured at the NAV	9/30/2016	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Equity pooled separate accounts	$ 22,933,052	$ -	Daily	1 Day
Fixed income pooled separate accounts	25,443,049	-	Daily	1 Day
Real estate pooled separate accounts	4,332,775	-	Daily	1 Day
Total investments measured at the NAV	$ 52,708,876	$ -		

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

Note 3. Deposits and Investments (Continued)

The following tables summarize the valuation of the Police and Fire Retirement Plan's investments in accordance with the above mentioned fair value hierarchy levels as of September 30, 2016:

		Fair Value Measurement Using		
Investments by Fair Value Level	9/30/2016	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt securities:				
U.S. Government agencies	$ 11,268,221	$ -	$ 11,268,221	$ -
U.S. Government treasuries	3,770,703	3,770,703	-	-
Corporate bonds	8,672,236	-	8,672,236	-
Total debt securities	23,711,160	3,770,703	19,940,457	-
Equity securities:				
Common stocks	86,215,379	86,215,379	-	-
Mutual funds	1,743,931	1,743,931	-	-
Total equity securities	87,959,310	87,959,310	-	-
Total investments by fair value level	111,670,470	$ 91,730,013	$ 19,940,457	$ -
Investments measured at the net asset value (NAV)*				
Real estate investment trust	6,512,345			
Hedge fund	18,385,989			
Total investments measured at the NAV	24,898,334			
Total investments	$ 136,568,804			

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

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

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

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

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

Note 3. Deposits and Investments (Continued)

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

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

Hedge funds are valued at net asset value of shares held by the Plan at year end.

Investments Measured at the NAV	9/30/2016	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Real estate fund (1)	$ 6,512,345	$ 600,000	Quarterly	45 Days
Hedge Fund (2)	6,057,960	-	Quarterly	91 Days
Hedge Fund (3)	5,828,338	-	Quarterly	95 Days
Hedge Fund (4)	6,499,691	-	Semiannual	95 Days
Total investments measured at the NAV	$ 24,898,334	$ 600,000		

(1) Real estate fund: This fund is an open-end, commingled private real estate fund consisting primarily of high quality, well-leased real estate properties in multifamily, industrial, office, retail and hotel sectors throughout the United States. The investment is valued at NAV and redemption requests must be received by the fund 45 days prior to quarter end.

(2) Hedge fund: This fund seeks equity-like returns over a full market cycle with low market correlation, reduced volatility, and limited risk. It seeks to achieve its investment objective by investing substantially all of its assets through a “master-feeder” fund structure, which in turn invests in a portfolio of hedge funds, other investment entities, and/or separate accounts. The investment is valued at NAV and redemption requests must be received by the fund 91 days prior to quarter end.

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

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

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, 2016 were as follows:

Governmental Activities	General Fund	Hallandale Beach Community Redevelopment Agency	General Obligation Bond Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Activities
Utility and sales tax	$ 530,198	$ -	$ -	$ -	$ -	$ 530,198
Franchise fees	497,219	-	-	-	-	497,219
Sales and user fees	77,377	-	-	-	346,842	424,219
Beach concession	40,000	-	-	-	-	40,000
Miscellaneous	82,365	-	-	-	5,000	87,365
Interest	43,652	-	143,718	23,546	-	210,916
CRA Loans	-	1,498,409	-	-	-	1,498,409
Gross receivables	1,270,811	1,498,409	143,718	23,546	351,842	3,288,326
Less: allowance for uncollectibles	(80,929)	(157,129)	-	-	(12,755)	(250,813)
Net total receivables	$ 1,189,882	$ 1,341,280	$ 143,718	$ 23,546	$ 339,087	$ 3,037,513

Affordable Housing Loan Program

The HBCRA provides down payment assistance and closing cost to assist first time home buyers with the purchase of newly constructed or existing single and multi-family (townhouse, condominium) housing. The maximum assistance to qualified buyers is $50,000. Repayment is not required if the buyer homesteads the property for a minimum of ten years.

In the event that there is sale or conveyance of the assisted property prior to the completion of the ten years, the resident must repay the entire or the pro-rated amount of the loan. The HBCRA does not report these amounts in its financial statements due to the uncertainty as to the date or amount of future collections.

Receivables for the City's business-type activities and each proprietary fund, with the related allowance for uncollectible accounts, as of September 30, 2016 were as follows:

Business-type Activities	Utility Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Cemetery Fund	Total Business-Type Activities
Water sales	$ 1,818,170	$ -	$ -	$ -	$ 1,818,170
Sewer service charges	2,139,429	-	-	-	2,139,429
Garbage and trash	-	537,970	-	-	537,970
Special trash	-	50,045	-	-	50,045
Recycling	-	23,946	-	-	23,946
Franchise fees	-	92,084	-	-	92,084
Stormwater drainage services	-	-	261,197	-	261,197
Interest receivable	50,904	8,558	-	-	59,462
Burial rights contracts	-	-	-	25,142	25,142
Other	46,631	-	560	83	47,274
Gross receivables	4,055,134	712,603	261,757	25,225	5,054,719
Less: allowance for uncollectibles	(248,366)	(119,665)	(43,806)	-	(411,837)
Net total receivables	$ 3,806,768	$ 592,938	$ 217,951	$ 25,225	$ 4,642,882

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, 2016 include the following:

Governmental Activities	General Fund	Hallandale Beach Community Redevelopment Agency	Grant Administration Fund	Nonmajor Funds	Total Governmental Activities
Federal Government	$ -	$ -	$ 536,061	$ -	$ 536,061
Florida Department of Revenue	236,580	9,129	160,003	-	405,712
Local Governments	644,139	-	16,234	132,110	792,483
	$ 880,719	$ 9,129	$ 712,298	$ 132,110	$ 1,734,256

Note 6. Capital Assets

The following is a summary of capital asset activity for the year ended September 30, 2016:

Governmental activities:		(1) Beginning Balance	Additions and Transfers	Retirements and Transfers	Ending Balance
Capital assets not being depreciated:					
Land		$ 39,554,492	$ -	$ -	$ 39,554,492
Construction in progress	(2)	11,386,826	4,571,479	6,516,318	9,441,987
Total capital assets not being depreciated		50,941,318	4,571,479	6,516,318	48,996,479
Capital assets being depreciated:					
Buildings		19,188,099	7,074,296	-	26,262,395
Improvements other than buildings		19,151,712	9,515,159	-	28,666,871
Vehicles and equipment		19,828,097	3,872,597	1,357,440	22,343,254
Infrastructure		26,542,071	42,281	-	26,584,352
Total capital assets being depreciated		84,709,979	20,504,333	1,357,440	103,856,872
Less accumulated depreciation for:					
Buildings		15,898,303	610,325	-	16,508,628
Improvements other than buildings		6,758,624	793,411	-	7,552,035
Vehicles and equipment		13,305,151	2,411,096	1,301,905	14,414,342
Infrastructure		18,672,584	686,920	-	19,359,504
Total accumulated depreciation		54,634,662	4,501,752	1,301,905	57,834,509
Total capital assets being depreciated, net		30,075,317	16,002,581	55,535	46,022,363
Governmental activities capital assets, net		$ 81,016,635	$ 20,574,060	$ 6,571,853	$ 95,018,842

(1) The beginning balance for construction in progress was reduced by $487,809 to account for the properties reclassified to property held for sale in the Hallandale Beach Community Redevelopment Agency.

(2) Increases and decreases include assets constructed by governmental activities of $50,419 contributed to enterprise funds.

Note 6. Capital Assets (Continued)

Business-type activities:

		Beginning Balance	Additions and Transfers	Retirements and Transfers	Ending Balance
Capital assets not being depreciated:					
Land		$ 1,263,102	$ -	$ -	$ 1,263,102
Construction in progress	(1)	13,389,925	868,534	12,024,838	2,233,621
Total capital assets not being depreciated		14,653,027	868,534	12,024,838	3,496,723
Capital assets being depreciated:					
Buildings		21,230,219	-	-	21,230,219
Improvements other than buildings		4,136,358	68,536	-	4,204,894
Vehicles and equipment		9,096,565	125,630	1,114,599	8,107,596
Infrastructure		51,911,570	15,788,836	17,821	67,682,585
Total capital assets being depreciated		86,374,712	15,983,002	1,132,420	101,225,294
Less accumulated depreciation for:					
Buildings		12,102,086	900,916	-	13,003,002
Improvements other than buildings		1,684,116	190,640	-	1,874,756
Vehicles and equipment		8,040,516	500,040	1,090,637	7,449,919
Infrastructure		36,007,801	1,653,475	10,752	37,650,524
Total accumulated depreciation		57,834,519	3,245,071	1,101,389	59,978,201
Total capital assets being depreciated, net		28,540,193	12,737,931	31,031	41,247,093
Business-type activities capital assets, net		$ 43,193,220	$ 13,606,465	$ 12,055,869	$ 44,743,816

(1) Increase in assets contributed from governmental activities of $50,419.

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

Governmental activities:	
General government	$ 3,254,119
Public safety	
Law enforcement	170,855
Fire protection	254,315
Physical environment	9,730
Economic environment	57,417
Culture and recreation	615,810
Transportation	111,924
Human services	27,582
Total depreciation expense, governmental activities	$ 4,501,752
Business-type activities:	
Utility	$ 1,974,995
Sanitation	142,567
Stormwater drainage	1,120,425
Cemetery	7,084
Total depreciation expense, business-type activities	$ 3,245,071

Note 7. Interfund Activities

Transfers: The composition of interfund transactions for the year ended September 30, 2016 is as follows:

	Transfers In			
Transfers Out	General Fund	Capital Projects Fund	Internal Service Fund	Total Transfers Out
General Fund	$ -	1,803,567	$ -	$ 1,803,567
Community Redevelopment Agency Fund	-	14,010,102	-	14,010,102
Capital Projects Fund	808,919	-	-	808,919
Nonmajor Governmental Funds	72,021	-	-	72,021
Utility Fund	1,327,625	200,000	100,000	1,627,625
Stormwater Drainage Fund	-	175,000	50,000	225,000
Sanitation Fund	-	-	50,000	50,000
Internal Service Funds	308,821	-	24,690	333,511
	$ 2,517,386	$ 16,188,669	$ 224,690	$ 18,930,745

The transfer from the CRA fund to the Capital Projects fund is to provide debt proceeds from the issuance of HBCRA Redevelopment Revenue Bonds, Series 2015, to fund the OB Johnson Park Project net of reimbursable expenditures. The transfer from the General fund, Utility fund and Stormwater fund to the Capital Projects fund is to fund various capital project expenditures. The transfer from the Capital Projects fund to the General fund is to reimburse the General fund for prior year expenditures related to the OB Johnson Park Project using HBCRA Redevelopment Revenue Bonds, Series 2015 funds drawn in fiscal year 2016. The transfers into the Internal Service fund are to provide funding for payment of claims and other expenses. The transfer from the Utility Fund to the General Fund was for an advance payment of the Series 2007A Revenue Bonds.

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, 2016 were as follows:

Governmental Activities	General Fund	Hallandale Beach Community Redevelopment Agency	General Obligation Bond Fund	Grant Administration Fund	Capital Projects Fund	Nonmajor Funds	Internal Service Funds	Total Governmental Activities
Vendor payables	$ 1,099,868	$ 452,222	$ 314,213	$ 156,149	898,134	$ 243,528	$ 85,113	$ 3,249,227
Retainage payable	53,027	29,884	-	31,765	669,473	-	-	784,149
A/R overpayments	9,023	-	-	-	-	-	-	9,023
Other liabilities	232,520	-	-	-	-	-	-	232,520
Total payables	$ 1,394,438	$ 482,106	$ 314,213	$ 187,914	$ 1,567,607	$ 243,528	$ 85,113	$ 4,274,919

Note 8. Accounts Payable and Accrued Liabilities (Continued)

Accounts payable and accrued liabilities for the City's business-type activities, each major and nonmajor proprietary fund as of September 30, 2016 were as follows:

Business-type Activities	Utility Fund	Sanitation Fund	Stormwater Fund	Nonmajor Funds	Total Business-type Activities
Vendor payables	$ 1,881,058	$ 317,207	$ 32,489	$ 2,429	$ 2,233,183
Retainage payable	173,723	34	-	-	173,757
Accrued wastewater treatment expense	120,839	-	-	-	120,839
Other liabilities	228,659	-	-	-	228,659
Total payables	$ 2,404,279	$ 317,241	$ 32,489	$ 2,429	$ 2,756,438

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, 2016:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
Revenue Bonds - Series 2007A	$ 18,580,000	$ -	$ (16,315,000)	$ 2,265,000	$ 1,105,000
Refunding Revenue Bonds - Series 2016	-	21,720,000	-	21,720,000	-
HBCRA Redevelopment Revenue Bonds	-	15,400,000	(1,200,000)	14,200,000	1,255,000
G.O. Bonds - Series 2016	-	57,500,000	-	57,500,000	1,010,000
Revenue Note - Series 2012	3,725,000	-	(3,725,000)	-	-
Unamortized bond premium	158,265	8,228,203	(245,117)	8,141,351	-
	22,463,265	102,848,203	(21,485,117)	103,826,351	3,370,000
Other long-term liabilities:					
Accrued claims for self-insured risks	2,139,355	2,848,419	(945,774)	4,042,000	813,000
Capital lease	4,394	-	(4,394)	-	-
Net pension liability	60,165,129	45,430,577	(33,502,476)	72,093,230	-
Net OPEB obligation	5,036,637	850,976	-	5,887,613	-
Compensated absences	3,233,848	3,950,597	(3,747,866)	3,436,579	725,675
	70,579,363	53,080,569	(38,200,510)	85,459,422	1,538,675
Total governmental activities, long-term liabilities	$ 93,042,628	$ 155,928,772	$ (59,685,627)	$ 189,285,773	$ 4,908,675
Business-type activities:					
Revenue Note - Series 2014	$ 5,390,000	$ -	$ (485,000)	$ 4,905,000	$ 495,000
Revenue Note - Series 2012	2,190,000	-	(300,000)	1,890,000	305,000
	7,580,000	-	(785,000)	6,795,000	800,000
Other long-term liabilities:					
Net pension liability	4,697,962	2,014,521	(2,343,194)	4,369,289	-
Net OPEB obligation	900,533	153,268	-	1,053,801	-
Compensated absences	452,215	662,767	(557,425)	557,557	412,874
	6,050,710	2,830,556	(2,900,619)	5,980,647	412,874
Total business-type activities, long-term liabilities	$ 13,630,710	$ 2,830,556	$ (3,685,619)	$ 12,775,647	$ 1,212,874

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

Governmental activities Revenue Bonds and Notes: 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, 2017. On July 20, 2016, the City advance refunded a portion of the balance in the amount of $15,265,000 with proceeds from the issuance of Capital Improvement Refunding Revenue Bonds, Series 2016 as described below. At September 30, 2016, the amount held by the escrow agent for the advance refunded debt was $16,299,871.

On July 20, 2016, the City issued Capital Improvement Refunding Revenue Bonds, Series 2016 in the amount of $21,720,000 to partially advance refund outstanding principal related to the Revenue Bonds, Series 2007A and to finance the acquisition, construction and equipping of the City's Main Firestation. The bonds, including the payment of interest are secured by a pledge by the City to budget and appropriate an amount from non-ad valorem revenues. The total principal and interest remaining on the bonds is $29,713,214. The economic gain related to this refunding on a present value basis, totals $2,352,457 and a cash flow savings of $2,630,302. The interest rates range from 2% to 5% and the final maturity is October 1, 2035.

On July 20, 2016, the City issued General Obligation Bonds, Series 2016, per City Ordinance No. 2014-33 in the amount of $57,500,000. The bonds were issued to fund the costs of construction, expansion, renovation and improvements of citywide parks and recreation facilities in accordance with the City's City Wide Parks Master Plan dated February 10, 2012. Revenue for ad valorem taxes levied on all taxable property in the City will be used to pay the debt service on the note. The interest rates range from 3% to 5% and the final maturity is July 1, 2041.

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

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. On October 1, 2015, the City paid off the remaining principal of $3,725,000.

Business-type activities Revenue Bonds and Notes: 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.

The Revenue Bonds, Series 2005A were refunded on December 30, 2014. The City issued the Refunding Revenue Note, Series 2014 from Branch Bank and Trust 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. This refunding resulted in a cash flow savings of $797,441 and an economic gain of $712,591.

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

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

A summary of annual debt service requirements as of September 30, 2016 is as follows:

	Governmental Activities							
	Revenue Bonds Series 2007A		Refunding Revenue Bonds Series 2016		HBCRA Redevelopment Revenue Note		General Obligation Bonds Series 2016	
Year Ending September 30,	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2017	$ 1,105,000	$ 85,625	$ -	$ 685,483	$ 1,255,000	$ 386,240	$ 1,010,000	$ 2,003,618
2018	1,160,000	29,000	285,000	976,038	1,290,000	352,104	1,015,000	2,064,756
2019	-	-	1,365,000	934,787	1,325,000	317,016	1,065,000	2,014,006
2020	-	-	1,435,000	864,787	1,360,000	280,976	1,120,000	1,960,756
2021	-	-	1,505,000	791,287	1,395,000	243,984	1,175,000	1,904,756
2022-2026	-	-	8,745,000	2,718,938	7,575,000	629,000	6,810,000	8,582,531
2027-2031	-	-	5,620,000	783,694	-	-	8,685,000	6,701,531
2032-2036	-	-	2,765,000	238,200	-	-	10,450,000	4,938,731
2037-2041	-	-	-	-	-	-	12,115,000	3,274,631
2042-2046	-	-	-	-	-	-	14,055,000	1,334,100
	$ 2,265,000	$ 114,625	$ 21,720,000	$ 7,993,214	$ 14,200,000	$ 2,209,320	$ 57,500,000	$ 34,779,416

	Business-type Activities			
	Revenue Note Series 2012		Revenue Note Series 2014	
Year Ending September 30,	Principal	Interest	Principal	Interest
2017	$ 305,000	$ 26,063	$ 495,000	$ 104,794
2018	310,000	21,450	505,000	93,544
2019	310,000	16,800	520,000	82,013
2020	315,000	12,113	530,000	70,200
2021	320,000	7,350	545,000	58,106
2022-2026	330,000	2,475	2,310,000	105,524
	$ 1,890,000	$ 86,251	$ 4,905,000	$ 514,181

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

Pledged Revenue: General long-term debt bonds and the notes are collateralized by multiple sources. The City has pledged certain revenue to repay revenue bonds and the notes outstanding as of September 30, 2016. 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, 2016:

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	$ 25,269,135	$ 1,938,750	7.67%	$ 2,379,625	2018
Refunding Revenue Bonds, Series 2016	Non Ad Valorem	25,269,135	-	N/A	29,713,214	2036
General Obligation Bonds, Series 2016	Ad Valorem	23,162,212	-	N/A	92,279,416	2046
HBCRA Redevelopment Revenue Note	Tax Increment	8,675,495	1,284,940	14.81%	16,409,320	2026
Business-type Activities:						
Revenue Note, Series 2014	Net revenues of water, sewer, and stormwater utility	931,779	598,945	64.28%	5,419,181	2025
Revenue Note, Series 2012	Net revenues of water, sewer, and stormwater utility	931,779	328,621	35.27%	1,976,251	2022

Note 10. Pension Plans

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

Summary of Significant Accounting Policies

Basis of Accounting

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

Investments

Plan investments are valued as described in Note 3, Fair Value Heirachy. 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.

Note 10. Pension Plans (Continued)

Summary of Significant Accounting Policies (Continued)

Administrative Expenses

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

Risks and Uncertainties

The Plans invest in various investment securities. As noted in Note 3, investment securities are exposed to various risks such as interest rate, market, credit, and foreign currency risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, and that such changes could materially affect the amounts reported in the statement of fiduciary net position for each plan. The plans, through their investment advisors, monitor plan investments and the risks associated therewith on a regular basis to minimize these risks.

General Employees Retirement Plan

Plan description: The City of Hallandale Beach Retirement Plan is a single-employer defined-benefit plan, which covers all City employees except police officers, firefighters and management/professional employees. As of the date of the most recent actuarial valuation (prior to September 30, 2016), October 1, 2015, employee membership data related to the plan was as follows:

Inactive plan members and beneficiaries currently receiving benefits	140
Inactive plan members entitled but not yet receiving benefits	72
Active plan members	123
Total	335

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.

Note 10. Pension Plans (Continued)

General Employees Retirement Plan (Continued)

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, 2016, there were 12 DROP participants, with a total balance of $1,402,491. 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 cost method.

The employees, in accordance with City ordinance, made contributions for the year ending September 30, 2016 totaling $228,117. Employer contributions for same period, as determined by the October 1, 2014 actuarial valuation, totaled $3,331,672 or 100% of the actual amount required.

Portfolio Allocations: The Plan's investment policy establishes authorized investment classes and stipulated the following maximum portfolio percentages for the years ended September 30, 2016 and 2015.

Asset Class	Target Allocation
U.S. equity	30%
International equity	10%
Fixed income - core bonds	45%
Fixed income - high yield	5%
Real estate	5%
Conservative asset allocation	5%
Total	100%

Note 10. Pension Plans (Continued)

Police Officers' and Firefighters' Personnel Retirement Trust

Plan description: The City of Hallandale Beach Police Officers' and Firefighters' Personnel Retirement Trust is a single-employer defined benefit plan, which covers all police officers and firefighters. As of the date of the most recent actuarial valuation (prior to September 30, 2016), October 1, 2015, employee membership data related to the plan was as follows:

Inactive plan members and beneficiaries currently receiving benefits	166
Inactive plan members entitled but not yet receiving benefits	10
Active plan members	160
Total	336

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.

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 20 active employees in the DROP plan. The balance in the DROP account for these employees as well as for those already retired is $25,144,890. These funds are included in the Plan's Fiduciary Net Position.

The Police and Fire Retirement Plan issues a stand-alone financial report. Copies of this report are available in the Finance Department in the Municipal Complex.

Note 10. Pension Plans (Continued)

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

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 $601,707 for the year ended September 30, 2016. This amount was recognized as an expenditure and revenue in the General Fund. Contributions for year ended September 30, 2016 consisting of $7,908,910 for the employer, or 100% of the required employer contribution, $1,260,105 for the employees and $601,707 from 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, 2014.

Portfolio Allocations: The Plan's investment policy establishes authorized investment classes and stipulates the following maximum portfolio percentages for the years ended September 30, 2016 and 2015.

Asset Class	Target Allocation
Domestic Equity	62.50%
Fixed income	17.50%
Real estate	5%
Hedge funds	15%
Total	100%

Professional/Management Retirement Plan

Plan description: The City of Hallandale Beach Professional/Management 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.

As of the date of the most recent actuarial valuation (prior to September 30, 2016), October 1, 2015, employee membership data related to the plan was as follows:

Inactive plan members and beneficiaries currently receiving benefits	22
Inactive plan members entitled but not yet receiving benefits	8
Active plan members	8
Total	38

Note 10. Pension Plans (Continued)

Professional/Management Retirement Plan (Continued)

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, 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.

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, 2016, there were 4 DROP participants, with a total asset balance of $836,074. 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, 2016, totaling $58,625. Employer contributions for the same period, as determined by the October 1, 2014 actuarial valuation totaled $691,355 or 100% of the actual amount required. Payments of contributions, benefits and refunds are recognized in the financial statements as they are paid.

Note 10. Pension Plans (Continued)

Professional/Management Retirement Plan (Continued)

Portfolio Allocations: The Plan's investment policy establishes authorized investment classes and stipulated the following maximum portfolio percentages for the years ended September 30, 2016 and 2015.

Asset Class	Target Allocation
U.S. equity	37.5%
International equity	12.5%
Fixed income - core bonds	36%
Fixed income - high yield	4%
Real estate	5%
Conservative asset allocation	5%
Total	100%

Professional/Management and General Employees Retirement Plans

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

Statements of Fiduciary Net Position and Changes in Fiduciary Net Position as of and for the Year ended September 30, 2016

	General Employees Retirement Plan	Professional/ Management Retirement Plan
Assets		
Investments:		
Equity pooled separate accounts	$ 22,933,052	$ 8,707,540
Fixed income pooled separate accounts	25,443,049	6,107,303
Real estate pooled separate accounts	4,332,775	1,328,776
Total investments	52,708,876	16,143,619
Total assets	52,708,876	16,143,619
Net position		
Restricted for pension benefits	$ 52,708,876	$ 16,143,619

Note 10. Pension Plans (Continued)

Professional/Management and General Employees Retirement Plans (Continued)

	General Employees Retirement Plan	Professional/ Management Retirement Plan
Additions		
Contributions:		
Employer	$ 3,331,672	$ 691,355
Plan members	228,118	58,625
Total contributions	3,559,790	749,980
Investment earnings:		
Net increase in fair value of investments	3,641,414	1,168,855
Total investment earnings	3,641,414	1,168,855
Less: investment expense	(69,657)	(36,837)
Net investment income	3,571,757	1,132,018
Total additions	7,131,547	1,881,998
Deductions		
Benefits	3,049,800	951,807
Change in net position	4,081,747	930,191
Net position, beginning, restated	48,627,129	15,213,428
Net position, ending	$ 52,708,876	$ 16,143,619

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

As of September 30, 2016, the City reported the following net pension liability (NPL) which was measured as of September 30, 2015 (measurement date in accordance with GASB Statement No. 68) associated with each plan. In addition, in accordance with GASB Statement No. 67, information related to each plan as of September 30, 2016 has been disclosed:

	2016 Professional/ Management Retirement Plan	2016 Police Officers' and Firefighters' Retirement Trust	2016 General Employees Retirement Plan
Total pension liability	$ 19,833,370	$ 210,700,892	$ 66,425,626
Plan fiduciary net position	(16,143,619)	(143,150,560)	(52,708,876)
Net Pension Liability	$ 3,689,751	$ 67,550,332	$ 13,716,750
Plan fiduciary net position as a percentage of the total pension liability	81.40%	67.94%	79.35%
Total Net Pension Liability at September 30, 2016			$ 84,956,833

Note 10. Pension Plans (Continued)

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

	2015 Professional/ Management Retirement Plan	2015 Police Officers' and Firefighters' Retirement Trust	2015 General Employees Retirement Plan
Total pension liability	$ 18,403,056	$ 192,661,026	$ 61,350,559
Plan fiduciary net position	(15,213,429)	(132,111,564)	(48,627,129)
Net Pension Liability	$ 3,189,627	$ 60,549,462	$ 12,723,430
Plan fiduciary net position as a percentage of the total pension liability	82.67%	68.57%	79.26%
Total Net Pension Liability at September 30, 2015			$ 76,462,519

Significant Actuarial Assumptions: The total pension liability of the City was determined for each Plan utilizing the following assumptions:

	General Employees Retirement Plan	Police and Fire Retirement Plan	Professional/ Management Retirement Plan
Measurement Date:	September 30, 2016	September 30, 2016	September 30, 2016
Actuarial valuation	October 1, 2015	October 1, 2015	October 1, 2015
Interest rates:			
Single discount rate:	7.00%	7.70%	7.25%
Inflation rate:	2.25%	2.30%	2.25%
Salary Increases:	4.68% to 6.98%, depending on age	4.5% to 10%, depending on service	6.38% to 8.68%, depending on age
Mortality tables:	RP-2000 Combined Healthy Annuitant Participant Table for Males or Females, with mortality improvement projected to all future years after 2000 using Scale BB.	RP-2000 Combined Healthy Annuitant Participant Table for Males or Females, with mortality improvement projected to all future years after 2000 using Scale BB.	RP-2000 Combined Healthy Annuitant Participant Table for Males or Females, with mortality improvement projected to all future years after 2000 using Scale BB.

Note 10. Pension Plans (Continued)

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

	General Employees Retirement Plan	Police and Fire Retirement Plan	Professional/ Management Retirement Plan
Measurement Date:	September 30, 2015	September 30, 2015	September 30, 2015
Actuarial valuation	October 1, 2014	October 1, 2014	October 1, 2014
Interest rates:			
Single discount rate:	7.25%	7.75%	7.50%
Inflation rate:	2.50%	4.00%	2.50%
Salary Increases:	4.68% to 6.98%, depending on age	4.5% to 10%, depending on service	6.38% to 8.68%, depending on age
Mortality tables:	2015 IRS Prescribed Mortality-Generational Annuitant, male and female.	RP-2000 Combined Healthy Annuitant Participant Table for Males or Females, with mortality improvement projected to all future years after 2000 using Scale AA.	2015 IRS Prescribed Mortality-Generational Annuitant, male and female.

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, 2016 and 2015 are summarized in the following table:

	2016	2016		2016
	General Employees Retirement Plan	Professional/ Management Retirement Plan		Police and Fire Retirement Plan
Asset Class	Long-Term Expected Real Rate of Return	Long-Term Expected Real Rate of Return	Asset Class	Long-Term Expected Real Rate of Return
U.S. equities	7.80%	7.80%	Domestic Equities	7.42%
International equities	8.25%	8.25%	International equities	6.90%
Fixed income - core bonds	3.60%	3.60%	Hedge fund of funds	2.63%
Fixed income - high yield	6.80%	6.80%	Fixed income	2.40%
Real estate	6.70%	6.70%	Real estate	3.70%
Conservative Asset Allocation	6.75%	6.75%		

Note 10. Pension Plans (Continued)

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

	2015	2015		2015
	General Employees Retirement Plan	Professional/ Management Retirement Plan		Police and Fire Retirement Plan
Asset Class	Long-Term Expected Real Rate of Return	Long-Term Expected Real Rate of Return	Asset Class	Long-Term Expected Real Rate of Return
U.S. equities	7.80%	7.80%	Domestic Equities	6.70%
International equities	8.25%	8.25%	International equities	6.80%
Fixed income - core bonds	3.60%	3.60%	Hedge fund of funds	3.80%
Fixed income - high yield	6.80%	6.80%	Fixed income	2.50%
Real estate	6.70%	6.70%		
Conservative Asset Allocation	6.75%	6.75%		

Rate of Return: The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the years ended September 30, 2016 and 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, were as follows for each pension plan:

Rate of Return at September 30,	General Employees Retirement Plan	Professional/ Management Retirement Plan	Police and Fire Retirement Plan
2016	7.48%	7.72%	8.40%
2015	-0.60%	-0.92%	-0.39%

Discount Rate: The discount rate used to measure the total pension liability at September 30, 2016 and 2015 was 7.25% and 7.50%, respectively, for the Professional/Management Retirement Plan, 7.70% and 7.75%, respectively, for the Police and Fire Retirement Plan, and 7.25% for the General Employees Retirement Plan. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note 10. Pension Plans (Continued)

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

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:

September 30,	Professional/Management Retirement Plan	1% Decrease	Current Discount Rate	1% Increase
2016	Net pension liability	$ 6,155,845	$ 3,689,751	$ 1,662,731
2015	Net pension liability	$ 5,366,067	$ 3,189,627	$ 1,384,677

	Police Officers' and Firefighters' Retirement Trust	1% Decrease	Current Discount Rate	1% Increase
2016	Net pension liability	$ 90,149,974	$ 67,501,963	$ 48,421,125
2015	Net pension liability	$ 79,910,725	$ 60,549,462	$ 44,416,984

	General Employees Retirement Plan	1% Decrease	Current Discount Rate	1% Increase
2016	Net pension liability	$ 21,379,868	$ 13,716,750	$ 7,279,437
2015	Net pension liability	$ 19,544,614	$ 12,723,430	$ 6,954,241

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions

For the year ended September 30, 2016, based on a September 30, 2015 measurement date, the City recognized total pension expense of $9,713,986, which includes $959,219 for the Professional/Management Retirement Plan, $7,106,715 for the Police and Fire Retirement Plan, and $1,648,052 for the General Employees Retirement Plan. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for each plan:

Professional/Management Retirement Plan

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
City contribution subsequent to year end	$ 691,355	$ -
Differences between expected and actual experience	-	120,151
Differences between expected and actual investment earnings	921,451	-

Police and Fire Retirement Plan

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
City contribution subsequent to year end	$ 8,475,832	$ -
Differences between expected and actual experience	2,275,548	-
Differences between expected and actual investment earnings	5,917,769	-

Note 10. Pension Plans (Continued)

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

General Employees Retirement Plan

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
City contribution subsequent to year end	$ 3,331,671	$ -
Differences between expected and actual experience	-	1,040,953
Differences between expected and actual investment earnings	2,795,862	-

Total Deferred Outflows of Resources	$ 24,409,488
Total Deferred Inflows of Resources	$ 1,161,104

The deferred outflows of resources associated with the City's contributions to each Plan subsequent to the measurement date of September 30, 2015 in the amount of $691,355 for the Professional/Management Retirement Plan, $8,475,832 for Police and Fire Retirement Plan, and $3,331,671 for the General Employees Retirement Plan will be recognized as a reduction to the City's net pension liability in the year ended September 30, 2017. Beginning in the current year, the remaining amounts related to differences between expected and actual investment earnings of $921,451 for the Professional/Management Retirement Plan, $5,917,769 for the Police and Fire Retirement Plan, and $2,795,862 for the General Employees Retirement Plan will be recognized over 5 years. The remaining amounts related to differences between expected and actual experience will be amortized over 1.55 years for the Professional/Management Retirement Plan, 3 years for the Police and Fire Retirement Plan and 1.58 years for the General Employees Plan (the remaining service lives of the employees in the plan) as follows:

Professional/Management Retirement Plan

Year ending September 30,	Amount
2017	$ 100,549
2018	220,700
2019	220,702
2020	259,349
	$ 801,300

Police and Fire Retirement Plan

Year ending September 30,	Amount
2017	$ 2,387,187
2018	2,387,187
2019	1,249,413
2020	2,169,530
	$ 8,193,317

General Employees Retirement Plan

Year ending September 30,	Amount
2017	$ (57,564)
2018	376,637
2019	680,014
2020	755,822
	$ 1,754,909

Note 10. Pension Plans (Continued)

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

Payable to the Pension Plan

At September 30, 2016, the City reported a payable of $8,931 for the outstanding amount of contributions to the Police and Fire Retirement Plan required for the year ended September 30, 2016.

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.

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 liablilities. The City has recorded a net pension asset in the amount of $918,775 in the government-wide financial statements that represents the Net Pension Asset of the Plan as of September 30, 2016. 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.

Note 10. Pension Plans (Continued)

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

Excess Benefit Plan (Continued)

The Excess Benefit Plan is utilized when a retiree's calculated benefit under the plan is limited by Internal Revenue Service Section 415 calculations. In this instance, the portion of the limited benefit is paid to the retiree from the Excess Benefit Plan. This unfunded plan is administered by Principal Financial Group and annual benefit payment contribution requirements are paid directly from the City's treasury. Due to the implementation of GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, the Plan's assets are presented as investments were moved to the General Fund as of September 30, 2016. At September 30, 2016, the City has assigned $6,437,333 in General Fund assets for future pension benefits. As of September 30, 2016, the total balance of DROP assets covering four persons in the excess benefit plan was $791,232.

Annual Pension Cost and Net Pension Asset

As of October 1, 2015 (date of the latest actuarial valuation (prior to September 30, 2016)), the City's annual pension cost and net pension asset are as follows:

Annual required contribution	$ 386,074
Interest on net pension asset	(62,479)
Adjustments to annual required contribution	157,281
Annual pension cost	480,876
Contributions made	566,597
Decrease in net pension asset	(85,721)
Net pension asset, beginning	(833,054)
Net pension asset, ending	$ (918,775)

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	$ -	$ 8,574,662	$ 8,574,662	0%	$ 610,681	1404%	10/1/2015

Note 10. Pension Plans (Continued)

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

Excess Benefit Plan (Continued)

	Three Year Trend Information		
Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
2016	$ 480,876	84.9%	$ (918,775)
2015	(36,903)	-5.8%	(833,054)
2014	(302,216)	-56.9%	(161,667)

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

Valuation date	10/1/2015
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

*Includes inflation at 2.5%

Money-Purchase Plan and Trust

The City maintains a single-employer money-purchase plan created in accordance with Internal Revenue Code Section 401(a). This defined contribution plan is comprised of seven plans with varying levels of employer and employee contributions. Professional/Management employees and non-represented employees hired after January 1, 2007 as well as general employees hired after June 19, 2013, are required to enter this plan instead of the defined benefit 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 $8,237,957. In fiscal year 2016, the City's contribution amounted to $851,688, or approximately 10.3% 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, 2014, 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, 2014, included other actuarial assumptions as classified above. The calculation produced an unfunded actuarially accrued liability (UAAL) of $11,812,058, and an estimated net OPEB obligation of $6,941,414 as of September 30, 2016.

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.

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

Actuarial valuation date	10/1/2014
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:	Initial Health Care Cost Trend Rate - 8.00% in 2025
	Ultimate Health Care Cost Trend Rate - 5.00% in 2025

Note 11. Other Post-Employment Benefits (Continued)

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)	$ 1,610,706
Interest on net OPEB obligation	267,173
Adjustments to annual required contribution	(348,796)
Annual OPEB cost	1,529,083
Contributions made (pay as you go)	(524,839)
Increase in net OPEB obligation	1,004,244
Net OPEB obligation, beginning of year	5,937,170
Net OPEB obligation, end of year	$ 6,941,414

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	2016	2015	2014
Annual OPEB cost	$ 1,529,083	$ 1,545,116	$ 1,035,499
Percentage of OPEB cost contributed	34.32%	24.52%	35.09%
Net OPEB obligation	6,941,414	5,937,170	4,770,948

Schedule of Funding Progress: Funding progress of the OPEB liability as of October 1, 2014, 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)
10/1/2014	$ -	$ 11,812,058	$ 11,812,058	0%	Not Available	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, 2016 of $4,042,000 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicate that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

As of September 30, 2016 and 2015, the total estimated liabilities on pending claims were as follows:

	2016	2015
Claims payable - beginning	$ 2,139,355	$ 2,268,748
Incurred claims	2,848,419	310,065
Payments on claims	(945,774)	(439,458)
Claims payable - ending	$ 4,042,000	$ 2,139,355

Note 13. Commitments and Contingent Liabilities

Construction and purchase commitments: The City has active construction and economic development projects as of September 30, 2016. The projects include park development, street and beautification projects, water distribution and stormwater drainage improvements, sanitary sewer and capacity improvements, and the construction of a fire station. As of September 30, 2016, the City's significant commitments with contractors are as follows:

	Spent-to-Date	Remaining Commitment
Water and Wastewater	$ 1,176,040	$ 64,183
Landscaping and beautification projects	2,032,823	339,130
Sanitary sewer improvements	160,397	27,780
Parks & Recreation/Open Spaces projects	13,725,366	1,496,030
Fire Station Construction	3,054,612	4,977,024
Total	$ 20,149,238	$ 6,904,147

Note 13. Commitments and Contingent Liabilities (Continued)

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

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, 2016:

	Deposits	Withdrawals
Source of deposits:		
Tax increment revenues-Hallandale Beach	$ 3,940,000	$ -
Tax increment revenues-other agencies	4,735,495	-
Bond Proceeds	15,400,000	-
Loan repayments	394,842	-
Loan application fees	29,401	-
Investment income	131,732	-
Other revenue	135,043	-
Purpose of withdrawals:		
Salaries and benefits	-	526,635
Materials and supplies	-	5,705
Repairs and maintenance	-	6,405
Community redevelopment programs	-	305,120
Grants to community organizations	-	157,135
Professional and outside services	-	2,709,781
Other service charges	-	72,364
Subsidized loan programs	-	1,605,007
Administrative charges	-	236,281
Capital outlay	-	584,348
Debt service	-	1,336,440
Transfer to Capital Projects Fund	-	14,010,102
	$ 24,766,513	$ 21,555,323

Note 15. Restatement of Prior Year Balances

Due to the implementation of GASB Statement No. 73, the City recorded a prior period adjustment to include Excess Benefit Plan assets in the General Fund. The result was a prior period adjustment of $6,465,951 which increased beginning net position of governmental activities in the statement of activities and a decrease in beginning net position of the pension trust funds in the statement of changes in fiduciary net position.

Other adjustments are related to correction of errors related to developer fee revenues in the community redevolpment agency fund and grant administration fund and correction of assets held for resale in the community redevolpment agency fund. Below is the impact on beginning fund balances as restated:

	General Fund	Community Redevelopment Agency Fund	General Obligation Bond Fund	Grant Administration Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund balances, beginning, as previously reported	$ 21,787,796	$ 7,547,726	$ --	$ 1,867,853	$ 1,881,717	$ 2,454,597	$ 35,539,689
Prior period adjustment:							
To present excess benefit plan assets in the general fund as per GASB Statement No. 73 implementation	6,465,951	--	--	--	--	--	6,465,951
Correction of assets held for resale recorded as capital assets	--	487,809	--	--	--	--	487,809
Correction of developer fee revenue recorded in the incorrect fund	--	300,000	--	(300,000)	--	--	--
Total prior period adjustment	6,465,951	787,809	--	(300,000)	--	--	6,953,760
Fund balances, beginning, restated	$ 28,253,747	$ 8,335,535	$ -	$ 1,567,853	$ 1,881,717	$ 2,454,597	$ 42,493,449

Note 16. Sale and Leaseback Transaction

In connection with the sale of the Fire Station parcel (the Parcel) on September 8, 2014, the City entered into an operating lease with a two year initial term, with the City reserving the right to remain a tenant on a month to month basis for an additional 12 month period. Monthlly lease payments for the initial term were prepaid at the date of the transaction at a rate of $9,420. As of September 30, 2016, the City has remained as a tenant on a month to month basis. The additional 12 month renewal requires monthly payments of $9,703 which represents an increase of 3%. The lease is classified as an operating lease and the gain on the sale of the parcel has been recorded as a deferred inflow and is being recognized to income over the three year term of the lease. The remaining deferred inflow balance at September 30, 2016 amounts to $211,719.

Note 17. Deficit Fund Equity

The Police Outside Services Fund, Transportation Fund, and General Liabiltiy Trust Fund, each present a deficit fund equity of $80,007, $25,036 and $1,234,684, respectively, at September 30, 2016. The deficits related to the Police Outside Services Fund and Transportation Fund will be resolved by an operating transfer in from the General Fund and other funds. The deficits related to the General Liability Trust Fund will be resolved through administrative changes to other funds.

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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Property taxes	$ 23,316,945	$ 23,316,945	$ 23,162,212	$ (154,733)
Charges for services	12,866,555	12,866,555	9,946,005	(2,920,550)
Utility taxes	4,190,996	4,190,996	4,382,761	191,765
Intergovernmental	3,688,781	3,688,781	3,680,107	(8,674)
Franchise taxes	4,283,174	4,283,174	3,990,193	(292,981)
Licenses and permits	4,225,810	4,225,810	3,031,411	(1,194,399)
Fines and forfeitures	473,500	473,500	632,954	159,454
Fire assessments	6,826,054	6,826,054	6,814,374	(11,680)
Investment earnings	146,790	146,790	271,828	125,038
Slot machine proceeds	1,679,850	1,679,850	1,676,989	(2,861)
Other revenues	876,982	1,951,982	1,812,308	(139,674)
Total revenues	62,575,437	63,650,437	59,401,142	(4,249,295)
Expenditures:				
Personal services	48,430,895	47,996,033	46,754,409	1,241,624
Operating expenditures	8,726,238	10,490,947	9,108,041	1,382,906
Contingency	258,431	262,117	-	262,117
Grants and aids	780,684	605,921	599,550	6,371
Capital outlay	1,029,740	5,108,789	1,602,319	3,506,470
Total expenditures	59,225,988	64,463,807	58,064,319	6,399,488
Excess (deficiency) of revenues over (under) expenditures	3,349,449	(813,370)	1,336,823	2,150,193
Other Financing Sources (Uses)				
Transfers in	372,321	1,699,946	2,517,386	817,440
Transfers out	(4,465,314)	(5,792,939)	(5,743,567)	49,372
Sale of capital assets	500	500	73,513	73,013
Total other financing uses	(4,092,493)	(4,092,493)	(3,152,668)	939,825
Net change in fund balance	$ (743,044)	$ (4,905,863)	(1,815,845)	$ 3,090,018
Fund balance, beginning, restated			28,253,747	
Excess benefit plan (see Note 2)			(28,618)	
Fund balance, ending			$ 26,409,284	

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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
Revenues:				
Property taxes	$ 3,957,962	$ 3,940,000	$ 3,940,000	$ -
Charges for services	21,500	28,500	29,401	901
Intergovernmental	4,732,459	4,735,495	4,735,495	-
Investment earnings	68,700	30,700	131,732	101,032
Other revenues	247,000	584,500	529,885	(54,615)
Total revenues	9,027,621	9,319,195	9,366,513	47,318
Expenditures:				
Personal services	666,285	505,145	526,635	(21,490)
Operating expenditures	8,262,771	4,315,107	5,166,215	(851,108)
Debt service	2,349,996	1,338,285	1,334,025	4,260
Capital outlay	5,939,500	4,394,591	584,348	3,810,243
Total expenditures	17,218,552	10,553,128	7,611,223	2,941,905
Excess (deficiency) of revenues over (under) expenditures	(8,190,931)	(1,233,933)	1,755,290	2,989,223
Other financing sources (uses):				
Transfers out	-	(15,400,000)	(14,010,102)	1,389,898
Debt issued	-	15,400,000	15,400,000	-
Total other financing sources	-	-	1,389,898	1,389,898
Net change in fund balance	$ (8,190,931)	$ (1,233,933)	3,145,188	$ 4,379,121
Fund balance, beginning, restated			8,335,535	
Fund balance, ending			$ 11,480,723	

See Notes to Required Supplementary Information.

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, except for unbudgeted amounts related to the excess benefit plan's investments, which are presented in the General fund for financial statement purposes.

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 $5,237,819.

The City and the CRA provide 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.

Note 2. Reconciliation of Excess Benefit Plan

Excess benefit plan investment earnings	$	528,634
Excess benefit payments		(557,252)
Net Change in Fund Balance - Excess Benefit Plan	$	(28,618)

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]
Excess Benefit Plan:						
October 1, 2015	$ -	$ 8,507,106	$ 8,507,106	0%	571,436	1489%
October 1, 2014	-	8,574,662	8,574,662	0%	715,194	1199%
October 1, 2013	-	8,630,188	8,630,188	0%	695,382	1241%
October 1, 2012	-	8,369,187	8,369,187	0%	985,364	849%
October 1, 2011	-	8,377,327	8,377,327	0%	1,239,657	676%
October 1, 2010	-	7,640,811	7,640,811	0%	1,592,899	480%
.						
Other Post-Employment Benefits (1):						
October 1, 2014	$ -	$ 11,812,058	$ 11,812,058	0%	Not Available	
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%

(1) 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
Professional/ Management Retirement Plan

September 30,	2016	2015	2014
Total Pension Liability			
Service cost	$ 217,129	$ 278,376	$ 271,262
Interest	1,358,496	1,346,589	1,211,250
Benefit payments	(954,956)	(1,402,625)	(849,115)
Change in assumptions	1,028,958	--	--
Differences between expected and actual experience	(219,313)	(387,152)	1,606,105
Net Change in Total Pension Liability	1,430,314	(164,812)	2,239,502
Total Pension Liability - Beginning	18,403,056	18,567,868	16,328,366
Total Pension Liability - Ending	$ 19,833,370	$ 18,403,056	$ 18,567,868
Plan Fiduciary Net Position			
Contributions - employer	$ 691,355	$ 748,978	$ 912,745
Contributions - member	61,774	55,316	85,052
Net investment (loss) income	1,158,157	(140,977)	1,282,016
Benefit payments	(954,956)	(1,402,625)	(849,115)
Administrative expense	(26,140)	(21,723)	(22,133)
Net Change in Plan Fiduciary Net Position	930,190	(761,031)	1,408,565
Plan Fiduciary Net Position - Beginning	15,213,429	15,974,460	14,565,895
Plan Fiduciary Net Position - Ending	$ 16,143,619	$ 15,213,429	$ 15,974,460
City's Net Pension Liability - Ending	$ 3,689,751	$ 3,189,627	$ 2,593,408
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.40%	82.67%	86.03%
Covered Employee Payroll	$ 814,214	$ 763,897	$ 738,758
City's Net Pension Liability as a Percentage of Covered-Employee Payroll	453.17%	417.55%	351.05%

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 Changes in the City's Net Pension Liability and Related Ratios
Police Officers' and Firefighters' Personnel Retirement Trust

September 30,	2016	2015	2014
Total Pension Liability			
Service cost	$ 2,198,923	$ 2,114,287	$ 2,068,244
Interest	14,732,084	13,946,642	13,484,951
Benefit payments	(9,537,098)	(9,377,998)	(9,905,885)
Differences between expected and actual experience	1,635,041	3,413,322	--
Changes in assumptions	8,988,193	--	--
Contributions - Buy Back	22,723	33,396	--
Net Change in Total Pension Liability	18,039,866	10,129,649	5,647,310
Total Pension Liability - Beginning	192,661,026	182,531,377	176,884,067
Total Pension Liability - Ending	$ 210,700,892	$ 192,661,026	$ 182,531,377
Plan Fiduciary Net Position			
Contributions - employer and state	$ 8,475,832	$ 8,524,870	$ 8,651,807
Contributions - member	1,285,750	1,205,723	1,190,421
Contributions - Buy Back	22,723	33,396	--
Net investment (loss) income	10,988,258	(574,125)	13,794,259
Benefit payments	(9,537,098)	(9,377,998)	(9,905,885)
Administrative expense	(148,100)	(137,847)	(109,957)
Prior year adjustment	--	204,046	--
Net Change in Plan Fiduciary Net Position	11,087,365	(121,935)	13,620,645
Plan Fiduciary Net Position - Beginning	132,111,564	132,233,499	118,612,854
Plan Fiduciary Net Position - Ending	$ 143,198,929 *	$ 132,111,564	$ 132,233,499
City's Net Pension Liability - Ending	$ 67,501,963	$ 60,549,462	$ 50,297,878
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.96%	68.57%	72.44%
Covered Employee Payroll	$ 13,167,794	$ 14,267,482	$ 12,179,211
City's Net Pension Liability as a Percentage of Covered-Employee Payroll	512.63%	424.39%	412.98%

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.

** The ending net position presented does not agree to the plan fiduciary net position at September 30, 2016 due to an actuarial adjustment.*

City of Hallandale Beach, Florida

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

September 30,	2016	2015	2014
Total Pension Liability			
Service cost	$ 1,047,059	$ 1,121,826	$ 1,302,508
Interest	4,402,093	4,339,134	4,198,485
Benefit payments	(3,049,800)	(2,972,541)	(2,395,369)
Change in assumptions	3,005,500	--	--
Differences between expected and actual experience	(329,785)	(1,349,496)	(786,563)
Net Change in Total Pension Liability	5,075,067	1,138,923	2,319,061
Total Pension Liability - Beginning	61,350,559	60,211,636	57,892,575
Total Pension Liability - Ending	$ 66,425,626	$ 61,350,559	$ 60,211,636
Plan Fiduciary Net Position			
Contributions - employer	$ 3,331,672	$ 3,659,156	$ 3,940,595
Contributions - member	228,118	230,059	262,685
Net investment (loss) income	3,618,252	(286,916)	3,508,511
Benefit payments	(3,049,800)	(2,972,541)	(2,395,369)
Administrative expense	(46,495)	(38,415)	(38,785)
Net Change in Plan Fiduciary Net Position	4,081,747	591,343	5,277,637
Plan Fiduciary Net Position - Beginning	48,627,129	48,035,786	42,758,149
Plan Fiduciary Net Position - Ending	$ 52,708,876	$ 48,627,129	$ 48,035,786
City's Net Pension Liability - Ending	$ 13,716,750	$ 12,723,430	$ 12,175,850
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.35%	79.26%	79.78%
Covered Employee Payroll	$ 6,501,387	$ 6,818,960	$ 7,447,800
City's Net Pension Liability as a Percentage of Covered-Employee Payroll	210.98%	186.59%	163.48%

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

September 30,	2016	2015	2014
Actuarially determined contribution	$ 691,355	$ 748,978	$ 912,745
Contributions in relation to the actuarially determined contribution	691,355	748,978	912,745
Contribution deficiency (excess)	$ --	$ --	$ --
Covered-employee payroll	$ 814,214	$ 763,897	$ 738,758
Contributions as a percentage of covered-employee payroll	84.91%	98.05%	123.55%

Methods and Assumptions Used to Determine Contribution Rates for Year Ending September 30, 2016:

Valuation Date:	October 1, 2014
Note:	Actuarially determined contributions are calculated as of October 1, which is two years prior to the beginning of the year in which contributions are reported.
Actuarial Cost Method	Entry age normal-frozen initial liability
Amortization Method	Level Percent of Pay, Closed
Remaining Amortization Period	18 Years (as of 10/1/2014)
Asset Valuation Method	4 Year Smooth (Market)
Inflation and Other General Increases	2.5 %
Cost of Living	2.00% per year.
Salary Increases	6.38% - 9.6%
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

	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	$ 8,528,110	$ 8,676,637	$ 8,651,807	$ 8,140,920	$ 9,137,817	$ 8,110,548	$ 7,320,389	$ 7,527,340
Contributions in relation to the actuarially determined contribution	8,475,832	8,728,916	8,651,807	8,140,920	9,144,014	8,110,548	7,549,543	7,527,340
Contribution deficiency (excess)	$ 52,278	$ (52,279)	$ --	$ --	$ (6,197)	$ --	$ (229,154)	$ --
Covered-employee payroll	$ 13,167,794	$ 14,267,482	$ 12,179,211	$ 12,528,346	$ 13,244,476	$ 12,199,319	$ 11,995,957	$ 11,034,615
Contributions as a percentage of covered-employee payroll	64.37%	61.18%	71.04%	64.98%	69.04%	66.48%	62.93%	68.22%

Methods and Assumptions Used to Determine Contribution Rates for
Year Ending September 30, 2016:

Valuation Date:	October 1, 2014
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	28 Years (as of 10/1/2014)
Asset Valuation Method	5 Year Smooth (Market)
Inflation and Other General Increases	4%
Salary Increases	4.5% to 10% based on service
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.

Required Supplementary Information
Schedule of City Contributions - General Employees Retirement Plan

September 30,	2016	2015	2014
Actuarially determined contribution	$ 3,331,672	$ 3,659,156	$ 3,940,595
Contributions in relation to the actuarially determined contribution	3,331,672	3,659,156	3,940,595
Contribution deficiency (excess)	$ --	$ --	$ --
Covered-employee payroll	$ 6,501,387	$ 6,818,960	$ 7,447,800
Contributions as a percentage of covered-employee payroll	51.25%	53.66%	52.91%

Methods and Assumptions Used to Determine Contribution Rates for Year Ending September 30, 2016:

Valuation Date:	October 1, 2014
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

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

Year Ending September 30,	Professional/ Management Retirement Plan	Police Officers' and Firefighters' Personnel Retirement Trust	General Employees Retirement Plan
2016	7.72%	8.40%	7.48%
2015	-0.92%	-0.39%	-0.60%
2014	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

Hallandale Beach
PROGRESS. INNOVATION. OPPORTUNITY.

Nonmajor Governmental Funds

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, 2016

	Special Revenue							
	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	Total Nonmajor Governmental Funds
Assets								
Cash and cash equivalents	$ 66,028	$ 102,636	$ 613,643	$ 28,740	$ 513,022	$ 287,355	$ 295,545	$ 1,906,969
Receivables, net of allowance	-	339,087	-	-	-	-	-	339,087
Restricted assets:								
Cash and cash equivalents	-	68,450	-	-	-	-	-	68,450
Due from other funds	-	-	-	-	-	300,000	-	300,000
Due from other governments	-	-	-	114,331	-	-	17,779	132,110
Total assets	$ 66,028	$ 510,173	$ 613,643	$ 143,071	$ 513,022	$ 587,355	$ 313,324	$ 2,746,616
Liabilities and Fund Balances								
Liabilities:								
Accounts payable and accrued liabilities	-	-	2,747	41,917	31,108	163,603	4,153	243,528
Deposits	-	68,450	-	-	-	-	-	68,450
Due to other funds	-	300,000	-	-	-	-	-	300,000
Unearned revenue	-	221,730	-	126,190	-	-	-	347,920
Total liabilities	-	590,180	2,747	168,107	31,108	163,603	4,153	959,898
Fund Balances:								
Restricted:								
Law enforcement	66,028	-	610,896	-	-	-	309,171	986,095
Safe neighborhood districts	-	-	-	-	481,914	423,752	-	905,666
Unassigned:	-	(80,007)	-	(25,036)	-	-	-	(105,043)
Total fund balances	66,028	(80,007)	610,896	(25,036)	481,914	423,752	309,171	1,786,718
Total liabilities and fund balances	$ 66,028	$ 510,173	$ 613,643	$ 143,071	$ 513,022	$ 587,355	$ 313,324	$ 2,746,616

City of Hallandale Beach, Florida

Combining Statement of Revenue, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended September 30, 2016

	Special Revenue							
	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	Total Nonmajor Governmental Funds
Revenues:								
Property taxes	$ -	$ -	$ -	$ -	$ 271,100	$ 353,134	$ -	$ 624,234
Charges for services	-	965,290	-	306,653	-	-	-	1,271,943
Intergovernmental	-	-	-	975,983	-	-	-	975,983
Fines and forfeitures	11,472	-	-	-	-	-	179,477	190,949
Investment earnings	172	-	269	252	1,332	1,518	898	4,441
Other revenues	-	72,021	25,031	-	-	-	-	97,052
Total revenues	11,644	1,037,311	25,300	- 1,282,888	272,432	354,652	- 180,375	3,164,602
Expenditures:								
Current:								
Public safety	1,591	1,221,982	17,467	-	195,239	417,472	202,433	2,056,184
Transportation	-	-	-	1,585,484	-	-	-	1,585,484
Capital outlay	-	-	25,795	68,862	24,135	-	-	118,792
Total expenditures	1,591	1,221,982	43,262	1,654,346	219,374	417,472	202,433	3,760,460
Excess (deficiency) of revenues over (under) expenditures	10,053	(184,671)	(17,962)	(371,458)	53,058	(62,820)	(22,058)	(595,858)
Other financing uses:								
Transfers out	-	(72,021)	-	-	-	-	-	(72,021)
Total other financing uses	-	(72,021)	-	-	-	-	-	(72,021)
Net change in fund balances	10,053	(256,692)	(17,962)	(371,458)	53,058	(62,820)	(22,058)	(667,879)
Fund balances, beginning	55,975	176,685	628,858	346,422	428,856	486,572	331,229	2,454,597
Fund balances, ending	$ 66,028	$ (80,007)	$ 610,896	$ (25,036)	$ 481,914	$ 423,752	$ 309,171	$ 1,786,718

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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Fines and forfeitures	$ 10,000	$ 10,000	$ 11,472	$ 1,472
Investment earnings	270	270	172	(98)
Total revenues	10,270	10,270	11,644	1,374
Expenditures:				
Cost of sales and services	35,000	35,000	1,591	33,409
Excess (Deficiency) of revenues over (under) expenditures	(24,730)	(24,730)	10,053	34,783
Net Change in Fund Balance	$ (24,730)	$ (24,730)	10,053	$ 34,783
Fund balance, beginning			55,975	
Fund balance, ending			$ 66,028	

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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Charges for services	$ 1,100,000	$ 1,100,000	$ 965,290	$ (134,710)
Investment earnings	315	315	-	(315)
Other revenues	63,500	63,500	72,021	8,521
Total revenues	1,163,815	1,163,815	1,037,311	(126,504)
Expenditures:				
Personal services	1,100,315	1,100,315	1,221,982	(121,667)
Excess (deficiency) of revenues over (under) expenditures	63,500	63,500	(184,671)	(248,171)
Other financing uses:				
Transfers out	(63,500)	(63,500)	(72,021)	(8,521)
Total Other Financing Uses	(63,500)	(63,500)	(72,021)	(8,521)
Net change in fund balance	$ -	$ -	(256,692)	$ (256,692)
Fund balance, beginning			176,685	
Fund balance, ending			$ (80,007)	

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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Investment earnings	$ 3,420	$ 3,420	$ 269	$ (3,151)
Other revenues	-	-	25,031	25,031
Total revenues	3,420	3,420	25,300	21,880
Expenditures:				
Personal services	156,111	156,111	-	156,111
Operating expenditures	146,820	146,820	17,467	129,353
Capital outlay	96,000	246,000	25,795	220,205
Total expenditures	398,931	548,931	43,262	505,669
Deficiency of revenues under expenditures	(395,511)	(545,511)	(17,962)	527,549
Net Change in Fund Balance	$ (395,511)	$ (545,511)	(17,962)	$ 527,549
Fund balance, beginning			628,858	
Fund balance, ending			$ 610,896	

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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Ad valorem taxes	$ 277,891	$ 277,891	$ 271,100	$ (6,791)
Investment earnings	1,800	1,800	1,332	(468)
Total revenues	279,691	279,691	272,432	(7,259)
Expenditures:				
Operating expenditures	205,208	205,208	195,239	9,969
Contingency	10,000	10,000	-	10,000
Capital outlay	258,011	465,262	24,135	441,127
Total expenditures	473,219	680,470	219,374	461,096
Excess (deficiency) of revenues over (under) expenditures	(193,528)	(400,779)	53,058	453,837
Net Change in Fund Balance	$ (193,528)	$ (400,779)	53,058	$ 453,837
Fund balance, beginning			428,856	
Fund balance, ending			$ 481,914	

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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Charges for services	$ 293,253	$ 293,253	$ 306,653	$ 13,400
Intergovernmental	979,429	979,429	975,983	(3,446)
Investment earnings	10,800	10,800	252	(10,548)
Total revenues	1,283,482	1,283,482	1,282,888	(594)
Expenditures:				
Personal services	842,465	842,465	750,481	91,984
Operating expenditures	910,809	1,028,999	835,003	193,996
Capital outlay	1,000	589,497	68,862	520,635
Total expenditures	1,754,274	2,460,961	1,654,346	806,615
Deficiency of revenues under expenditures	(470,792)	(1,177,479)	(371,458)	806,021
Other financing sources:				
Transfers in	165,694	165,694	-	(165,694)
Net Change in Fund Balance	$ (305,098)	$ (1,011,785)	(371,458)	$ 640,327
Fund balance, beginning			346,422	
Fund balance, ending			$ (25,036)	

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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Ad valorem taxes	$ 358,037	$ 358,037	$ 353,134	$ (4,903)
Investment earnings	2,790	2,790	1,518	(1,272)
Total revenues	360,827	360,827	354,652	(6,175)
Expenditures:				
Operating expenditures	413,714	413,714	417,472	(3,758)
Contingency	15,000	3,858	-	3,858
Capital outlay	-	52,987	-	52,987
Total expenditures	428,714	470,559	417,472	53,087
Deficiency of revenues under expenditures	(67,887)	(109,732)	(62,820)	46,912
Net Change in Fund Balance	$ (67,887)	$ (109,732)	(62,820)	$ 46,912
Fund balance, beginning			486,572	
Fund balance, ending			$ 423,752	

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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Fines and forfeitures	$ -	$ -	$ 179,477	$ 179,477
Investment earnings	1,980	1,980	898	(1,082)
Total revenues	1,980	1,980	180,375	178,395
Expenditures:				
Operating expenditures	224,498	224,498	202,433	22,065
Deficiency of revenues under expenditures	(222,518)	(222,518)	(22,058)	200,460
Net Change in Fund Balance	$ (222,518)	$ (222,518)	(22,058)	$ (200,460)
Fund balance, beginning			331,229	
Fund balance, ending			$ 309,171	

Hallandale Beach

PROGRESS. INNOVATION. OPPORTUNITY.

Proprietary Funds

NONMAJOR 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 Enterprise Funds
September 30, 2016

	Cemetery Fund	Marina Fund	Total Nonmajor Enterprise Funds
Assets			
Current Assets:			
Cash and cash equivalents	$ 49,546	$ 10,471	$ 60,017
Restricted assets:			
Cash and cash equivalents	291,498	38,031	329,529
Receivables, net of allowance	25,225	-	25,225
Inventory	374,893	-	374,893
Total current assets	741,162	48,502	789,664
Capital assets:			
Land	375,478	-	375,478
Improvements other than buildings	150,673	-	150,673
Vehicles and equipment	54,240	-	54,240
Total capital assets	580,391	-	580,391
Less accumulated depreciation	(187,598)	-	(187,598)
Net capital assets	392,793	-	392,793
Total assets	1,133,955	48,502	1,182,457
Deferred Outflows of Resources			
Pensions	52,162	-	52,162
Liabilities and Net Position			
Current liabilities:			
Accounts payable and accrued liabilities	1,589	840	2,429
Payables from restricted assets:			
Deposits	-	38,031	38,031
Compensated absences	3,007	-	3,007
Total current liabilities	4,596	38,871	43,467
Noncurrent liabilities:			
Accrued other post employment benefits	14,044	-	14,044
Compensated absences	668	-	668
Net pension liability	108,149	-	108,149
Total noncurrent liabilities	122,861	-	122,861
Total liabilities	127,457	38,871	166,328
Deferred Inflows of Resources			
Pensions	8,848	-	8,848
Net Position			
Investment in capital assets	392,793	-	392,793
Restricted for cemetery care	291,498	-	291,498
Unrestricted	365,521	9,631	375,152
Total net position	$ 1,049,812	$ 9,631	$ 1,059,443

City of Hallandale Beach, Florida

Combining Statement of Revenue, Expenditures and Changes in Net Position
Nonmajor Enterprise Funds
Year Ended September 30, 2016

	Cemetery Fund	Marina Fund	Total Nonmajor Enterprise Funds
Operating revenues:			
Charges for services	$ 200,984	$ 79,805	$ 280,789
Other revenues	119	-	119
Total operating revenues	201,103	79,805	280,908
Operating expenses:			
Cost of sales and services	41,812	16,886	58,698
Personal services	124,108	21,923	146,031
Depreciation	7,084	-	7,084
Total operating expenses	173,004	38,809	211,813
Operating income	28,099	40,996	69,095
Nonoperating revenues:			
Investment earnings	111	100	211
Total nonoperating revenues	111	100	211
Change in net position	28,210	41,096	69,306
Net position, beginning	1,021,602	(31,465)	990,137
Net position, ending	$ 1,049,812	$ 9,631	$ 1,059,443

City of Hallandale Beach, Florida

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended September 30, 2016

	Cemetery Fund	Marina Fund	Total Nonmajor Enterprise Funds
Cash Flows From Operating Activities:			
Cash received from fees and charges	$ 197,961	$ 117,836	$ 315,797
Cash paid to suppliers for goods, services, claims and administrative charges	(40,443)	(40,780)	(81,223)
Cash paid to employees for services	(131,320)	(21,923)	(153,243)
Cash paid to other funds	-	(20,000)	(20,000)
Net cash provided by operating activities	26,198	35,133	61,331
Cash Flows From Capital and Related Financing Activities:			
Purchase of capital assets	(4,680)	-	(4,680)
Net cash used by capital financing activities	(4,680)	-	(4,680)
Cash Flows Provided By Investing Activities:			
Interest and investment income received	111	99	210
Net cash provided by investing activities	111	99	210
Net increase in cash and cash equivalents	21,629	35,232	56,861
Cash and cash equivalents, beginning	319,415	13,270	332,685
Cash and cash equivalents, ending	$ 341,044	$ 48,502	$ 389,546
Reconciliation to the statement of net positon:			
Cash and cash equivalents	49,546	10,471	60,017
Restricted assets, cash and cash equivalents	291,498	38,031	329,529
	$ 341,044	$ 48,502	$ 389,546
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	28,099	40,996	69,095
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	7,084	-	7,084
(Increase) decrease in receivables	(3,142)	-	(3,142)
(Increase) decrease in deferred outflows	(25,811)	-	(25,811)
Increase (decrease) in accounts payable and accrued liabilities	1,369	14,137	15,506
Increase (decrease) in net pension liabilities	16,831	-	16,831
Increase (decrease) in deferred inflows	2,820	-	2,820
Increase (decrease) in accrued liability for other post-employment benefits	1,527	-	1,527
Increase (decrease) in due to other funds	-	(20,000)	(20,000)
Increase (decrease) in compensated absences	(2,579)	-	(2,579)
Net cash provided by operating activities	$ 26,198	$ 35,133	$ 61,331

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, 2016

	General Liability Trust Fund	Workers' Compensation Fund	Fleet Fund	Total Internal Service Funds
Assets				
Current assets:				
Cash and cash equivalents	$ 1,134,457	$ 362,967	$ 144,691	$ 1,642,115
Prepaids	18,472	-	-	18,472
Due from other funds	-	1,900,000	-	1,900,000
Total current assets	1,152,929	- 2,262,967	144,691	3,560,587
Noncurrent Assets:				
Capital assets:				
Vehicles and equipment	-	-	8,782,343	8,782,343
Total capital assets	-	-	8,782,343	8,782,343
Less accumulated depreciation	-	-	(3,558,049)	(3,558,049)
Net capital assets	-	-	5,224,294	5,224,294
Total noncurrent assets	-	-	5,224,294	5,224,294
Total assets	1,152,929	2,262,967	5,368,985	8,784,881
Deferred Outflows of Resources				
Pensions	40,404	-	230,878	271,282
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities	52,418	-	32,695	85,113
Due to other funds	-	-	1,900,000	1,900,000
Compensated absences	6,218	-	20,791	27,009
Accrued claims for self-insured risks	501,000	312,000	-	813,000
Total current liabilities	559,636	- 312,000	- 1,953,486	2,825,122
Noncurrent liabilities:				
Compensated absences	1,887	-	5,768	7,655
Net pension liability	83,975	-	479,673	563,648
Accrued claims for self-insured risks	1,752,000	1,477,000	-	3,229,000
Accrued other post employment benefits	23,649	-	119,218	142,867
Total noncurrent liabilities	1,861,511	- 1,477,000	- 604,659	3,943,170
Total liabilities	2,421,147	- 1,789,000	- 2,558,145	6,768,292
Deferred Inflows of Resources				
Pensions	6,870	-	39,244	46,114
Net position				
Net investment in capital assets	-	-	5,223,576	5,223,576
Unrestricted	(1,234,684)	- 473,967	(2,221,102)	(2,981,819)
Total net position	$ (1,234,684)	$ 473,967	$ 3,002,474	$ 2,241,757

City of Hallandale Beach, Florida

Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
Year Ended September 30, 2016

	General Liability Trust Fund	Workers' Compensation Fund	Fleet Fund	Total Internal Service Funds
Operating revenues:				
Charges for services	$ 52,579	$ 1,061,173	$ 3,407,868	$ 4,521,620
Total operating revenues	52,579	1,061,173	3,407,868	4,521,620
Operating expenses:				
Cost of services	330,835	210,709	278,627	820,171
Personal services	162,928	-	618,385	781,313
Claims expense	1,844,260	1,035,194	-	2,879,454
Depreciation	-	-	1,584,360	1,584,360
Total operating expenses	2,338,023	1,245,903	2,481,372	6,065,298
Operating income (loss)	(2,285,444)	(184,730)	926,496	(1,543,678)
Nonoperating revenues (expenses):				
Investment earnings	3,759	4,608	(2,747)	5,620
Interest expense	-	-	(149,000)	(149,000)
Sale of capital assets	-	-	16,476	16,476
Total nonoperating revenues (expenses)	3,759	4,608	(135,271)	(126,904)
Income (loss) before transfers	(2,281,685)	(180,122)	791,225	(1,670,582)
Transfers in	200,000	-	24,690	224,690
Transfers out	(24,690)	(308,821)	-	(333,511)
Change in net position	(2,106,375)	(488,943)	815,915	(1,779,403)
Net position, beginning	871,691	962,910	2,186,559	4,021,160
Net position, ending	$ (1,234,684)	$ 473,967	$ 3,002,474	$ 2,241,757

City of Hallandale Beach, Florida

Combining Statement of Cash Flows
Internal Service Funds
Year Ended September 30, 2016

	General Liability Trust Fund	Workers' Compensation Fund	Fleet Fund	Total
Cash Flows From Operating Activities:				
Cash received from fees and charges	$ 195,272	$ 1,061,173	$ 3,407,868	$ 4,664,313
Cash received from other funds	-	100,000	3,400,000	3,500,000
Cash paid to suppliers for goods, services, claims and administrative charges	(844,793)	(654,350)	(316,290)	(1,815,433)
Cash paid to employees for services	(206,361)	-	(856,505)	(1,062,866)
Net cash provided (used) by operating activities	(855,882)	506,823	5,635,073	5,286,014
Cash Flows From Noncapital Financing Activities:				
Transfers from other funds	200,000	-	24,690	224,690
Transfers to other funds	(24,690)	(308,821)	-	(333,511)
Net cash provided (used) by non-capital financing activities	175,310	(308,821)	24,690	(108,821)
Cash Flows From Capital and Related Financing Activities:				
Purchase of capital assets	-	-	(1,974,232)	(1,974,232)
Proceeds from sale of capital assets	-	-	27,999	27,999
Principal paid on long-term debt	-	-	(3,725,000)	(3,725,000)
Interest paid on long-term debt	-	-	(173,399)	(173,399)
Net cash used by capital and related financing activities	-	-	(5,844,632)	(5,844,632)
Cash Flows From Investing Activities				
Interest received (paid)	3,759	4,608	(2,747)	5,620
Net cash provided (used) by investing activities	3,759	4,608	(2,747)	5,620
Net increase (decrease) in cash and cash equivalents	(676,813)	202,610	(187,616)	(661,819)
Cash and cash equivalents:				
Beginning	1,811,270	160,357	332,307	2,303,934
Ending	$ 1,134,457	$ 362,967	$ 144,691	$ 1,642,115
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	$ (2,285,444)	$ (184,730)	$ 926,496	$ (1,543,678)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	-	-	1,584,360	1,584,360
(Increase) decrease in receivables	142,693	-	-	142,693
(Increase) decrease in other assets	(18,472)	-	-	(18,472)
(Increase) decrease in deferred outflow of resources - pensions	(13,003)	-	(40,349)	(53,352)
(Increase) decrease due from other funds	-	-	1,500,000	1,500,000
Increase (decrease) in accounts payable and accrued liabilities	40,057	(2,375)	(37,663)	19
Increase (decrease) in compensated absences	2,446	-	(37,166)	(34,720)
Increase (decrease) in net pension liability	(36,517)	-	(172,953)	(209,470)
Increase (decrease) in deferred inflow of resources - pensions	(758)	-	(3,839)	(4,597)
Increase (decrease) in due to other funds	-	100,000	1,900,000	2,000,000
Increase (decrease) in accrued claims for self-insured risks	1,308,717	593,928	-	1,902,645
Increase (decrease) in accrued liability for other post-employment benefits	4,399	-	16,187	20,586
Net cash provided (used) by operating activities	$ (855,882)	$ 506,823	$ 5,635,073	$ 5,286,014

Hallandale Beach

PROGRESS. INNOVATION. OPPORTUNITY.

Fiduciary Funds

FIDUCIARY FUNDS

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

Pension Trust Funds:

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

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

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

Agency Funds:

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

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

City of Hallandale Beach, Florida

Combining Statement of Fiduciary Net Position
Pension Trust Funds
September 30, 2016

	General Employees Pension Fund	Police and Firefighters Pension Fund	Professional/ Management Pension Fund	Total Pension Trust Funds
Assets				
Cash and cash equivalents	$ -	$ 5,893,550		$ 5,893,550
State contributions receivable	-	601,707	-	601,707
Employer contributions receivable	-	8,931	-	8,931
Employee contributions receivable	-	49,504	-	49,504
Accrued investment income	-	221,785	-	221,785
Accounts receivable - sale of investments	-	585,186	-	585,186
Investments:				
Corporate bonds	-	8,672,236	-	8,672,236
Equity securities	-	87,959,310	-	87,959,310
U.S. Obligations	-	15,038,924	-	15,038,924
Hedge funds	-	18,385,989	-	18,385,989
Equity pooled separate accounts	22,933,052	-	8,707,540	31,640,592
Fixed income pooled separate accounts	25,443,049	-	6,107,303	31,550,352
Real estate pooled separate accounts	4,332,775	-	1,328,776	5,661,551
Real estate investment trust	-	6,512,345	-	6,512,345
Total investments	52,708,876	136,568,804	16,143,619	205,421,299
Prepaid expense	-	10,422	-	10,422
Total assets	52,708,876	143,939,889	16,143,619	212,792,384
Liabilities				
Accounts payable	-	209,067	-	209,067
Due for securities purchased	-	580,262	-	580,262
Total Liabilities	-	789,329	-	789,329
Net position				
Restricted for pension benefits	$ 52,708,876	$ 143,150,560	$ 16,143,619	$ 212,003,055

City of Hallandale Beach, Florida

Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
Year Ended September 30, 2016

	General Employees Pension Fund	Police and Firefighters Pension Fund	Professional/ Management Pension Fund	Total Pension Trust Funds
Contributions:				
Employer	$ 3,331,672	$ 7,908,910	$ 691,355	$ 11,931,937
Plan members	228,118	1,260,105	58,625	1,546,848
State of Florida	-	601,707	-	601,707
Other income	-	42,610	-	42,610
Total contributions	3,559,790	9,813,332	749,980	14,123,102
Investment earnings:				
Interest and dividends	-	2,742,656	-	2,742,656
Net increase in fair value of investments	3,641,414	9,198,805	1,168,854	14,009,073
Total investment earnings	3,641,414	11,941,461	1,168,854	16,751,729
Less investment expense	(69,657)	(980,098)	(36,837)	(1,086,592)
Net investment income	3,571,757	10,961,363	1,132,017	15,665,137
Total additions	7,131,547	20,774,695	1,881,997	29,788,239
Deductions				
Benefits	3,049,800	9,542,245	951,807	13,543,852
Professional services	-	163,383	-	163,383
Total deductions	3,049,800	9,705,628	951,807	13,707,235
Change in net position	4,081,747	11,069,067	930,190	16,081,004
Net position, beginning, as previously reported	48,627,129	132,081,493	21,679,380	202,388,002
Prior period adjustment (see Note 15)	-	-	(6,465,951)	(6,465,951)
Net position, beginning, restated	48,627,129	132,081,493	15,213,429	195,922,051
Net position, ending	$ 52,708,876	$ 143,150,560	$ 16,143,619	$ 212,003,055

City of Hallandale Beach, Florida

Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
September 30, 2016

	Payroll Trust Fund	General Trust Fund	Total Agency Funds
Assets			
Cash and cash equivalents	$ 1,385,242	$ 808,013	$ 2,193,255
Due from other funds	147,210	282	147,492
Accounts receivable	20,687	-	20,687
	$ 1,553,139	$ 808,295	$ 2,361,434
Liabilities			
Accounts payable and other liabilities	$ 13,407	$ -	$ 13,407
Due to others	1,539,732	808,295	2,348,027
	$ 1,553,139	$ 808,295	$ 2,361,434

City of Hallandale Beach, Florida

Schedule of Changes in Assets and Liabilities
Payroll Trust Fund
Year Ended September 30, 2016

	Beginning Balance	Additions	Deductions	Ending Balance
Assets				
Cash and cash equivalents	$ 1,231,716	$ 22,818,065	$ (22,664,539)	$ 1,385,242
Due from other funds	-	-	-	-
Accounts receivable	8,932	533,472	(521,717)	20,687
Due from other governments	60,417	99,307	(12,514)	147,210
	$ 1,301,065	$ 23,450,844	$ (23,198,770)	$ 1,553,139
Liabilities				
Accounts payable and other liabilities	$ 79,896	$ 20,739,673	$ (20,806,162)	$ 13,407
Due to others	1,221,169	37,612,441	(37,293,878)	1,539,732
	$ 1,301,065	$ 58,352,114	$ (58,100,040)	$ 1,553,139

City of Hallandale Beach, Florida

Schedule of Changes in Assets and Liabilities
General Trust Fund
Year Ended September 30, 2016

	Beginning Balance	Additions	Deductions	Ending Balance
Assets				
Cash and cash equivalents	$ 334,979	$ 637,530	$ (164,496)	$ 808,013
Due from other governments	120	174	(12)	282
	$ 335,099	$ 637,704	$ (164,508)	$ 808,295
Liabilities				
Accounts payable	$ 1,650	$ 80,215	$ (81,865)	$ -
Due to others	333,449	691,486	(216,640)	808,295
	$ 335,099	$ 771,701	$ (298,505)	$ 808,295

Hallandale Beach

PROGRESS. INNOVATION. OPPORTUNITY.

Statistical Section

Statistical Section

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

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Financial Trends 114

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity 119

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

Debt Capacity 124

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information 127

This schedule offers demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information 130

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.

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)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities:										
Net investment in capital assets	$ 41,876	$ 37,148	$ 39,425	$ 45,621	$ 45,545	$ 48,484	$ 42,885	$ 59,760	$ 59,840	$ 66,595
Restricted	13,123	18,832	22,576	24,788	28,498	25,446	20,408	11,599	13,523	85,768
Unrestricted	31,793	37,555	36,920	33,243	31,454	25,314	34,225	19,671	(35,637)	(110,822)
Total governmental activities net position	$ 86,792	$ 93,535	$ 98,921	$ 103,652	$ 105,497	$ 99,244	$ 97,518	$ 91,030	$ 37,726	$ 41,541
Business-type activities:										
Net investment in capital assets	$ 25,470	$ 27,519	$ 26,859	$ 28,347	$ 27,910	$ 24,702	$ 28,361	$ 33,465	$ 35,544	$ 37,651
Restricted	-	-	-	-	-	-	-	292	291	291
Unrestricted	16,983	16,381	23,438	26,158	30,937	34,028	38,672	40,562	33,754	27,512
Total business-type activities net position	$ 42,453	$ 43,900	$ 50,297	$ 54,505	$ 58,847	$ 58,730	$ 67,033	$ 74,319	$ 69,589	$ 65,454
Primary government:										
Net investment in capital assets	$ 67,346	$ 64,667	$ 66,284	$ 73,968	$ 73,455	$ 73,186	$ 71,246	$ 93,225	$ 95,384	$ 104,246
Restricted	13,123	18,832	22,576	24,788	28,498	25,446	20,408	11,891	13,814	86,059
Unrestricted	48,776	53,936	60,358	59,401	62,391	59,342	72,897	60,233	(1,883)	(83,310)
Total primary government net position	$ 129,245	$ 137,435	$ 149,218	$ 158,157	$ 164,344	$ 157,974	$ 164,551	$ 165,349	$ 107,315	$ 106,995

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)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses:										
Governmental activities:										
General government	$ 13,069	$ 11,986	$ 11,990	$ 9,633	$ 11,684	$ 11,530	$ 9,302	$ 15,289	$ 13,876	$ 18,435
Public safety	29,825	30,601	31,654	32,167	33,038	34,941	36,091	39,809	36,359	41,337
Physical environment	3,693	3,841	2,839	2,037	2,411	2,507	2,312	2,028	1,897	2,234
Transportation	1,641	1,574	1,571	1,295	1,127	1,221	1,943	2,142	1,850	1,972
Economic environment	2,363	4,946	3,227	6,479	3,659	6,820	4,798	4,879	4,474	3,735
Culture/Recreation	2,685	2,467	2,445	2,438	2,417	2,622	2,005	3,806	4,145	6,063
Human services	1,154	1,141	1,139	931	1,014	1,215	2,684	2,139	1,822	2,353
Interest on long-term debt	125	1,272	1,220	1,056	1,110	1,068	1,078	1,861	956	2,765
Total governmental activities expenses	54,555	57,828	56,085	56,036	56,460	61,924	60,213	71,953	65,379	78,894
Business-type activities:										
Nonmajor	89	104	134	333	231	253	277	272	280	212
Sanitation	5,117	5,274	5,213	4,943	4,724	4,775	5,267	6,422	6,211	5,864
Sewer										
Stormwater drainage	1,359	1,382	1,425	1,932	1,873	1,678	1,768	2,075	2,215	2,705
Utility (Water & Sewer)	13,768	17,498	17,323	19,263	18,852	21,281	21,288	21,819	24,902	24,722
Total business-type activities expenses	20,333	24,258	24,095	26,471	25,680	27,987	28,600	30,588	33,608	33,503
Total primary government expenses	$ 74,888	$ 82,086	$ 80,180	$ 82,507	$ 82,140	$ 89,911	$ 88,813	$ 102,541	$ 98,987	$ 112,397
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	$ 5,029	$ 4,659	$ 5,564	$ 4,456	$ 4,409	$ 1,627	$ 1,757	$ 6,840	$ 7,719	$ 7,075
Public safety	4,276	7,178	3,966	5,512	4,735	4,022	6,591	13,831	13,445	12,668
Physical environment	-	-	39	40	-	1,881	3,560	4,786	5,233	5,182
Transportation	134	131	156	197	240	292	465	518	622	507
Economic environment	-	-	-	20	-	941	236	433	943	1,473
Culture/Recreation	125	99	101	79	50	25	218	332	899	715
Human services	-	-	-	-	-	60	398	482	477	-
Operating grants and contributions	1,823	1,893	1,267	5,384	1,811	1,589	901	892	816	1,378
Capital grants and contributions	620	839	1,615	1,061	566	1,697	2,999	1,575	1,711	1,096
Total governmental activities program revenues	12,007	14,799	12,708	16,749	11,811	12,134	17,125	29,689	31,865	30,094
Business-type activities										
Charges for services:										
Nonmajor	124	105	342	353	210	226	229	219	193	281
Sanitation	5,228	5,474	5,636	5,435	4,920	4,971	4,955	4,925	5,238	5,422
Stormwater drainage	1,302	1,347	1,420	1,429	1,542	1,979	1,958	2,065	2,591	2,088
Utility (Water & Sewer)	14,650	17,365	21,696	21,505	22,074	21,953	23,644	23,724	22,545	23,009
Capital grants and contributions	371	28	644	9	32	11	933	59	37	-
Total business-type activities program revenues	21,675	24,319	29,738	28,731	28,778	29,140	31,719	30,992	30,604	30,800
Total primary government program revenues	$ 33,682	$ 39,118	$ 42,446	$ 45,480	$ 40,589	$ 41,274	$ 48,844	$ 60,681	$ 62,469	$ 60,894

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

(Continued)

City of Hallandale Beach, Florida

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net (expense)/revenue										
Governmental activities	$ (42,548)	$ (43,029)	$ (43,377)	$ (39,287)	$ (44,649)	$ (49,790)	$ (43,088)	$ (42,264)	$ (33,514)	$ (48,800)
Business-type activities	1,342	61	5,643	2,260	3,098	1,153	3,119	404	(3,004)	(2,703)
Total primary government net expenses	$ (41,206)	$ (42,968)	$ (37,734)	$ (37,027)	$ (41,551)	$ (48,637)	$ (39,969)	$ (41,860)	$ (36,518)	$ (51,502)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	$ 25,151	$ 24,287	$ 23,369	$ 24,340	$ 20,972	$ 20,600	$ 20,579	$ 21,819	$ 21,752	$ 23,786
Franchise and utility taxes	7,656	8,148	8,486	8,338	8,231	8,326	8,220	8,579	8,595	8,373
Sales taxes	2,228	2,107	1,976	2,112	2,029	2,084	2,223	2,339	2,472	2,526
Motor fuel taxes	658	649	673	718	653	639	642	911	1,057	1,010
Alcoholic beverage taxes	22	21	18	28	30	22	23	19	18	17
Fire assessments	2,510	3,266	3,686	4,502	4,591	4,702	5,621	-	-	-
Intergovernmental revenue	6,075	7,221	5,842	4,092	3,818	3,774	4,204	4,869	5,383	5,449
Unrestricted Investment earnings	2,729	2,188	1,788	911	535	439	291	161	221	809
Slot machine proceeds	1,746	1,985	1,749	1,707	1,922	1,818	1,719	1,649	1,603	1,677
Other revenue	1,146	-	1,130	1,893	1,672	1,942	2,665	74	68	31
Gain on the sale of capital assets	-	-	8	11	29	105	-	397	241	258
Transfers	(150)	(100)	37	(929)	(638)	(914)	(4,722)	(5,042)	(1,873)	1,852
Total governmental activities	49,771	49,772	48,762	47,723	43,844	43,537	41,465	35,775	39,537	45,788
Business-type activities:										
Franchise and utility taxes	178	214	237	335	240	213	220	165	-	-
Unrestricted investment earnings	1,133	783	445	227	285	373	193	139	317	395
Other revenue	10	288	53	456	60	46	932	28	1	-
Impact fees	-	-	-	-	-	-	-	-	-	25
Gain on the sale of capital assets	16	-	57	1	22	12	-	-	55	-
Transfers	150	100	(37)	929	638	914	4,722	5,042	1,873	(1,852)
Total business-type activities	1,487	1,385	755	1,948	1,245	1,558	6,067	5,374	2,246	(1,432)
Total primary government	$ 51,258	$ 51,157	$ 49,517	$ 49,671	$ 45,089	$ 45,095	$ 47,532	$ 41,149	$ 41,783	$ 44,356
Change in Net Position										
Governmental activities	$ 7,223	$ 6,743	$ 5,385	$ 8,436	$ (805)	$ (6,253)	$ (1,623)	$ (6,489)	$ 6,023	$ (3,012)
Business-type activities	2,829	1,446	6,398	4,208	4,343	2,711	9,186	5,778	(758)	(4,135)
Total primary government	$ 10,052	$ 8,189	$ 11,783	$ 12,644	$ 3,538	$ (3,542)	$ 7,563	$ (711)	$ 5,265	$ (7,147)

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

City of Hallandale Beach, Florida

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

	2007	2008	2009	2010	2011[1]	2012	2013	2014	2015	2016[2]
General Fund										
Reserved	$ 133	$ 624	$ 356	$ 179	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved	23,065	20,133	22,187	26,840	-	-	-	-	-	-
Non-spendable:										
Inventories	-	-	-	-	224	203	189	191	156	125
Prepaid items	-	-	-	-	14	16	31	14	128	-
Assigned to:										
Vehicles and equipment	-	-	-	-	2,221	2,449	2,553	1,803	1,318	884
Excess benefit plan	-	-	-	-	-	-	-	-	-	6,437
Subsequent year's expenditures	-	-	-	-	5,673	6,455	4,356	1,622	-	6,044
Unassigned	-	-	-	-	18,399	15,104	18,721	17,391	20,186	12,919
Total general fund	$ 23,198	$ 20,757	$ 22,543	$ 27,019	$ 26,531	$ 24,227	$ 25,850	$ 21,021	$ 21,788	$ 26,409
All Other Governmental Funds										
Reserved	$ 11,508	$ 14,623	$ 2,419	$ 3,820	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved, reported in:										
Special revenue funds	5,768	7,009	22,832	23,516	-	-	-	-	-	-
Capital projects funds	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	6,608	9,476
Long-term receivable	-	-	-	-	2,327	1,805	1,214	1,337	1,253	1,341
Community Redevelopment	-	-	-	-	-	-	-	1,308	-	663
Debt service	-	-	-	-	910	955	1,000	1,000	1,517	1,168
Capital projects	-	-	-	-	-	-	-	-	-	69,747
Developer agreements	-	-	-	-	2,623	1,628	502	560	1,502	956
Grant programs	-	-	-	-	-	-	-	922	366	525
Law enforcement	-	-	-	-	2,638	1,727	1,141	1,055	1,016	986
Transportation	-	-	-	-	2,764	2,919	2,639	626	346	-
Safe neighborhood districts	-	-	-	-	1,209	1,080	952	937	915	906
Assigned to:										
Computer equipment	-	-	-	-	22	22	22	-	-	-
Police outside services	-	-	-	-	79	118	140	151	177	-
Special revenue funds	-	-	-	-	14,243	13,230	7,672	-	-	-
Capital projects funds	-	-	-	-	5,207	4,991	4,054	1,415	365	-
Subsequent year's expenditure	-	-	-	-	-		4,054	3,038	-	-
Unassigned	-	-	-	-	-		(901)	-	(313)	(105)
Total all other governmental funds	$ 25,609	$ 30,336	$ 33,699	$ 34,769	$ 37,574	$ 31,620	$ 23,807	$ 13,165	$ 13,752	$ 85,663

(1) GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions", redefined the components of the fund balance of governmental funds, implemented in FY 2011.
(2) With the implementation of GASB Statement No. 73, the City is required to report the Excess Benefit Plan in the General Fund, as opposed to the pension Fund.

City of Hallandale Beach, Florida

Schedule 4
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Taxes	$ 32,784	$ 32,665	$ 31,854	$ 33,114	$ 29,194	$ 28,923	$ 28,799	$ 30,397	$ 30,347	$ 32,159
Licenses, fees and permits	1,632	1,756	1,543	1,857	1,630	1,299	2,329	2,505	2,977	3,031
Fines and forfeitures	580	3,769	823	1,925	1,099	938	1,076	865	731	824
Charges for services	5,940	5,045	5,759	6,831	6,389	7,206	10,018	8,994	12,143	11,247
Intergovernmental	10,908	11,890	11,079	11,901	9,443	10,376	9,711	11,072	11,964	10,739
Investment earnings	2,314	1,895	1,528	896	513	385	246	216	383	1,014
Slot machine proceeds	1,746	1,985	1,749	1,707	1,922	1,818	1,719	1,649	1,603	1,677
Other revenues	4,197	4,616	4,851	6,385	6,262	6,648	7,800	11,409	7,686	9,456
Total revenues	60,101	63,621	59,186	64,616	56,452	57,593	61,698	67,107	67,834	70,147
Expenditures										
General government	10,271	10,596	9,501	9,632	9,236	9,463	9,244	9,904	9,002	10,655
Public safety	28,860	29,760	30,749	31,428	32,702	34,379	35,620	39,398	40,654	42,294
Physical environment	3,383	3,366	2,355	1,984	2,358	2,443	2,252	2,034	2,028	2,283
Transportation	1,437	1,390	1,416	1,137	937	1,031	1,637	1,909	1,742	1,922
Economic environment	2,406	4,923	2,728	6,376	3,578	6,736	4,680	4,843	4,421	3,685
Human services	1,101	1,087	1,098	859	944	1,140	2,698	2,098	1,837	2,301
Culture and recreation	2,308	2,118	2,120	2,067	2,081	2,290	1,563	3,569	3,773	5,435
Capital outlay	22,943	2,476	4,415	2,557	2,319	7,007	7,022	18,763	9,602	16,186
Debt service:										
Principal	500	1,180	891	830	865	910	955	955	1,000	2,450
Interest	52	1,318	1,189	1,153	1,117	1,075	1,031	1,006	957	2,190
Bond issuance costs	34	-	-	-	-	-	-			-
Total expenditures	73,295	58,214	56,462	58,023	56,137	66,474	66,702	84,479	75,016	89,401
Excess of revenues over (under) expenditures	(13,194)	5,407	2,724	6,593	315	(8,881)	(5,004)	(17,372)	(7,182)	(19,254)
Other Financing Sources (Uses)										
Proceeds from sale of capital assets	-	-	14	13	32	35	272	430	27	74
Transfers in	4,855	7,444	9,636	8,540	5,734	2,512	2,452	5,615	11,160	18,706
Transfers out	(5,585)	(8,124)	(7,225)	(9,601)	(6,414)	(2,833)	(3,518)	(5,615)	(7,030)	(16,695)
Issuance of long-term debt	24,615	-	-	-	-	-	-	-	-	86,748
Total other financing sources (uses)	23,885	(680)	2,425	(1,048)	(648)	(286)	(794)	430	4,157	88,833
Net change in fund balances	$ 10,691	$ 4,727	$ 5,149	$ 5,545	$ (333)	$ (9,167)	$ (5,798)	$ (16,942)	$ (3,025)	$ 69,579
Debt service as a percentage of noncapital expenditures	1.1%	4.5%	4.0%	3.6%	3.7%	3.3%	3.3%	3.0%	3.0%	6.3%

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
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	2,084	639	22	31,668
2013	20,579	2,519	4,123	1,578	2,223	642	23	31,687
2014	21,819	2,696	4,363	1,520	2,339	911	19	33,667
2015	21,752	2,708	4,420	1,467	2,472	1,057	18	33,894
2016	23,786	2,640	4,383	1,350	2,526	1,010	17	35,712
Change 2007-2016	-5.1%	-7.2%	40.3%	-22.5%	16.7%	47.4%	-19.0%	0.2%

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

City of Hallandale Beach, Florida

Schedule 6
Property Tax Rates – Direct and Overlapping Property Taxes Rates
Last Ten Fiscal Years

		Direct City Rate [1]	Overlapping Rates												
			Broward County BOCC			School Board of Broward County									
Tax roll year	Fiscal Year	City of Hallandale Beach	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
2014	2015	5.1918	5.4584	0.2646	5.7230	7.4380	-	7.4380	0.3842	0.0345	0.4882	0.1863	19.4460	1.0934	0.6600
2015	2016	5.1918	5.4741	0.2489	5.7230	7.2030	0.0710	7.2740	0.3551	0.0320	0.4882	0.1737	19.2378	1.0934	0.6600

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

City of Hallandale Beach, Florida

Schedule 7
Principal Property Taxpayers
Current and Nine Years Ago
(Amounts Expressed in Thousands)

	2016			2007		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Gulfstream Park Racing Assn/Casino	$ 227,689,061	1	4.945%	$ 57,802,080	1	1.381%
Florida Power & Light Co.	38,277,475	2	0.831%	25,401,206	5	0.607%
17070 Collins Ave. Shopping Ctr	37,668,650	3	0.818%	36,149,840	2	0.864%
Three Islands Associates Residential/Retail	29,976,803	4	0.651%	25,504,359	4	0.609%
Hollywood Greyhound Track	25,623,780	5	0.556%	26,428,160	3	0.631%
Village at Gulfstream LLC	20,118,834	6	0.437%			
Hallandale Group Limited Partnership	17,158,858	7	0.373%			
Wal-Mart Stores	17,152,403	8	0.373%			
2500 Hallandale Beach LLC - Receiver Inc.	16,768,580	9	0.364%	14,851,850	9	0.355%
Romagnole Investment Properties LLC	16,044,970	10	0.348%			
Diplomat Golf course Venture LLC	14,537,140	11	0.316%			
Harbour Cove Associates LTD	10,773,621	12	0.234%			
Diplomat Properties Ltd. Partnership				21,051,370	6	0.503%
TRG-Hallandale Beach Ltd.				15,508,910	7	0.371%
Ocean Marine Yacht Club LLC				14,995,790	8	0.358%
Southern Bell Telephone Co.				12,647,444	10	0.302%
Total	$ 471,790,175		10.246%	$ 250,341,009		5.981%

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 (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		
		Amount [2]	Percentage of Levy		Amount [2]	Percentage of Levy	
2007	25,750	25,656	99.64%	123	25,779	100.11%	**(3)**
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	21,117	21,093	99.89%	-	21,093	99.89%	
2014	22,534	22,487	99.79%	-	22,487	99.79%	
2015	22,485	22,463	99.90%	-	22,463	99.90%	
2016	**24,558**	**24,538**	**99.92%**	**-**	**24,538**	**99.92%**	

Source: Broward County Revenue Collection Division

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

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

(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 Ten Fiscal Years
(Amounts Expressed In Thousands)

Fiscal Year	Real Property[1] Residential Property	Commercial Property	Other Property	Personal Property	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate (mills)	Estimated Actual Taxable Value[2]	Assessed Value as a Percentage of Actual Value
2007	4,977,427	499,783	94,731	103,527	1,506,712	4,168,756	5.9696	5,675,468	73.5%
2008	5,556,934	631,372	140,400	98,120	1,580,177	4,846,649	4.9818	6,426,826	75.4%
2009	5,314,439	682,485	150,501	134,656	1,383,597	4,898,484	4.9818	6,282,081	78.0%
2010	4,171,536	720,600	152,985	126,396	1,037,262	4,134,255	5.9000	5,171,517	79.9%
2011	3,360,656	702,187	178,327	116,524	807,371	3,550,323	5.9000	4,357,694	81.5%
2012	3,314,833	729,340	188,369	114,532	797,854	3,549,220	5.9000	4,347,074	81.6%
2013	3,421,664	712,733	191,941	108,570	803,365	3,631,543	5.8833	4,434,908	81.9%
2014	3,778,517	714,609	185,921	120,434	921,193	3,878,288	5.6833	4,799,481	80.8%
2015	4,564,963	748,318	188,137	121,879	1,375,207	4,248,090	5.1918	5,623,297	75.5%
2016	5,043,846	773,600	193,328	128,697	1,514,373	4,625,098	5.1918	6,139,471	75.3%

Source: Broward County Revenue Collection Division

(1) Based on market values.

City of Hallandale Beach, Florida

Schedule 10
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

		Governmental Activities							Business-Type Activities					
Fiscal year	Capital Lease	Revenue Note Series 2002	Bonds Series 2007A	Revenue Note Series 2012	Revenue Bonds Series 2001A	Revenue Bonds Series 2016	O.B. Johnson Bonds Series 2015	G.O. Bonds Series 2016	Revenue Bonds Series 2005A	Revenue Note Series 2012	Revenue Bonds Series 2014	Total Primary Government	Percentage Of Personal Income	Per Capita
2007	$ -	$ 596,385	$ 24,615,000	$ -	$ 3,950,000	$ -	$ -	$ -	$ 8,200,000	$ -	$ -	$ 37,361,385	2.31%	978.23
2008	-	96,385	23,935,000	-	3,765,000	-	-	-	7,880,000	-	-	35,676,385	2.28%	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	11,768	-	20,535,000	5,050,000	-	-	-	-	6,100,000	2,770,000	-	34,455,000	N/A	897.48
2014	11,081	-	19,762,540	4,440,000	-	-	-	-	5,831,062	2,480,000	-	32,513,602	N/A	849.52
2015	4,394	-	18,738,265	3,725,000	-	-	-	-	-	2,190,000	5,390,000	30,047,659	N/A	782.00
2016	-	-	2,265,000	-	-	25,595,677	14,200,000	61,765,674	-	1,890,000	4,905,000	110,621,351	N/A	2,864.28

City of Hallandale Beach, Florida

Schedule 11
Direct and Overlapping Governmental Activities Debt
As of September 30, 2016

Jurisdiction	Net debt Outstanding		Percentage applicable to City of Hallandale Beach	Amount applicable to City of Hallandale Beach
City of Hallandale Beach	$ 103,826,351		100.000%	$ 103,826,351
Broward County	247,369,000	(1)	3.074%	7,604,420
Broward School District	1,900,910,000	(2)	2.814%	53,489,822
Total direct and overlapping debt	$ 2,252,105,351			$ 164,920,593

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

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

City of Hallandale Beach, Florida

Schedule 12
Pledged Revenue Coverage
Last Ten Fiscal Years

	Utility Revenue Bonds, 2014A and Series 2012 Revenue Note						Revenue Note Series 2002 and Revenue Bonds 2007A					
				Debt Service				Debt Service		Debt Service		
Fiscal year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage	Pledged Revenue	Principal	Interest	Principal	Interest	Coverage
2007	$ 15,951,761	$ 14,862,524	$ 1,089,237	$ 485,000	$ 265,067	1.45	$ 9,390,974	$ 500,000	$ 41,645	$ -	$ -	17.34
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
2015	25,136,776	22,753,653	2,383,123	410,000	263,046	3.54	51,649,069	-	-	1,000,000	965,000	26.28
2016	25,097,771	24,165,992	931,779	785,000	142,566	1.00	25,269,135	-	-	1,050,000	888,750	13.03

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

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

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

(3) Note that for the General Obligation, Series 2016 and Capital Improvements, Series 2016 debt service did not begin until FY 2017 and therefore are not presented.

City of Hallandale Beach, Florida

Schedule 13
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal year	Population (1)	Personal Income (2)	Broward County Per capita Personal Income (2)	Median Age(3)	Unemployment Rate Broward County	Unemployment Rate Hallandale Beach		Public School Enrollment (6)
2007	38,193	1,616,442,339	42,323	50.9	3.80%	4.50%	(4)	3,073
2008	37,400	1,565,264,800	41,852	50.9	6.10%	7.40%	(4)	2,978
2009	37,400	1,459,909,000	39,035	50.9	9.80%	10.70%	(4)	3,070
2010	37,117	1,486,535,850	40,050	50.9	10.60%	12.10%	(4)	2,933
2011	37,113	1,532,952,465	41,305	46.7	9.00%	10.40%	(4)	2,850
2012	37,732	1,580,442,552	41,886	46.7	7.90%	8.90%	(4)	2,777
2013	38,391	1,599,253,887	41,657	46.7	6.70%	7.10%	(4)	3,299
2014	38,273	1,656,570,259	43,283	46.7	5.80%	6.00%	(4)	2,928
2015	38,424	1,725,583,416	44,909	46.7	4.90%	5.40%	(5)	3,506
2016	38,621	-	-	46.7	4.60%	4.90%	(5)	2,988

(1) Source: University of Florida, Bureau of Economic Research for Hallandale Beach (estimates).
(2) Source: U.S. Department of Commerce, Bureau of Economic Analysis for year ended December 31.
(3) 2010 U. S. Census.
(4) Source: U.S. Department of Labor, Bureau of Labor Statistics.
(5) Source: FL Unemployment Rate & Employment.
(6) Source: Broward County Public Schools.

City of Hallandale Beach, Florida

Schedule 14
Principal Employers
Current and Nine Years Ago

	2016			2007		
Employer	Employees	Rank	% of total City Employment	Employees	Rank	% of total City Employment
Gulfstream Park Racing & Casino	1,000	1	5.414%	1,077	1	6.446%
City of Hallandale Beach	565	2	3.059%	451	3	2.699%
Mardi Gras Racetrack & Gaming Center	516	3	2.794%	717	2	4.291%
Wal-Mart Stores, Inc.	405	4	2.193%	260	6	1.556%
School Board of Broward County	250	5	1.354%	440	4	2.633%
Publix Supermarket	221	6	1.197%	285	5	1.706%
Winn Dixie Supermarkets	160	7	0.866%	185	8	1.107%
Burlington Coat Factory	108	8	0.585%	104	9	0.622%
Diplomat Country Club	96	9	0.520%	239	7	1.430%
US Post Office	73	10	0.395%	82	10	0.491%
	3,394		18.376%	3,840		22.983%

Source: Individual employers and State of Florida Unemployment Statistics.

City of Hallandale Beach, Florida

Schedule 15
Full-time-Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
City Commission	5	5	5	5	5	5	5	5	5	5
General government										
Management	8.00	8.00	8.00	7.00	7.00	7.00	7.00	8.00	8.00	8.00
General Services/ Procurement Department	4.00	4.00	4.00	4.00	4.00	4.00	5.00	4.00	4.00	5.00
City Attorney	4.00	4.00	4.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00
Finance	9.75	9.75	9.75	9.75	9.77	11.77	11.75	11.77	11.00	13.00
Innovation Technology	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	6.00	7.00
Personnel	5.75	5.50	5.00	5.00	5.92	5.20	5.94	5.77	5.50	6.50
City Clerk	3.00	3.00	3.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00
Development Services	30.75	30.75	28.75	22.62	24.00	21.00	22.20	26.00	26.00	28.00
Other	2.00	2.00	2.00	1.50	-	-	-	2.00	4.00	4.00
Police										
Officers	103.00	101.00	101.00	98.00	95.00	99.00	113.47	98.47	98.00	99.50
Civilians	40.00	40.00	41.00	40.52	38.54	37.00	22.27	39.27	39.22	39.50
Fire										
Paramedics, firefighters, officers	80.00	77.00	78.00	75.00	75.00	75.00	87.62	77.00	77.00	77.00
Civilians	3.00	3.00	3.00	2.00	3.00	3.00	4.00	14.85	14.15	14.13
Public Works										
Administration	7.75	7.75	5.76	3.00	5.00	5.00	4.00	1.00	1.00	1.00
Equipment Maintenance	9.00	9.50	10.75	9.75	8.77	8.77	8.77	-	-	-
Grounds Maintenance	17.00	16.00	16.54	14.76	13.77	15.81	15.81	9.31	9.52	9.50
Building Maintenance	13.50	12.50	11.28	9.52	11.31	10.29	8.00	8.00	8.00	8.00
Human Services	13.20	13.20	10.10	10.15	10.31	9.80	11.67	11.95	13.94	19.30
Parks and Recreation	36.30	32.30	31.12	29.04	27.40	29.67	43.46	56.37	60.95	72.43
Transportation	6.75	5.75	4.25	3.27	3.27	4.77	10.77	10.77	10.63	10.63
Sanitation	17.00	23.00	22.29	24.00	23.93	22.54	24.41	27.85	26.78	25.75
Cemetery	-	-	-	1.76	1.77	1.77	1.77	1.77	2.26	2.25
Water	43.00	42.50	40.50	45.03	44.31	43.56	47.02	47.77	46.88	46.88
Stormwater	2.00	4.00	5.53	7.52	6.54	2.00	2.00	4.00	5.00	5.00
Sewer	12.00	12.00	16.00	15.00	14.00	12.00	12.00	12.00	12.00	12.00
Marina							2.25	1.54	1.26	1.25
Fleet Services							8.77	9.00	10.00	10.00
Risk Management				2.00	1.00	2.00	2.00	2.00	2.00	2.00
Total	480.75	476.50	471.62	455.19	449.61	446.95	497.95	507.46	515.09	539.62

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	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Development Services										
Building permits issued	2,917	2,558	2,704	3,390	3,261	3,403	3,377	3,435	5,368	3,589
Building inspections conducted	13,994	9,138	10,387	9,556	8,934	9,624	10,179	13,028	13,028	10,711
Police										
Physical arrests	1,168	1,655	1,524	1,610	1,222	1,383	1,305	1,281	1,281	964
Parking violations	2,674	5,763	3,093	2,382	2,090	2,263	1,850	1,335	1,335	2,079
Traffic violations	13,498	9,254	10,434	10,085	9,127	12,001	12,623	11,709	11,709	10,067
Fire										
EMS responses	5,505	5,277	5,192	4,719	5,690	5,938	6,304	6,275	6,275	6,436
Other emergency responses	1,734	2,285	2,466	2,025	2,413	2,622	2,466	2,344	2,344	2,465
Fires	149	129	122	108	117	113	98	93	93	102
Inspections	2,170	2,451	1,467	1,713	2,294	2,438	2,641	2,276	2,276	2,077
Refuse Collection										
Refuse collected (tons per year)	27,650	25,882	26,611	22,766	24,315	26,652	25,885	26,321	26,321	26,489
Other Public Works										
Street resurfacing (miles)	5.18	-	5.69	3.98	-	-	-	-	-	-
Number of streets repaired	641	455	685	673	796	667	827	1,590	1,590	973
Asphalt used (tons)	405	87	125	334	258	217	99	101	101	116
Parks and recreation										
Summer camp participants	609	593	194	63	70	66	89	125	125	125
Athletic teams	66	77	76	84	78	76	-	-	-	97
Water										
New/Replacement connections	32	80	86	47	7	48	32	34	34	6,752
Average daily consumption (1000's of gallons)	5,462	5,167	5,516	5,313	5,493	5,801	5,461	6,220	6,220	6,406
Peak daily consumption (1000's of gallons)	7,280	7,500	6,890	6,570	6,400	7,738	6,890	7,517	7,517	7,341
Wastewater										
Average daily sewage transmitted (1000's of gallons)	6,841	6,650	6,906	6,483	7,286	6,936	7,049	6,965	6,965	7,113
Transit										
Total route miles per year	107,215	103,109	99,505	99,505	99,505	152,047	152,047	152,047	152,047	151,488
Passengers per year	156,160	145,200	163,370	178,461	211,298	264,577	246,592	265,545	265,545	251,559

* Data not available

City of Hallandale Beach, Florida

Schedule 17

Capital Assets Statistics by Function/Program

Last Ten Fiscal Years

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	3	3	3	3	3	3	3	3	3	3
Refuse Collection										
Collection Trucks	18	18	18	20	20	20	20	20	20	20
Other Public Works										
Streets (miles)	67	67	67	74	74	74	74	74	74	74
Sidewalks (miles)	39	39	41	42	42	43	43	43	43	43
Streetlights	1,391	1,391	1,391	1,391	1391	1391	1391	1391	1391	1391
Traffic signals	42	42	42	42	42	42	42	42	42	42
Parks and recreation										
Playgrounds	7	7	10	10	10	10	11	11	10	10
Baseball/softball diamonds	4	4	4	4	4	4	4	3	2	2
Outdoor pavilions	5	5	7	7	7	7	7	10	13	13
Community centers	5	5	5	5	5	5	5	5	5	5
Pool	1	1	1	1	1	1	1	2	2	2
Tennis courts	14	14	14	14	14	14	14	14	14	14
Water										
Water mains (miles)	77	78	79	79	80	80	80	80	81	81
Fire hydrants	554	554	554	554	554	572	572	572	578	578
Storage capacity (millions of gallons)	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9	5	5
Wastewater										
Sanitary sewers (miles)	72	72	73	73	73	73	73	73	72	72
Storm sewers (miles)	35	38	38	39	40	40	40	40	41	41
Transmission capacity (millions of gallons per day)	6.65	6.65	6.65	6.65	6.65	6.65	6.65	6.65	7	7

* Data not available