

CITY OF POMPANO BEACH

Comprehensive Annual Financial Report



Comprehensive Annual Financial Report

City Of
Pompano Beach,
Florida

Fiscal Year Ended September 30, 2018

Prepared by the
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CITY OF POMPANO BEACH, FLORIDA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2018**

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INTRODUCTORY SECTION

CITY OF POMPANO BEACH, FLORIDA

Commission-Manager Form of Government

CITY COMMISSION

Rex Hardin
Barry Moss
Andrea McGee
Rhonda Eaton
Tom McMahon
Beverly Perkins

Mayor at Large
Vice Mayor, District V
Commissioner, District I
Commissioner, District II
Commissioner, District III
Commissioner, District IV

APPOINTED OFFICIALS

Greg Harrison
Mark Berman
Ascelela Hammond
Deusdedit "DC" Kiyemba

City Manager
City Attorney
City Clerk
Internal Auditor



April 26, 2019

The Honorable Mayor,
Commissioners and Residents of the
City of Pompano Beach, Florida

Dear Honorable Mayor, City Commissioners and Residents:

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Pompano Beach, Florida (the City), for the fiscal year ended September 30, 2018. This report, presented in conformity with accounting principles generally accepted in the United States of America (GAAP), was prepared by the City's Finance Department and audited by an independent firm of certified public accountants, Marcum LLP, as mandated by Florida Statutes, Chapter 218.39, Annual Financial Audit Reports. The audit was conducted in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, and the Rules of the Auditor General of the State of Florida, promulgated pursuant to Florida Statute, Chapter 11.45. The independent auditor has issued an unmodified opinion that this CAFR fairly presents the financial position of the City and complies with applicable reporting standards as of September 30, 2018.

The City is responsible for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. Management has established an internal control structure designed to help ensure the assets of the City are protected from loss, theft or misuse and that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance, that the financial statements will be free from material misstatement. We believe the data, as presented, is accurate in all material respects and is reported in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds.

As a recipient of federal, state and county financial assistance, the City is also responsible for the establishment of an adequate internal control structure to help ensure compliance with applicable laws and regulations related to those programs. The City is required to undergo an annual single audit performed under the provisions of the U.S. Office of Management and Budget Uniform Guidance and Chapter 10.550, *Rules of the Auditor General of the State of Florida*. The information related to the Single Audit, including the schedule of expenditure of federal awards and state financial assistance, findings and recommendations, and auditors' reports on the internal control and compliance with applicable laws and regulations are included in a separate report, under separate cover.

This report is divided into three parts. The Introductory Section provides a summary of the contents of the entire report and general information about the reporting entity. The Financial Section includes the Independent Auditors' Report, Management's Discussion and Analysis (Unaudited), the Basic Financial Statements, Notes to the Financial Statements, Required Supplementary Information (Unaudited), and the Combining and Individual Fund Financial Statements and Schedules. The Management's Discussion and Analysis section provides a narrative introduction, overview and analysis of the basic financial statements. It complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE CITY

The City was incorporated in 1947 and covers an area of approximately 24.59 square miles. The legal authority by which the City was created and is governed is its charter, which was derived from Chapter 57-1754, Special Acts 1957, as amended. The City is governed by an elected five member district commission and a mayor at large. In addition to general government services, the City also provides community planning and redevelopment, public safety, public works and culture and recreation services to its residents. Furthermore, the City's water and sewer, stormwater, sanitation, golf, pier, airport and parking operations are reported as enterprise funds.

Located in Broward County, Florida, the City is centrally located between Palm Beach and Miami-Dade Counties, and is the year round home to approximately 110,000 residents. During the peak season (September through March), this number increases to nearly 150,000. As the name implies (Pompano - a species of in-shore tropical game fish) the City is famous for some of the world's best sport fishing and is locally known as the "dive capital" of Broward County. Once a thriving agricultural community, the City has evolved into a warehouse/distribution hub for a wide range of companies that service the over 5 million residents of the South Florida market. The Pompano Beach Air Park is also home to the famous Goodyear Blimp.

The City offers 3 miles of beautiful shoreline and the City's public beach has been declared a Blue Wave Award winner since 2000. Additionally, in 2005 the City was named an All-America City. The All-America City Award is America's original and most prestigious community recognition award honoring communities in which community members, government, businesses and non-profit organizations work together to address critical local issues. The City has also been declared a Tree City USA for the twenty-ninth year and is committed to enhancing its tree canopy and providing shade and fresh air to residents and guests. Due to its mild year round climate, visitors to the City can also enjoy its beautiful parks, beaches, boating, fishing, scuba diving and all other types of outdoor recreation.

Due to its tremendous transportation links, the City is now home to over 28 million square feet of industrial/warehouse/distribution space, which includes regional headquarters for companies such as, Aquathin, Associated Grocers, FedEx Ground, Point Blank Enterprises and Stimpson Company. The City provides access to both the Florida Turnpike and Interstate 95 and also provides access to both the CSX and FEC railroads.

THE REPORTING ENTITY

The accompanying CAFR includes the financial activities of the City, the primary government, and its component units, which are the Pompano Beach Emergency Medical Services District (EMS), the Herb Skolnick Cultural Arts Foundation, Inc. (the CAF), and the Pompano Beach Community Redevelopment Agency, which includes the Northwest and the East Districts (the Districts). Financial information for the City and these component units is accounted for in the accompanying financial statements in accordance with principles defining the governmental reporting entity adopted by the Governmental Accounting Standards Board (GASB). A component unit is an entity for which the City is considered to be financially accountable. The City is financially accountable if the City Commission appoints a voting majority of an entity's governing body and the City is able to impose its will on that entity, or the City has a financial benefit/burden relationship with the entity. Blended component units are, in substance, part of the City's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the City.

EMS is a dependent special district created to provide emergency medical care and transportation to the residents of the City. EMS has been presented as a blended component unit because it is governed by the City Commission and there is a financial benefit or burden relationship between the City and EMS. The EMS fund is reported as a special revenue fund.

The CAF and the Districts have also been presented as blended component units because they are governed by the City Commission and management of the City has operational responsibility for them. The CAF and the Districts are reported as special revenue funds.

The Pompano Beach Finance Corporation (PBFC) is a not-for-profit Florida corporation. PBFC has been presented as a blended component unit because it was formed solely for the purpose of facilitating lease purchase arrangements for the benefit of the City and it is governed by the City Commission. The balances and transactions of PBFC are accounted for within the Parking fund.

FACTORS IMPACTING ECONOMIC AND FINANCIAL CONDITION

Broward County has continued to be a leader in South Florida and the state of Florida in employment over the past 72 months. Broward County's 2018 year ending unemployment rate of 3.1% is again among the lowest in the state of Florida and lowest among counties with labor forces over 400,000. It continues to best the rates of our neighboring counties of Palm Beach and Miami-Dade at 3.3% and 3.6% respectively, as well as, the state's rate of 3.3%.

"We are very pleased to continue to see strong year over year job growth," said Greater Ft. Lauderdale Alliance President and CEO Bob Swindell. "The job growth continues to be spread over a number of industries, which points to our success in diversifying Broward's economy..."

"Sluggish pay growth has been one of the biggest problems in this recovery, but employers are finally having to hike wages at a more normal level typically seen during good economic times... there are more job openings than jobless Americans, which forces companies to fight for available workers." reported the Washington Post (via the Sun Sentinel). "With 93 straight months of job growth – a historical record – many employers have said they're feeling pressure to raise wages. But significant pay gains have yet to emerge in the economic data." reported Josh Boak of the Associated Press (via the Sun Sentinel).

In the beginning of the year (2018) wages unexpectedly rose at a pace not seen since 2009, the beginning of the recovery. While that was a positive sign for the workforce, the financial markets initially seemed alarmed at the pace of the gains; however those fears cooled once the gains were better understood. Certain industries, like trucking, had to raise rates because of the need, but most of the initial gains were "concentrated at the higher end of the pay scale... the broad middle of the labor force has not seen much of a raise." Industries such as retail trade, health care, information and professional services average wage increases were not as significant as those in industries such as banking, insurance and real estate. Low unemployment, a tight job market were the primary instigators for the increase and at the same time, those factors are indicators of a strong economy. In any regard, it's good to see wage rates improving.

Industrial Market

"South Florida is one the country's industrial real estate darlings, and last year proved it once again." Reports Deirdra Funcheon of Bisnow South Florida. E-commerce continues to have a significant and direct effect on the warehouse/distribution sector. Last-mile delivery space and proximity to market continues to dictate location for the majority of these businesses while other considerations, such as rent, access to labor, cost of transportation and logistics, the ability to expand and/or add outdoor storage space have all taken a backseat.

While these 'other considerations' have lessened in value as far as site selection is concerned, they and other factors continue to collectively influence this market including: a strong economy; international trade with Latin America and the Caribbean remains strong, the widening of the Panama Canal is still

influencing warehouse space near Florida's ports; new-to-market tenants continue to arrive with continued population growth from other states; local companies continue to grow; and tourism set new records in 2018. All of the goods these consumers use need to be stored in close proximity. Combining all of these factors gives a better understanding as to why demand continues to outpace supply in this submarket.

"Industrial real estate continues to outpace other sectors, boasting record-low vacancy rates and a flurry of new development." reports Travis Gonzalez of Biznow.com. "Fueled by the rise of e-commerce and the growing manufacturing sector, the need for warehouse and distribution shows no signs of slowing down." Nowhere is that more evident than in South Florida and specifically Pompano Beach, as the City will add another 2.5 million square feet of warehouse space to its already significant 30+ million square foot inventory and practically every available vacant parcel of properly zoned land is spoken for.

According to the Cushman Wakefield MarketBeat report for Broward County in the 4th Quarter 2018, the Pompano Beach industrial submarket includes approximately 444 buildings totaling 22,222,476 square feet (The MarketBeat report only tracks buildings 10,000+ square feet), which makes up 25% of the Broward County industrial market and remains the county's largest submarket. The Pompano Beach submarkets vacancy rate dropped to 1.9% still outpacing the County's rate of 3.2%.

"The rise of consumer consumption patterns, specifically same-day and next-day delivery, has prompted companies to focus on improving their last-mile delivery strategies." reports Biznow.com's Tara Lerman. "With so much industrial demand coming from e-commerce companies looking for ways to improve last-mile delivery, technological features that improve productivity and means to scale are common requirements from warehouse tenants." Some warehouse/distribution tenants have even opted for retrofitting smaller more non-traditional spaces that are closer to consumers.

Innovation and technological advances that help increase the speed of supply chain operations and deliveries include: "smart tech" (smart warehouses) including building sensors and inventory tracking (real time inventory information via package sensors), automation, artificial intelligence (AI), robotics, driverless vehicles, 3D printing, solar panels and cool roof systems, electric charging stations, increased ceiling heights and vertical buildings.

Even with all the technological advances some companies just can't keep up with retail giants like Walmart and "...Amazon, which has created consumer expectations that may not be sustainable for other businesses." Reports Miriam Hall with Bisnow New York. "A lot of companies can go broke trying to maintain a standard Amazon has taken 20 years to set," stated Mike Jones, President Emeritus of St. Onge Co. "Stuff like same-day makes a lot of sense in New York City... the rest of America doesn't look like that." "This is not a consumer-demand issue, this is a business competitive issue," stated Ronald Leibman partner with law firm Riker Danzig, regarding same-day delivery. "People do not make money on it."

"Space as a service" is coming to logistics too. Think of Airbnb or Uber coming to the logistics sector, "technology platforms could ease the undersupply of space in the urban logistics sector." reports Mike Phillips with Bisnow London. "If you have one retailer which does 70% of its business at a particular time of year, and another that does its business at another time of year, then we will see solutions that allow them to share their space and utilize it when they need it." states Oliver Bycroft, Prologis Director of Development and Leasing at Bisnow London's Industrial and E-Commerce event.

In light of this, "Blockchain recordkeeping technology could prove to have meaningful applications for the commercial real estate industry, including origination of financing, distribution of funds, property listings and much more. Given the potential savings in time and costs, many companies are looking at transferring all sorts of record into Blockchain," reports Brannon Boswell in Shopping Centers Today. "Besides eliminating paper and reducing transaction times from hours to minutes, Blockchain is

appealing because it is based on so-called “smart contracts” – self-executing agreements with the terms directly written into lines of code... Smart contracts facilitate deals without the need for a central authority or legal system or for any external enforcement. They make transactions more traceable and more transparent, as well as, irreversible,” says Mo Shaikh, co-founder of Meridio, a web app backed by Blockchain technology. “And they may one day be accepted in court.” “Smart contracts allow engagement without giving one party control,” Shaikh says. “If two parties don’t trust one another but [nevertheless] want to share, it’s a good system.” “Title insurance companies and escrow agencies are most in need of Blockchain’s smart contracts, he says.”

Even with all the innovation and technological advances there are still some causes for concerns. Population growth will continue to drive the demand for goods and services. Spiraling construction costs will continue to affect all types of development. A tight labor market and labor shortages, specifically in the trucking industry will continue, although driverless vehicle technology will assist with this. There are rising fears that ports will not be able to continue to meet the growing demand without the federal governments investment in infrastructure. A potential trade war with China also has investors on edge.

Once again, the more immediate concern locally in the Pompano Beach submarket continues to be the diminishing available land for industrial development, which will continue to push rental rates higher. The submarket will run out of developable land soon; however, well positioned redevelopment/infill opportunities still exist within older smaller sized properties, they’ll just have to be assembled.

Industrial development projects include:

- My Storage Bin, LLC completed a 97,000 sf self-storage facility at 51 NE 10th Street.
- IPT Dixie Highway Industrial Park DC has approvals to construct a 4 building 822,158 sf industrial complex on 48.76 acres at 1380 NE 48th Street called *Pompano Crossings*.
- Aquatic Stone is constructing a 40,283 sf warehouse building at 451 S Andrews Ave.
- Waste Management, Inc. of Florida is constructing a 490,715 sf industrial park just W of Powerline Rd, S of NW 22nd Street to be called *Bridge Point Powerline*.
- Duke gained approvals to construct a 102,365 sf on 4.96 acres at 1731 NW 24th Street.
- The Meel Corporation gained approvals to construct a 43,640 sf warehouse on 2.31 acres for food and/or beverage products manufacturing in the N Andrews area, S of Copans.
- Industrial Developments International (IDI) has approvals to construct the *Rock Lake Business Center*, a 4 building 495,000 sf distribution complex at 3300 NW 31st Avenue.
- Great Eastern Acquisition/ *FlexSol Packaging* gained approvals to construct a 65,000 sf addition to their facility and a 7,200 sf 2-story office building at 1531 NW 12th Ave.
- Malcolm Drilling gained approvals to construct a 15,981 sf of office, maintenance and storage yard on 4.75 acres at 1730 NW 33rd Street.
- Pompano Dixie Public Storage gained approvals to construct a 3-story 107,532 sf self-storage facility at 850 S Dixie Highway.
- Preferred Development Pompano LLC gained approvals to construct a 4-story 97,014 sf self-storage facility at 100 S Andrews Avenue on 2.45 acres.
- Pompano Aviation & American Flyers gained approvals to construct a new 60,620 sf Flight School facility on 5 acres at the Pompano Air Park, 701 & 801 NE 10th Street.

Commercial – Retail Market

Ecommerce, the “Amazon effect” and the internet of things continue to influence the retail and industrial market sectors. Technology is leading the way. “Retailers and landlords, grappling with a new retail paradigm, are being forced to find creative uses for spaces and experiment more and more with different concepts to fill stores and lure shoppers.” reports Miriam Hall of Bisnow New York.

“To meet the growing demand for data among retailers, meanwhile, landlords and brokers are relying on

a wide range of tech vendors and tools for collecting, analyzing, synthesizing and packaging shopper and property data in new ways. Those methods, innovators say, can include gathering data when shoppers walk around the mall carrying their smartphones (the devices continuously broadcast anonymous signals that can be tracked) or when visitors use location-based mobile apps or otherwise opt in to various coupons, Wi-Fi networks or promo text messages. The ability to leverage this data can be a big plus for leasing teams,” says Ivanhoe’ Cambridge’s Senior VP of Marketing and Innovation, Tracy Smith.

“Increasingly, retailers are now looking for that transparency – that proof of value – from the property owner, one could argue that providing them simply with traffic numbers is not enough anymore.” said Smith. “While older approaches based on census data and the like offered broad outlines about trade areas, today’s approaches are more targeted,” says Gregg Katz, Director of Innovation and Technology for the Shopping Center Group. “By contrast, data drawn from GPS-enabled mobile devices is a game changer because of its ability to pinpoint shopper locations and movements.” Landlords, brokers and retailers are now all sharing their data with each other and collaborating. The data collected from smart phones, includes: driving distances, frequency of visits, buying tendencies and where shoppers spend most of their time and other customer behavior patterns.

“The challenge, executives say, is to invest time, money and energy only in ideas that stand a realistic chance of yielding actual benefits..., what you want is a targeted, surgical and smart way of testing and innovating.” said Smith. “We are living in an experience economy, where physical retail has a huge advantage, and it’s going to be those that best leverage their physical assets – and aren’t afraid to disrupt them with technology to meet their customer demands – that will stand out as winners,” said Don Kingsborough, CEO of OneMarket. “It’s all part of the trend toward service-driven, experiential real estate. Consumers are looking for experiences; something that cannot be recreated online, or that can be posted on Instagram. Or both.” reports Miriam Hall of Bisnow New York.

As mentioned last year, Art has also begun to play a larger role in the shopping experience as many developers are starting to incorporate art into their public spaces and allow for social media to assist with the marketing. “...the context-appropriate use of public art is in-line with the goal of pursuing innovation, not least because that dovetails so well with shopper use of Instagram and other visually oriented social media.” states Cassie King, Director of Design and Innovation for the Trademark Property Co. The role of social media has become a big part of companies’ strategies. “... also offer visitors plenty of motivation to create their own posts on Instagram, Facebook or Twitter. Our visitors are happy to help us generate content, our job is to capitalize on that by giving them an engaging experience that makes them eager to get out the good word.” states Ivanhoe’ Cambridge’s Smith.

“Experiential retail is not the silver bullet solution for the bad retail market... it’s another concept, some places it works and some places it doesn’t,” Micheal Rudin (of the Rudin family) said. “It’s more about adapting and going with the tides of our business, being flexible and not always doing things the ways they’ve been done in the past.”

According to Colliers International’s 2018 Florida Outlook and National Trend report, Pompano Beach has an inventory of 13,027,891 square feet of space with a 94.7% occupancy rate. Average asking rents (NNN) are \$20.19 which is about middle of the pack in Broward County.

Other commercial development projects include:

- SPIH Pompano Beach opened a 112 unit *Residence Inn* hotel at 2880 Centerport Circle.
- WaWa gained approvals to construct a 6,119 sf convenient store 16 pump fueling stations on 6 acres of to-be-platted property at the NW corner of W Atlantic Blvd and N Andrews Ave.
- DTS Properties is constructing a 26,185 sf strip shopping center at 1150 N Federal Hwy.
- Pompano Pet Lodge has expanded to 11,000 sf at 930 NW 31st Avenue.
- McNab Grove, Inc./ Cubesmart have been approved to construct a 117,079 sf storage facility at

950 E McNab Rd which will include 872 storage units, 8,029 sf of retain and 1,220 sf of office space.

- Outback Steakhouse has been approved for development of a new 6,697 sf facility on an outparcel at the Shoppers Haven Shopping Center at 3571 N Federal Highway.
- The *Pompano Beach Fishing Village* commercial development is underway on the old Pier parking lot site. The approximate 6 acre site will include a combined Hilton product – *Home2Suites* and *Tru*, a *BurgerFi*, an *Alvin's Island*, and a *Kilwins* in 48,500 sf. Two stand-alone restaurants are also a part of the development directly north of the pier. The *Beach House* has opened to much success and construction of *Oceanic* is well underway.
- A 2,852 sf Tiki Hut has been approved for Parcel E of the PBFV on 1.72 acres at 222 N Pompano Beach Blvd.

Commercial – Office Market

“The traditional office is dead. Long live the ‘imaginarium.’” states Antony Slumbers, a real estate developer and technology innovator, at the annual FlexOffice conference in Austin, Texas. “Technology is changing the face of work, and office as we know it is antiquated. To survive, office landlords must shift their model and mindset to provide “space as a service.” Slumbers contends, reports Darcie Lunsford of South Florida Business & Wealth magazine. Last year the buzz words were ‘flexible space’ and ‘hospitality,’ this year it’s referred to as “right-sizing” or “shadow space.” This phenomenon is appearing in all sectors of the market, just as we see happening in the industrial/warehouse/distribution sector. “Chiefly, it is more about the overall experience workers get from being in the office and the ease of which businesses can ramp up and down, depending on their real time desk needs... so the potential to gain efficiency and cost savings from adopting a flexible unassigned desk and collaborative design model is compelling to companies... In 2010, the co-working and flex market inventory accounted for 10.6 million square feet of the U.S. market. Now it is 60 million square feet,” reports Lunsford.

“After the Great Recession, the contracting economy led many companies to lay off employees and reduce floor space. Layoffs and reorganizations also led to a rise in “shadow vacancy,” where space is leased but not utilized. The office market has since absorbed the shadow space and has moved into a development phase,” reports Travis Gonzalez of Biznow.com. “Given the current positive U.S. economy growth, office tenants have been willing to pour money back into more expensive space to create environments that attract and retain employees,” states David C. Lockwood, Executive Vice President and Chief Operation Officer for Colliers International. “Renovations will also become more frequent and cyclical... Millennials do not want to be stuck in the same office environment for five years. New amenities will instead be added periodically throughout the duration of the lease.”

“In a bid to keep workers happy, productive and, most important, in the office for as long as possible, companies have flocked to all sorts of design trends over the years. Last decade it was kegs and ping pong tables; now Mother Nature is in vogue. The trend, called “biophilia,” is based on the idea that humans have an innate connection to nature.” reports Rebecca Greenfield, Bloomberg News, in the Sun Sentinel. “Research has found that offices outfitted to look more like the natural world lead to happier, healthier and more productive employees... Many people prefer daylight and plants to darkness and formica... and studies have linked stale office air to low productivity.”

At Amazon.com’s new headquarters in Seattle, The Sphere has more than 40,000 plants; at Samsung’s San Jose offices, every floor has a garden; at Jackson Sumner & Associates, a North Carolina based insurance brokerage firm, they installed View Dynamic Glass (which has been installed at 400+ companies) and boasts a 26’ waterfall. Plant walls are another popular element. “Buildings that have clean air, an emphasis on walkability and healthy food - and meet a series of other criteria in seven categories - can achieve a Well certification.” All of this is done in the name of increasing worker productivity.

According to the Cushman Wakefield Marketbeat Broward County Q4 2018 report, the Pompano Beach office market includes approximately 704,911 square feet of space with a total vacancy rate of 18.8%. Unlike the magnitude of Pompano Beach's industrial product, local square footage makes up a mere 2.5% of the Broward County office market and includes no Class A space.

In their mid-year report "What's Driving Office Job Growth?" Cushman Wakefield Research team reports "Currently, 20-25% of all new leasing is coming from technology firms. Computer and mathematics occupations – a subset of STEM – are being created at increasingly higher rates than other jobs in all office-using industries. Employment in computer/math occupations grew by 29.8% between 2010 and 2017, more than double the rate for all occupations – a stark contrast to the previous expansion driven by new financial and business analyst occupations."

The report continues, "There are 4.1 million computer and 167,000 mathematics occupations in the U.S. at present. When combined, this category added one million new jobs between 2010 and 2017. Of those new computer/math jobs, 85.4% were in office-using industries... Indeed, one-fifth of the 4.3 million jobs added by office-using industries between 2010 and 2017 were either computer-related or mathematics occupations. Twenty-one markets accounted for 50% of all computer/math occupation in the U.S. in 2017..." None of the identified 21 markets were in Florida. The report concludes, "it is clear that there is a positive relationship between the growth in computer/math occupations and office absorption rates."

Pompano Beach needs to keep these facts in mind as it continues to progress with the development of the Innovation District.

Residential Market

Quality of life, taxes and sunshine are the primary reasons people keep moving to south Florida and Pompano Beach is strategically positioned in the center of it. There are not very many places in America that have the constraints of the south Florida peninsula. Over time densities cannot help but to increase and the City has been acting progressively to help identify those areas where its wants to see those densities increase.

At a recent "Invest Fort Lauderdale" presentation a speaker cited recent statistics when they stated that "34 people move to Broward County every day." Given the 31 municipalities in the county, that essentially means that approximately one (plus) person moves to Pompano Beach every day.

"Prominent developers want to shape South Florida's neighborhoods into places where residents can spend more money at their projects, rather than spend more time in their cars." "All these areas are much more dense, and densification is making them much more walkable," said Michael Comras of the Comras Group at a recent panel discussion. "And no matter what direction the stock market moves in, South Florida's population continues to rise steadily and rapidly." reports Emon Reiser with the South Florida Business Journal.

The SFBJ also reported on two different reports last year that showed that "South Florida is the most severely cost-burdened region in the country when it comes to housing costs. The U.S. Department of Housing and Urban Development considers housing cost-burdened when residents spend more than 30 percent of their income on housing and severely cost-burdened when residents spend more than 50 percent of their income on dwellings." The first report was from SmartAsset, a financial website, and the second was from Apartment List, both used updated census data for their analysis. The SmartAsset report, a review of 167 U.S. cities, listed four south Florida cities as severely cost-burdened households and Pompano Beach was ranked #4 (Miami #2, Hialeah #3 and Hollywood #7 were the others). The Apartment List report found that 33.8 percent of south Florida households are severely cost-burdened and over 500,000 households are cost-burdened.

Last year in this report I stated: "Recently however, it seems that the rising costs of homeownership and the cost of living in south Florida have driven locals to relocate to more affordable places. Historically,

retirees, those looking to escape the cold winter months up north and those just looking for a fresh start migrated to south Florida from all over the United States; but that is no longer the case as negative domestic migration means more people are moving away from south Florida than are moving to it." I believe this still applies.

"Foreign buyers continue to play a role in the sales surge, particularly in Broward County, said Carlos Rosso, director of condo development at the Related Group. He said buyers are looking north from Miami because prices are more attractive... foreign buyers are now responsible for upwards of 32 percent of all Broward condo purchases. Besides favorable pricing, foreign demand is also driven by instability in Argentina, Brazil, Colombia and Venezuela." according to the Miami Realtors Association's International Real Estate Report.

The Sun Sentinel reported "Many analysts have discussed the tax migration game in recent years. But now, it's getting serious after Congress passed tax laws that sharply curtailed a taxpayer's ability to deduct city and state taxes from their federal returns." The general feeling seems to be "high income individuals with the wherewithal to move to the Sun Belt will start migrating south to Florida and elsewhere in increasing numbers." "It's a pretty easy decision for them if it doesn't have a negative impact on their business," said David Goldweitz, senior director of tax and accounting services for Fiske & Co. in Miami.

Pompano Beach's residential development continues to be mostly higher densities and has seen little development on the single family product front in recent years; however, Phase 3 of the former Palm Aire North golf course and its 150 single family homes are under construction and Habitat for Humanity's project north of Ely High School will add 78 single family homes has also begun construction.

Residential projects in the city include:

- The Myelin Group has completed the townhome portion of its development and is proceeding with the construction of the condo towers for *KOI*, a 350 unit mixed use development on 8.8 acres along East Atlantic Blvd. The project includes 7,500 square feet of commercial space, a community center and a 48 slip marina.
- City Vista, a 111 unit apartment building at 501 Dr. MLK Jr. Blvd has been completed.
- Palm Aire Associates LP has completed the first two phases of construction of 907 dwelling units on 84.881 acres on a former golf course on the north side of West Atlantic Blvd. Phase 1, the *Residences at Palm Aire*, is a 404 multifamily unit complex on 26.77 acres. Phase 2, *Atlantico at Palm Aire* is a 210 unit complex on 9.987 acres and is under construction. Phase 3 is 150 single family units on the remaining 36.2962 acres and is currently under construction.
- Sabbia Beach, a Fernbrook Florida, LLLP 73 unit condo is under construction at 730 N. Ocean Blvd.
- Avery Place, a 147 unit apartment building is under construction at 225 N Federal Highway.
- The Range at Palm Aire obtained approvals for a 39 unit multi-family project on 4.379 acres.
- The Adache Group has approvals to construct a 10-story 280 unit multifamily development called *Old Town Square* in old Pompano.
- WH Pompano, LLC obtained development rights and an Air Park Obstruction permit for a 303 unit condominium development on 6.4 acres at 1350 S. Ocean Blvd.
- 1380 S. Ocean Blvd. FL, LLC obtained site plan approval and an Air Park Obstruction permit to construct 134 residential units and 98 apartment/hotel units on 4.3228 acres at 1380 S. Ocean Blvd. The project also includes 11,000 sf of ancillary spa/personal services.
- CG Hillsboro Shores LLC gained approvals to construct a 121 unit, 10-story residential development on 2.49 acres at 2629 N Riverside Drive, just S of the Hillsboro Inlet bridge. The project is to include 5,115 sf of retail space.
- The *Fairfield at Pompano Beach* gained development approval for a 6-story 327 unit multi-family

apartment complex with non-residential ground floor at 601 N Federal Highway on 2.996 acres immediately adjacent to Community Park.

- Habitat for Humanity of Broward has started construction on a 78 unit single family development at the SW corner of Blanche Ely Blvd (NW 6th Ave) and NW 15th Street.
- NE 19th Avenue LLC gained approvals to construct a 37 unit multi-family complex on 0.631 acres at 16 & 24 NE 19th Avenue.
- John Knox Village gained approvals on a 7,070 sf Welcome and Innovation Center for the 64.9 acre campus.

Major City Initiatives

The City commenced/ completed a number of significant improvements and programs during the year to meet the needs of the community. The most significant programs/ improvements for the fiscal year ending September 30, 2018 were:

- General Obligation Bond was approved by voters in August 2018. Voters overwhelmingly voted “Yes” to major city improvements aimed at enhancing public safety, improving local roadways and beautifying the City’s public spaces. Over the next five years the City will begin “turning dirt” on everything from safer sidewalks and renovated parks to a new Emergency Operations Center. Overall, the bond covered 25 projects in all with a collective tab of \$189 million.
- The City is reconstructing *Fire Station #24*, a 4-bay 13,465 sf on 1.23 acres at 2001 NE 10th Street.
- The City’s has completed a Comprehensive Plan map and text amendment for the *East Transit Oriented Corridor (ETOC)*. The district will allow mixed use development with commercial uses on the first floor, primarily along US1 and Atlantic Boulevard, and residential units on the upper floors. The ETOC provides the connection between the east Atlantic neighborhoods, the beach area and the Innovation District.
- The City has plans on making streetscape improvements to *Riverside Drive* from Atlantic Boulevard to NE 14 Street.
- In July of 2011, the City launched the OASIS Reuse irrigation program (fka the IcanWater program). The City continues to construct *reclaimed water distribution lines* in the residential area between the Intracoastal Waterway and Federal Highway, as well as to schools within the old Pompano neighborhood. The City continues to budget \$300,000 annually for the project and apply for available grants. The reclaimed water will be used for irrigation of landscaped areas, thus saving City drinking water supplies for household use. This program has already been successful in adding 900+ residential reuse water customers and saving over 10 billion gallons of drinking water.

FINANCIAL POLICIES AND PLANNING

Financial Policies:

Investment Policy – The City has adopted a written comprehensive investment policy to help safeguard against the loss of its assets. Oversight for the investment program lies with the Finance Director under the direction of the City Manager. The City's investment program is established in accordance with the City's investment policy, which was adopted by resolution of 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 investment guidelines permit the investment of City funds in United States Treasury securities, United States Government Agency securities with the full faith and credit of the United States Government, Federal Instrumentalities (Government Sponsored Enterprises), Corporate Notes, Commercial Paper, Time Deposits (Certificates of Deposit), Repurchase Agreements, Bankers' Acceptances, State and/or Local Government Taxable and/or Tax-Exempt Debt, Money Market Mutual Funds, Intergovernmental Investment Pools and Savings Accounts of financial institutions that are Qualified Public Depositories in accordance with Florida State Statute Chapter 280.01 (Security for Public Deposits). All securities are purchased on a delivery-versus-payment basis. This requirement assures the City that it has possession of the securities before release of its funds. The investment policy further incorporates additional safeguards, limiting the allocation of the portfolio by sector within each investment type, as well as to the issuer within each sector.

The investments of the pension plans are controlled by the pension boards, who have hired professional money managers responsible for managing the assets of those funds. The pension plan boards have also adopted formal investment policies.

Fund Balance/Net Position Policy – The City Commission has formally adopted a fund balance/net position policy (the "Policy") for the City's General Fund and its Water and Sewer and Stormwater Funds. The objective of the Policy is to insure against unanticipated events that would adversely affect the financial condition of the City and jeopardize the continuation of necessary public services. More specifically, the Policy ensures that the City maintains adequate fund balance/net position reserves to provide the capacity to: (1) provide sufficient cash flow for daily financial needs, (2) offset significant economic downturns and revenue shortfalls, (3) maintain stable tax/fee rates (4) provide funds for unforeseen expenditures related to emergencies, (5) provide for renewal and replacement of long-lived assets and (6) secure and maintain investment grade bond ratings.

Debt Management Policy – The City Commission has formally adopted a debt management policy (the "Debt Policy") to assist in improving the quality of the City's decisions governing debt issuance. More specifically, the Debt Policy establishes parameters for issuing debt and managing a debt portfolio that encompass existing legal, economic, financial and capital market conditions, the City's capital improvement needs, and its ability to repay financial obligations as they become due. The policy:

- Assists the City in maintenance, acquisition and replacement of appropriate capital assets for present and future needs;
- Guides the City in policy and debt issuance decisions;
- Provides a framework within which each potential issuance can be evaluated;
- Assists in controlling the types and levels of outstanding obligations;
- Outlines a mechanism to ensure ongoing compliance requirements governing outstanding obligations;
- Ensures that the costs of debt issuance are borne equitably by each generation of taxpayers, rate payers, users, and other beneficiaries; and promotes sound financial management.

Strategic Planning – The City has adopted a long-term strategic plan that articulates a clear vision of its future that is integrated with an organizational philosophy to guide elected officials' and employees' actions and the efficient and effective use of resources. The plan is focused on the issues of greatest

importance to the City Commission and its citizens. It will provide the framework that will enable the City to make prudent business decisions for its successful operation and the continuing development of the City as a highly desirable location for residents, businesses and visitors. The plan includes benchmarks or milestones that measure the City's progress toward achieving its strategic goals and objectives.

REPORTING ACHIEVEMENT AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2017. The City has received the GFOA's prestigious Certificate of Achievement for Excellence in Financial Reporting award for thirty-five years. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of only one year. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The financial responsibility exhibited by the Commission throughout the year is certainly commendable, especially given the current and future challenges faced by the City given continued economic challenges impacting the fiscal affairs of the City and ultimately the residents of the City. Your interest in the fiscal matters of the City combined with a commitment to assume continual sufficient financial capacity is appreciated.

This report, which conforms to all the latest effective standards of local government financial reporting, could not have been prepared without the extraordinary devotion of the Finance Department team. Their dedication merits special attention. Special thanks to the City's Economic Development Manager, Christopher Clemens for his contributions in providing a comprehensive profile of the City, as well as providing readers with a summary of economic conditions and major initiatives impacting the City and to the City's Budget Officer, Erjeta Diamanti for providing insight into economic factors likely to have an impact on the City's fiscal year 2019 budget.

Sincerely,

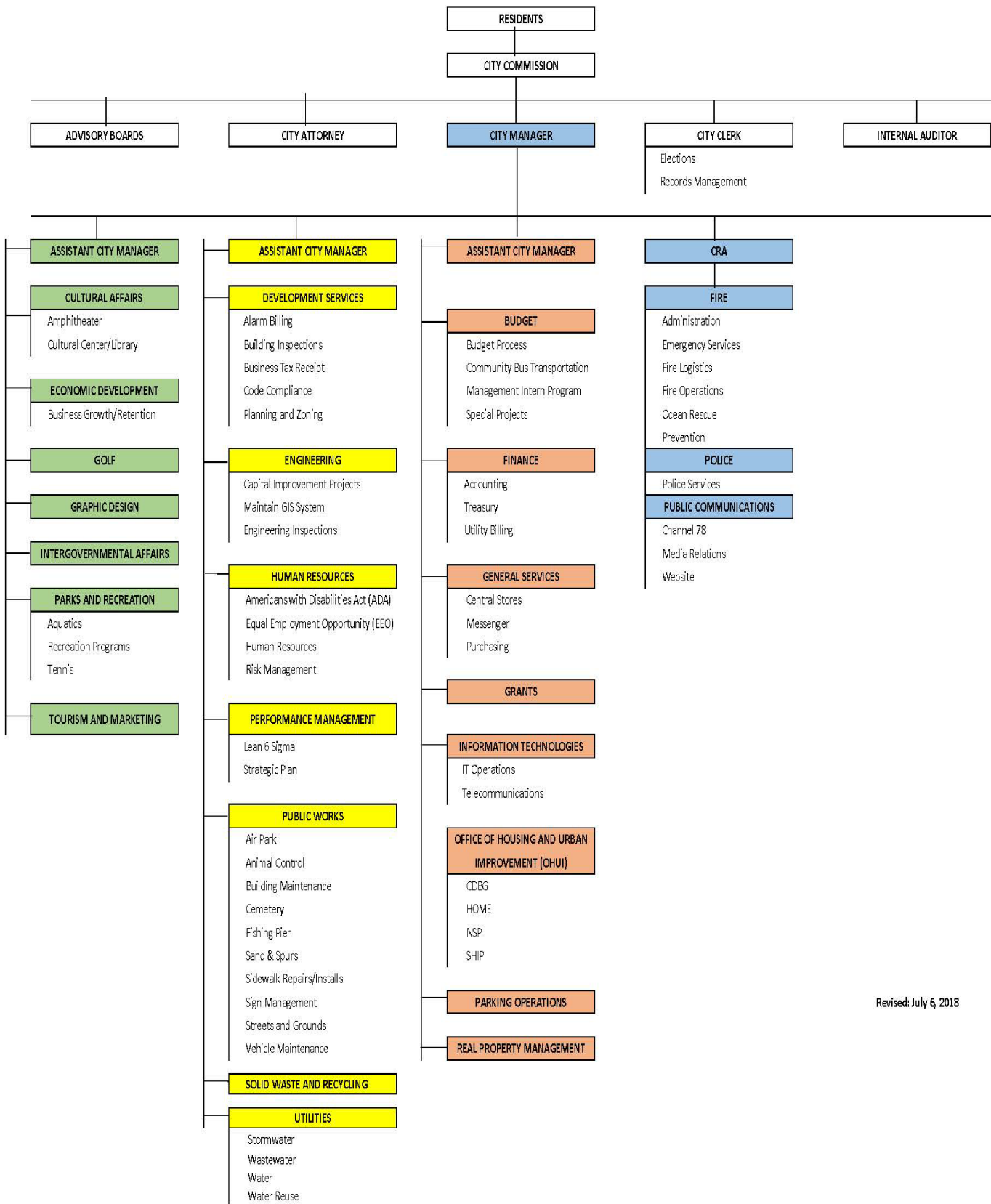


Andrew Jean-Pierre
Finance Director



Greg Harrison
City Manager

Organizational Chart - City of Pompano Beach



Revised: July 6, 2018



Government Finance Officers Association

**Certificate of
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**City of Pompano Beach
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2017

Christopher P. Morrell

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor, City Commission and City Manager
City of Pompano 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 Pompano Beach, Florida (the City), as of and for the fiscal year ended September 30, 2018, 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 City of Pompano Beach General Employees' Retirement System, which represents 35%, 37% and 24%, respectively, of the assets, net position/fund balance 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 City of Pompano Beach General Employees' Retirement System is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control

relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City, as of September 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 18, the schedules of changes in the city's net pension liability and related ratios, the schedules of city contributions, the other post-employment benefits schedule of changes in the city's total OPEB liability and related ratios, and budgetary comparison schedules for the general fund and major special revenue funds on pages 115 through 125 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules and the introductory and statistical sections 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 related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other 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 it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 26, 2019 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Marcum LLP

Fort Lauderdale, FL
April 26, 2019

City of Pompano Beach, Florida
Management Discussion and Analysis for the Fiscal Year Ended September 30, 2018
(Unaudited)

The City of Pompano Beach, Florida (the "City") offers readers of its financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2018. We encourage readers to consider the information presented here in conjunction with the letter of transmittal and financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

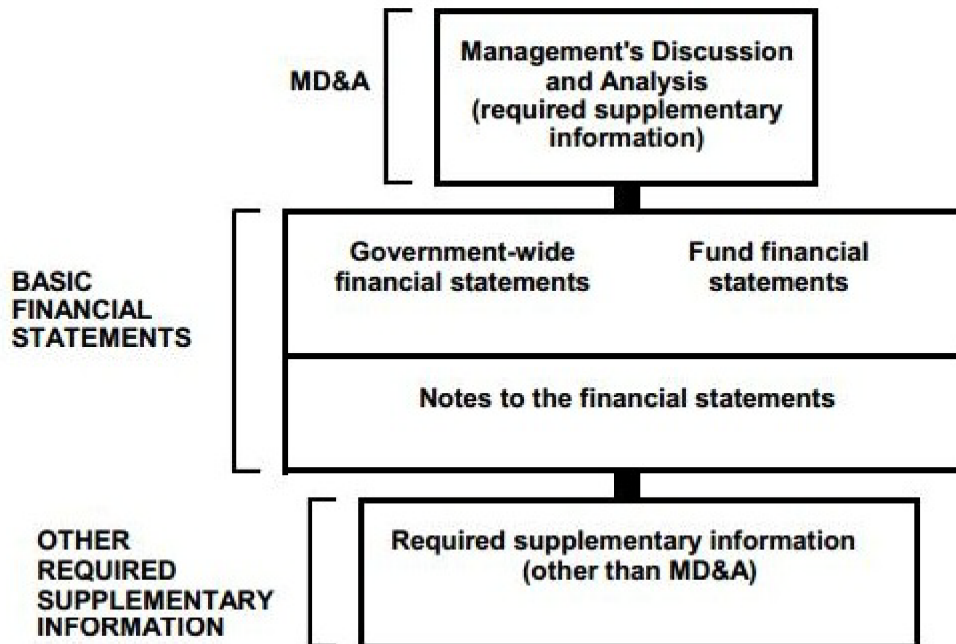
This annual report follows a format consisting of four parts – Management's Discussion and Analysis (this section), the Basic Financial Statements, Required Supplementary Information, and an additional section that presents combining statements for non-major governmental funds, non-major enterprise funds, internal service funds and fiduciary funds. The basic financial statements include two kinds of statements that present different views of the City.

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.
- The governmental fund statements tell how general government services like public safety were financed in the short-term, as well as what remains for future spending.
- Proprietary fund statements offer short and long-term financial information about the activities the government operates like businesses, such as the water and sewer utility.
- Fiduciary fund statements provide information about the financial relationships – such as the retirement plans for the City's employees, in which the City acts solely as trustee or agent for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of Required Supplementary Information that further explains and supports the information in the financial statements. Figure 1 shows how the required parts of this annual report are arranged and relate to one another.

City of Pompano Beach, Florida
Management Discussion and Analysis for the Fiscal Year Ended September 30, 2018
(Unaudited)

FIGURE 1



FINANCIAL HIGHLIGHTS

The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the fiscal year by \$476.0 million. The City's total net position decreased by \$3.0 million. The decrease noted was primarily due to a change in fiscal year 2016 in the assumption for mortality rates used to measure pension liabilities related to the General Employees' and Police and Firefighters' pension plans. The impact of this change will be recognized in pension expense through fiscal year 2022. Refer to Note (III)(C)(2) for additional information.

For the fiscal year ended September 30, 2018, the City implemented GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Please refer to Note (II)(J) for additional information. In addition, beginning net position at October 1, 2017 has also been restated to reflect the adoption of GASB Statements No. 75, as discussed in more detail at Note (III)(H).

At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$128.5 million, representing a decrease of \$1.6 million from the previous fiscal year. The decrease noted was primarily due to the net result of the following activity:

- a decrease of \$3.9 million in the General Fund balance as a result of the purchase of the Elks property for the new Youth Sports Complex and the transfer to the Capital Projects Fund for the Charlotte J. Burrie Community Center and
- an increase of \$2.5 million in the Northwest CRA District Fund balance is primarily due to the timing of capital outlay for land acquisition that was budgeted but not expended as of September 30, 2018.

City of Pompano Beach, Florida
Management Discussion and Analysis for the Fiscal Year Ended September 30, 2018
(Unaudited)

At the close of the current fiscal year the City's enterprise funds reported combined ending net position of \$184.2 million. This represents an increase of \$5.8 million from the previous fiscal year. The increase noted was primarily due to the net impact of the following activity:

- favorable results from operations for the Utility Fund.
- favorable results from operations for the Stormwater Fund.
- favorable results from capital grants for the Airpark Fund.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business.

The statement of net position presents information on all of the City's assets/deferred outflows and liabilities/deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, transportation, physical environment, and culture and recreation. The business-type activities of the City include utilities, stormwater, sanitation, golf, parking, airpark and pier activities.

The government-wide financial statements includes not only the City itself (the primary government), but also its blended component units, as discussed in the notes to the financial statements. In addition, the City has two defined benefit pension plans and a defined contribution pension plan established for the exclusive benefit of its employees and beneficiaries. The defined benefit pension plans are reported as fiduciary funds in the fund financial statements of this report, but are not included in the government-wide statements.

FUND FINANCIAL STATEMENTS

The Fund Financial Statements include statements for each of the three fund types; governmental, proprietary and fiduciary. The governmental fund financial statements are prepared using the current financial resources measurement focus and modified accrual basis of accounting. The proprietary fund financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Reconciliations of the Governmental Fund Financial Statements to the Government-wide Financial Statements are provided in the Basic Financial Statements to explain the differences between the governmental fund financial statements and the government-wide financial statements.

City of Pompano Beach, Florida
Management Discussion and Analysis for the Fiscal Year Ended September 30, 2018
(Unaudited)

REPORTING THE CITY AS A WHOLE

Governmental-wide Financial Analysis - Net position may serve over time as a useful indicator of the government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$476.0 million at September 30, 2018. The City's net position decreased by \$3.0 million during the current fiscal year. The largest portion of the City's net position, 89.1%, reflects its net investment in capital assets. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position. The City utilizes these capital assets to provide services to citizens; consequently these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt and other associated debt related items. It should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves will not be used to liquidate those liabilities. Approximately 12.3% or \$58.4 million of net position is subject to external restrictions for various purposes (e.g. building permitting function, capital projects etc.).

TABLE 1
SUMMARY OF NET POSITION
SEPTEMBER 30, 2018 and 2017

	Governmental Activities		Business-Type Activities		Totals	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current and other assets	\$ 168,175,005	\$ 174,592,964	\$ 80,018,633	\$ 85,532,176	\$ 248,193,638	\$ 260,125,140
Capital assets	311,457,277	306,619,671	162,012,978	150,542,630	473,470,255	457,162,301
Total assets	<u>479,632,282</u>	<u>481,212,635</u>	<u>242,031,611</u>	<u>236,074,806</u>	<u>721,663,893</u>	<u>717,287,441</u>
Deferred outflows of resources	<u>30,695,930</u>	<u>30,511,041</u>	<u>6,375,998</u>	<u>3,382,508</u>	<u>37,071,928</u>	<u>33,893,549</u>
Long-term liabilities	<u>198,783,856</u>	<u>195,478,452</u>	<u>53,838,026</u>	<u>54,483,843</u>	<u>252,621,882</u>	<u>249,962,295</u>
Other liabilities	<u>12,931,364</u>	<u>12,509,190</u>	<u>10,009,116</u>	<u>7,147,814</u>	<u>22,940,480</u>	<u>19,657,004</u>
Total liabilities	<u>211,715,220</u>	<u>207,987,642</u>	<u>63,847,142</u>	<u>61,631,657</u>	<u>275,562,362</u>	<u>269,619,299</u>
Deferred inflows of resources	<u>6,131,735</u>	<u>491,922</u>	<u>1,087,255</u>	<u>-</u>	<u>7,218,990</u>	<u>491,922</u>
Net position:						
Net investment in capital						
assets	296,451,107	287,768,399	127,840,934	113,231,147	424,292,041	400,999,546
Restricted	54,222,664	49,064,248	4,187,391	5,740,804	58,410,055	54,805,052
Unrestricted	(58,192,514)	(33,588,535)	51,444,887	58,853,706	(6,747,627)	25,265,171
Total net position	<u>\$ 292,481,257</u>	<u>\$ 303,244,112</u>	<u>\$ 183,473,212</u>	<u>\$ 177,825,657</u>	<u>\$ 475,954,469</u>	<u>\$ 481,069,769</u>

At September 30, 2018, the City's governmental activities report a negative balance in the unrestricted category primarily due to the Net pension liability for the City's General Employees and Police and Firefighters Pension Plans. The City is able to report positive balances in the remaining categories of net position for its Governmental activities and Business-type activities.

Governmental Activities – There was a decrease of \$6.4 million in current and other assets for governmental activities, primarily as a result of current year operations, as discussed in detail starting on

City of Pompano Beach, Florida
Management Discussion and Analysis for the Fiscal Year Ended September 30, 2018
(Unaudited)

page 9.

There was an increase of \$4.8 million in capital assets. The increase noted was primarily due to the net effect of the current fiscal year capital asset activity (as discussed in more detail on page 16) and the recognition of current fiscal year depreciation expense.

The increase of \$3.3 million in long-term liabilities is primarily the result of the increase in the Net Pension Liability in the current fiscal year related to the City's General Employees Pension Plan. Net pension liability is calculated by the actuary engaged by the pension plan. The net pension liability is a function of various factors, inclusive of investment income and changes in assumptions between fiscal years. Refer to Note (III)(C)(2) for additional information.

Business-type Activities – The decrease of \$5.5 million in current and other assets primarily as a result of current year operations, as discussed in detail starting on page 11.

The increase of \$11.5 million in capital assets is primarily due to the net effect of capital asset acquisitions and dispositions and recognition of current fiscal year depreciation expense (as discussed in more detail on page 16).

The increase of \$3.0 in deferred outflows of resources primarily resulted from the recognition of a Net Pension Liability in the current fiscal year related to the City's General Employees Pension Plan; partially related to the difference between projected and actual investment earnings for the Plan and differences between expected and actual experience which necessitated the deferral of outflows. Refer to Note (III)(C)(2) for additional information.

The increase of \$2.9 million in other liabilities is primarily the result of an increase in outstanding payments due vendors compared to prior year fiscal year end related to Utility Fund operations.

City of Pompano Beach, Florida
Management Discussion and Analysis for the Fiscal Year Ended September 30, 2018
(Unaudited)

Analysis of the City's Operations

The following table provides a summary of the City's changes in net position for the fiscal year ended September 30, 2018.

TABLE 2
SUMMARY OF CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2018 and 2017

	Governmental Activities		Business-Type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Revenues						
Program Revenues:						
Charges for services	\$ 51,888,288	\$ 43,577,408	\$ 58,813,072	\$ 56,536,174	\$ 110,701,360	\$ 100,113,582
Operating grants and contribs.	3,925,657	3,740,302	77,783	112,724	4,003,440	3,853,026
Capital grants and contribs.	3,719,870	12,396,198	4,386,011	1,912,263	8,105,881	14,308,461
General Revenues						
Taxes	96,142,061	87,966,038	-	-	96,142,061	87,966,038
Pari Mutuel	2,148,790	2,310,138	-	-	2,148,790	2,310,138
Franchise fees	8,226,917	8,403,793	-	-	8,226,917	8,403,793
State revenue sharing	11,108,883	10,528,661	-	-	11,108,883	10,528,661
Gain from sale of capital assets	1,764,202	129,159	77,647	106,380	1,841,849	235,539
Investment earnings	744,672	918,763	448,343	485,291	1,193,015	1,404,054
Miscellaneous	817,412	946,223	54,469	73,423	871,881	1,019,646
Total revenues	<u>180,486,752</u>	<u>170,916,683</u>	<u>63,857,325</u>	<u>59,226,255</u>	<u>244,344,077</u>	<u>230,142,938</u>
Expenses						
General government	31,953,414	33,740,533	-	-	31,953,414	33,740,533
Public safety	106,755,628	103,714,272	-	-	106,755,628	103,714,272
Physical environment	21,206,645	18,460,060	-	-	21,206,645	18,460,060
Transportation	4,469,527	4,129,271	-	-	4,469,527	4,129,271
Economic environment	9,949,169	8,709,265	-	-	9,949,169	8,709,265
Culture and recreation	14,715,289	13,743,089	-	-	14,715,289	13,743,089
Interest costs	633,223	758,984	-	-	633,223	758,984
Utility	-	-	41,733,935	38,092,853	41,733,935	38,092,853
Sanitation	-	-	8,214,578	5,863,604	8,214,578	5,863,604
Stormwater	-	-	2,062,874	1,858,645	2,062,874	1,858,645
Pier	-	-	191,798	110,149	191,798	110,149
Airpark	-	-	2,254,140	2,217,302	2,254,140	2,217,302
Parking	-	-	3,239,261	3,087,170	3,239,261	3,087,170
Total expenses	<u>189,682,895</u>	<u>183,255,474</u>	<u>57,696,586</u>	<u>51,229,723</u>	<u>247,379,481</u>	<u>234,485,197</u>
Increase (decrease) in net position before transfers	(9,196,143)	(12,338,791)	6,160,739	7,996,532	(3,035,404)	(4,342,259)
Transfers	<u>218,123</u>	<u>(3,117,710)</u>	<u>(218,123)</u>	<u>3,117,710</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	(8,978,020)	(15,456,501)	5,942,616	11,114,242	(3,035,404)	(4,342,259)
Net position - beginning, as restated (Note III)(H)	<u>301,459,277</u>	<u>318,700,613</u>	<u>177,530,596</u>	<u>166,711,415</u>	<u>478,989,873</u>	<u>485,412,028</u>
Net position - ending	<u>\$ 292,481,257</u>	<u>\$ 303,244,112</u>	<u>\$ 183,473,212</u>	<u>\$ 177,825,657</u>	<u>\$ 475,954,469</u>	<u>\$ 481,069,769</u>

Note: Net position at October 1, 2017 has been restated for the effects of adopting GASB Statement No. 75. See Note (III)(H).

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Governmental Activities – Governmental activities decreased the City's net position by \$9.0 million.

Charges for services increased by \$8.3 million primarily due to the following:

- An increase in the fire assessment fee to cover a larger share of eligible fire service costs, such as a statutorily mandated pension cost increase and to maintain service levels.
- An increase in permit revenues due to increased new construction and property maintenance.

Capital Grants and Contributions decreased by approximately \$8.7 million, primarily due to the effect of the following transactions.

- In the prior fiscal year the City received approximately \$4.6 million from the Florida Department of Transportation (FDOT) relating to roadway improvements on Dixie Highway and Atlantic Boulevard.
- In the prior year the City received approximately \$1.0 million in grant funds from the Florida Division of Cultural Affairs for the construction of the Library/Cultural Center.
- In the prior year the City received approximately \$2.9 million from Broward County for the reimbursement of expenditures relating to the construction of the Library/Cultural Center.
- In the prior year the City received approximately \$.9 million from Broward County & the Florida Inland Navigation District for the reimbursement of expenditures relating to Alsdorf Park improvements.

Tax revenues increased by \$8.2 million primarily due to an increase in ad valorem revenue, electric utility taxes and tax increment revenues. Ad valorem revenue is a function of assessed property values, new construction, changes in personal incomes and the City's operating millage rates. The City assesses a 10% electric utility tax on electric usage in the City, which is billed and collected by the service provider. The amount collected and remitted to the City is a function of number of customers, usage patterns and provider rates. Tax increment revenues is a function of the increase in the assessed values of properties within the Pompano Beach Community Redevelopment Agency (CRA) Districts above the base year valuation amounts, as well as the operating millage rate of each taxing district that contributes.

Gain from sale of capital assets increased by \$1.6 million primarily due the sale of surplus property located at 1841 N. Powerline Road.

General government expenses decreased by \$1.8 million, primarily due to the net effect of the following transactions:

- A decrease in Water, sewer & electric expenses. Beginning the fiscal year 2018 these utility expenses are tracked in the facilities maintenance division which is grouped within the physical environment category.
- An increase in tax increment payments to the Northwest and East Community Redevelopment Districts (a function of the increase in the assessed values within those districts from the base year formation of the districts and the City's operating millage rate).
- An increase in professional service expenses relating to the 2018 Series General Obligation Bond.
- Recognition of current fiscal year depreciation expense.

Public safety expenses increased by \$3.0 million primarily due to the following:

- An increase in the pension expense related to the net pension liability for the Police and

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Firefighter's Pension Plan and the General Employees Pension Plan as determined by actuaries for both pension plans.

- An increase in the annual consideration for police services provided by the Broward Sheriff's Office.

Physical environment expenses increased by \$2.7 million primarily due to the net effect of the following:

- An increase in Water, sewer & electric expenses. Beginning the fiscal year 2018 these utility expenses are tracked within the physical environment category. In the prior fiscal year these expenses were tracked in the general government category.
- A decrease in the pollution remediation obligation for the site referred to as the former Sabals Golf Course at 31st Avenue (just north of Atlantic Boulevard and also referred to as "12 acre park"). Refer to Note (II)(K) for additional information.
- A decrease in operating expenses due to the transfer of the sanitation division from the General Fund to the Sanitation Fund.

Economic environment expenses increased by \$1.2 million primarily due to the following:

- An increase in debris removal costs due to Hurricane Irma.
- An increase in activity in the Affordable Housing Fund which provides for the preservation of the existing affordable housing neighborhoods.

The variance in net transfers of \$3.3 million is due to the net effect of transfers to the Pier Fund for the Pier Replacement project and the transfer of residual equity associated with accounting for the activities of the golf course from a separate enterprise fund to the General Fund in the prior fiscal year.

Business-type Activities - Business-type activities increased the City's net position by \$5.9 million primarily related to the net activity of the Utility Fund, which accounted for \$3.0 million of the increase, the Airpark Fund which accounted for \$2.0 million of the increase, the Stormwater Fund which accounted for \$1.6 million of the increase, the Parking Fund which reported a negative change in net position of \$.9 million.

The overall increase noted in the Utility Fund was primarily the result of the following; operating expenses coming in below budget, capital grants for utility projects and the contribution of capital assets from developers.

The Airpark Fund increase noted is primarily the result of capital grants for various airpark improvement projects.

The overall increase noted in the Stormwater Fund was primarily the result of the following; operating expenses coming in below budget, capital grants for stormwater projects and the contribution of capital assets from developers.

The Parking Fund decrease noted is primarily the result of the recognition of depreciation expense and interest expense. The City borrowed funds to construct the Pier Parking Garage in 2015 with funds escrowed as part of that borrowing to cover interest expense for three fiscal years (2016 through 2018) until such time as private parcel development around the Pier is completed, thereby generating increased parking revenue for the Parking Fund. The Beach House Restaurant opened in April 2018 with another major anchor to the Pompano Fishing Village slated to open in summer 2019 (Oceanic Restaurant). It is anticipated that these two restaurants being open will increase parking revenues

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generated.

Charges for services increased by \$2.3 million primarily due to an increase in utility rates, an increase in stormwater fees and an increase in special service revenues related to residential & commercial dumpster activity during fiscal year 2018.

Capital grants and contributions increased by \$2.5 million, primarily due to capital grants for utility projects, capital grants for stormwater projects, capital grants for airpark projects and the contribution of capital assets from developers.

Utility operating expenses increased by \$3.6 million primarily due to the following:

- An increase in the pension expense related to the net pension liability for the General Employees Pension Plan as determined by the pension plan actuary.
- An increase in disposal charges for wastewater treatment.

Sanitation operating expenses increased by \$2.4 million primarily due to the following:

- An increase in operating expenses due to the transfer of the sanitation division from the General Fund.
- An increase in the pension expense related to the net pension liability for the General Employees Pension Plan as determined by the pension plan actuary.
- Annual rate adjustments for disposal charges.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by State law, accounting regulations and by bond covenants. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

Governmental Funds

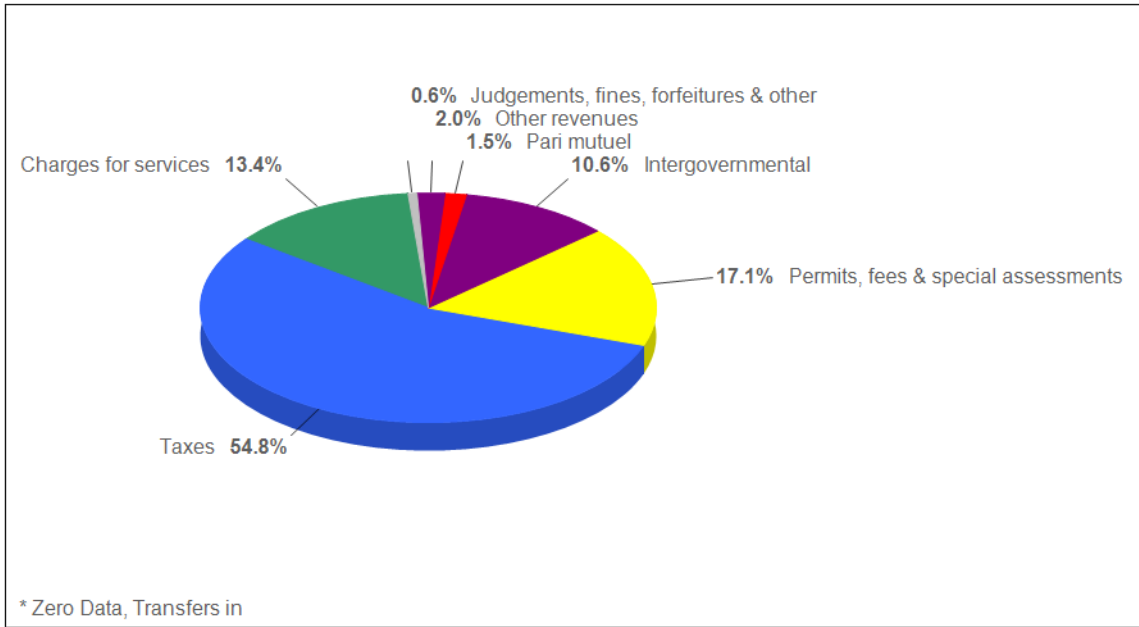
Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences of results in the Governmental Fund financial statements to those of the governmental activities of the Government-wide financial statements are explained in a reconciliation following each Governmental Fund financial statement.

City of Pompano Beach, Florida
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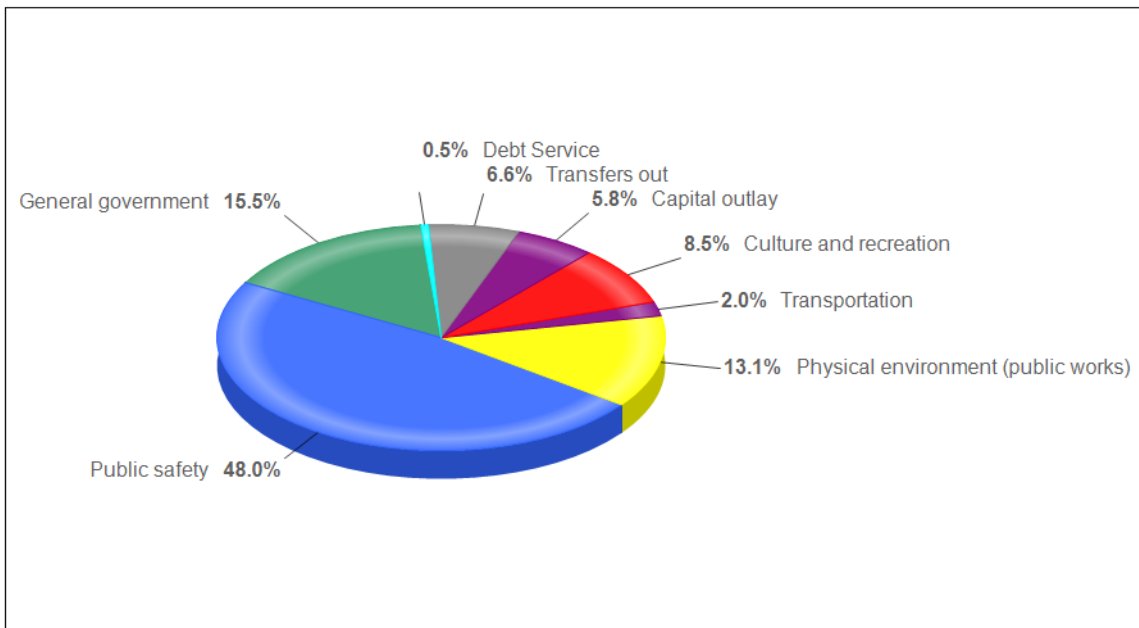
The General Fund

The General Fund is the chief operating fund of the City. The following pie charts depict the breakdown of actual receipts by revenue source and expenditures by function, for the fiscal year ended September 30, 2018:

Revenues Received by Source



Actual Expenditures By Function



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At the end of the current fiscal year, unassigned fund balance for the General Fund was \$28.4 million, while total fund balance was \$35.4 million. The fund balance for the City's General Fund decreased by \$3.9 million during the current fiscal year. This was primarily the result of the purchase of the Elks property for the new Youth Sports Complex and the transfer to the Capital Projects Fund for the Charlotte J. Burrie Community Center.

Compared to the prior fiscal year, there was an increase of \$6.3 million in taxes revenue, primarily as a result of an increase in ad valorem and electric utility taxes receipts, compared to prior fiscal year. Ad valorem revenue is a function of assessed property values, new construction, changes in personal incomes and the City's operating millage rates. The City assesses a 10% electric utility tax on electric usage in the City, which is billed and collected by the service provider.

The increase of \$2.7 million in permits, fees and special assessments is primarily due to an increase in the fire assessment fee.

The increase of \$1.7 million in charges for services revenue is primarily due to an increase in engineering fees collected, an increase in fire inspection fees collected and an increase in internal administrative service charges to other funds.

The increase of \$1.5 million in proceeds from sale of capital assets is primarily due the sale of surplus property located at 1841 N. Powerline Road.

The decrease of \$3.1 million in transfers-in is primarily due to the following activity from the prior year fiscal year:

- transfer from the Parking Fund of surplus parking funds to support General Fund operations.
- transfer of residual equity associated with accounting for the activities of the golf course from a separate enterprise fund to the General Fund.
- transfer from the Sanitation Fund to cover services provided by the public works department and the transfer of the annual rebate received from Waste Management as part of the agreement with the vendor.

The increase of \$4.6 million in physical environment expenditures is primarily due to an increase in water, sewer & electric expenditures. Beginning with fiscal year 2018 these utility expenditures are tracked within the physical environment category. In the prior fiscal year these expenditures were tracked in the general government category.

The \$6.7 million increase in capital outlay expenditures is primarily due to the purchase of the Elks property and the capital replacement of motor vehicles.

The decrease of \$15.5 million in transfers out is primarily due to transfers to the Capital Projects Fund for improvements to MLK Boulevard from I-95 to Powerline Road, transfers to the Capital Projects Fund for Fire Station 24 reconstruction and transfers to the Pier Fund for the Pier Replacement project in the prior year.

The Northwest Community Redevelopment Agency Northwest District Fund

The fund balance of the Northwest CRA District Fund increased by \$2.5 million primarily due to the timing of capital outlay for land acquisition that was budgeted but not expended as of September 30,

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2018.

Building Permit Fund

Permits, fees and special assessments increased by \$3.3 million due to increased new construction and property maintenance.

Other Grants Fund

The fund balance of the Other Grants Fund decreased by \$3.0 due to cost reimbursement grants for which the City has not yet received reimbursement from the grantor at fiscal year end.

Proprietary Funds

When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The City maintains internal service funds to report activities that provide services for the City's other programs and activities – such as the City's Risk Management Fund. Residual balances for internal service funds are reported with governmental activities in the Government-wide financial statements.

Utility Fund

The net position of the Utility Fund increased by \$3.0 primarily due to operating expenses coming in below budget, capital grants for utility projects and the contribution of capital assets from developers.

Airpark Fund

The net position of the Airpark Fund increased by \$2.0 million primarily due to the receipt of capital grants for various airpark improvement projects.

Stormwater Fund

The net position of the Stormwater Fund increased by \$1.6 million primarily due to the following; operating expenses coming in below budget, capital grants for stormwater projects and the contribution of capital assets from developers.

Final budget compared to actual

Non-departmental expenditures were approximately \$1.4 million lower than the final budget primarily due to the timing of expenditures related to the City's 12 Acre Park in Palm Aire.

Capital outlay expenditures were \$1.0 million lower than the final budget primarily due to the timing of expenditures related to a new fire truck.

City of Pompano Beach, Florida
Management Discussion and Analysis for the Fiscal Year Ended September 30, 2018
(Unaudited)

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2018, amounts to \$473.5 million, net of accumulated depreciation. This investment in capital assets includes land, building, equipment, improvements, infrastructure and construction in progress.

TABLE 3
CAPITAL ASSETS
(NET OF ACCUMULATED DEPRECIATION)
September 30, 2018 and 2017

	Governmental Activities		Business-Type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Land	\$ 68,052,268	\$ 61,344,803	\$ 528,717	\$ 528,717	\$ 68,580,985	\$ 61,873,520
Construction in Progress	11,245,655	14,657,760	19,542,296	7,598,373	30,787,951	22,256,133
Buildings	43,234,169	45,275,645	45,480,100	47,701,676	88,714,269	92,977,321
Infrastructure	86,161,476	92,004,133	49,052,636	51,386,637	135,214,112	143,390,770
Improvements	93,990,239	85,769,198	41,295,914	37,602,951	135,286,153	123,372,149
Machinery & Equipment	8,700,094	7,564,803	6,113,315	5,724,276	14,813,409	13,289,079
Art Work	73,376	3,329	-	-	73,376	3,329
TOTALS	\$ 311,457,277	\$ 306,619,671	\$ 162,012,978	\$ 150,542,630	\$ 473,470,255	\$ 457,162,301

Major capital assets events during the fiscal year included:

Governmental Activities

- Land increased by approximately \$6.7 million in governmental activities primarily as a result of the acquisition of the Elks property for the New Youth Sports Complex project.
- Capital projects under construction in governmental activities had a net decrease of \$3.4 million, primarily as a result of major activity related to several projects in the prior fiscal year, such as Public Library/Cultural Center, Briny Avenue Streetscape and MLK Blvd. Reconstruction.
- Improvements for governmental activities increased by \$8.2 million primarily due to the net effect of the completion of Briny Avenue Streetscape, various components of MLK Blvd. Reconstruction and the recognition of current fiscal year depreciation expense.
- Machinery and Equipment increased by \$1.1 million primarily due to the net effect of the recognition of current fiscal year depreciation expense, the disposal of equipment during the fiscal year and the purchase of machinery and equipment by several City departments (primarily Fire Operations, Parks & Recreation and EMS).

Business-type activities

- Capital projects under construction in business-type activities increased by \$11.9 million as a result of major activity related to several projects in the current fiscal year, such as Pier Replacement, Airpark Taxiway, Avondale Stormwater Draining and Concentrate Deep Well Re-Lining.
- Improvements increased by approximately \$3.7 million primarily due to the net effect of the completion A1A Water Main Replacement, Reuse Distribution Expansion, Lift Station Rehabilitation and the recognition of current fiscal year depreciation expense.

City of Pompano Beach, Florida
Management Discussion and Analysis for the Fiscal Year Ended September 30, 2018
(Unaudited)

Additional information on the City's capital assets can be found in the notes to the financial statements, Note II (C).

Outstanding Debt

At the end of the current fiscal year the City had total debt (bonds and notes) of \$49,734,277 outstanding compared to \$57,377,352 last year, a 13% decrease.

TABLE 4 - OUTSTANDING DEBT
September 30, 2018 and 2017

	Governmental Activities		Business-Type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Revenue Bonds	\$ -	\$ -	\$ 5,925,000	\$ 8,815,000	\$ 5,925,000	\$ 8,815,000
Certificates of Participation	-	-	23,875,000	23,875,000	23,875,000	23,875,000
Tax increment bonds	11,320,542	14,192,704	-	-	11,320,542	14,192,704
Notes payable	1,361,105	1,842,880	4,928,107	5,836,080	6,289,212	7,678,960
Capital lease payable	2,324,523	2,815,688	-	-	2,324,523	2,815,688
Total	<u>\$ 15,006,170</u>	<u>\$ 18,851,272</u>	<u>\$ 34,728,107</u>	<u>\$ 38,526,080</u>	<u>\$ 49,734,277</u>	<u>\$ 57,377,352</u>

At September 30, 2018, the City's Certificates of Participation maintained a credit rating of AA- from Standard and Poor's and A-1 from Moody's. None of the City's other long term obligations were required to carry a credit rating at fiscal year end.

Required principal, interest and reserves on outstanding debt were provided for during the year. The City's Water & Sewer Bonds are pledged with the revenues from the water and sewer system. The City fully anticipates that it will meet future debt service requirements for outstanding bond issues based on these pledged revenue sources.

Additional information on the City's long-term debt can be found in the notes to the financial statements, Note II (F).

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET RATES

The City's fiscal year runs from October 1st to September 30th. The City begins its budget cycle in November. From November to May, workshops and meetings are held with department heads to determine the upcoming fiscal needs of the City while ensuring adherence to City's policies. Upon establishing a fiscal blueprint for the upcoming fiscal year, the City Manager presents the recommended budget to the City Commission and public in June and then a second workshop is held in July. If necessary, resources and/or policies are modified by the Commission and subsequently adopted in the final public budget hearing in September. Two public budget hearings are held in September to adopt the millage rates and the budgets.

As one of the largest cities in the Miami-Fort Lauderdale-Pompano Beach Metropolitan area, the City of Pompano Beach has a significant impact on Florida's economic growth rate trends; which according to the Office of Economic and Demographic Research (EDR, August, 2018), Florida's growth of 2.5% for the first quarter of the 2018 calendar year surpassed the national average of 1.8%, and ranking the state 11th in the country for real growth.

City of Pompano Beach, Florida
Management Discussion and Analysis for the Fiscal Year Ended September 30, 2018
(Unaudited)

The City's adopted budget for fiscal year 2019 is \$363,619,793; this represents a 36.6% or a \$98M increase over the FY 2018 adopted budget of \$266,195,613. The major reason for this increase is budgeting for four (4) different General Obligation Bond Funds (G.O. Bond), which account for 22% of the total adopted budget or \$78,721,014. The City Commission approved the G.O. Bond Referendum in the fall of FY 2017, to finance a component of the City's unfunded general capital projects, with a Referendum date of March 13, 2018. The residents of Pompano Beach passed all three ballot questions (1) Streets, Sidewalks, Bridges and Streetscaping, (2) Parks, Recreation and Leisure Activities, and (3) Public Safety by majority vote, authorizing funding for a total of twenty-five (25) capital improvement projects throughout the City.

The adopted millage rates for FY 2019 are as follows: General Fund operating millage (5.1361), Emergency Medical Services District millage rate (0.5000), and Debt Service millage rate (0.4663). Compared to FY 2018 adopted operating millage rate of 4.9865, the adopted millage rate of 5.1361 represents an increase of .1496 mills, or 3%.

The General Fund accounts for about 40% of the total FY 2019 adopted budget. The FY 2019 Adopted General Fund budget is \$144,131,108; this is approximately \$12M or 9% higher than the FY 2018 Adopted General Fund budget of \$131,927,690. The increases in the General Fund and overall budget for FY 2019 can primarily be attributed to police services, to include seven additional School Resource officers, maintenance, recreation and debt service for the annual capital replacement plan, tax increment payments to the Community Redevelopment Agency, transfer to the General Capital Fund to fund current and future capital improvement projects and a transfer to the Emergency Medical Fund (EMS) to support EMS services. Additional increases can be attributed to new services and staff, such as the additions of the Cultural Facilities and related staff; CRA staff (which is offset by the CRA reimbursement to the General Fund); additional fire personnel, which is supported by the Fire Assessment Fee; five (5) new full time Park Ranger Positions, which will address homelessness issues within our parks, as well as accounting for all the negotiated fringe benefits.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need any additional financial information, contact the City's Finance Department, at the City of Pompano Beach, 100 W. Atlantic Boulevard, Pompano Beach, Florida 33060.

BASIC FINANCIAL STATEMENTS

CITY OF POMPANO BEACH, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2018

	Governmental Activities	Business- type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 13,317,391	\$ 5,385,955	\$ 18,703,346
Unrestricted investments	90,397,195	61,123,002	151,520,197
Restricted cash and cash equivalents	4,799,694	2,665,825	7,465,519
Restricted investments	5,462,616	4,187,391	9,650,007
Interest receivable	370,242	234,762	605,004
Accounts receivables (net)	6,946,395	5,224,161	12,170,556
Notes Receivable	130,000	-	130,000
Internal balances	812,399	(812,399)	-
Due from other governments	4,729,356	1,812,745	6,542,101
Inventories	1,310,573	197,191	1,507,764
Prepays	918,912	-	918,912
Other assets	106,925	-	106,925
Assets held for resale and redevelopment	38,873,307	-	38,873,307
Capital assets:			
Land and construction in progress	79,297,923	20,071,013	99,368,936
Other capital assets net of accumulated depreciation	232,159,354	141,941,965	374,101,319
Total capital assets net of accumulated depreciation	<u>311,457,277</u>	<u>162,012,978</u>	<u>473,470,255</u>
Total assets	<u>479,632,282</u>	<u>242,031,611</u>	<u>721,663,893</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	-	103,665	103,665
Deferred outflows related to pensions	30,695,930	6,272,333	36,968,263
Total deferred outflows of resources	<u>30,695,930</u>	<u>6,375,998</u>	<u>37,071,928</u>

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

CITY OF POMPANO BEACH, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2018

	Governmental Activities	Business- type Activities	Total
LIABILITIES			
Accounts payable	\$ 4,744,225	\$ 7,014,621	\$ 11,758,846
Accrued expenses	2,630,969	486,193	3,117,162
Accrued interest payable	73,279	351,827	425,106
Due to other governments	373,089	-	373,089
Customer deposits payable	38,275	-	38,275
Unearned revenue	3,163,028	-	3,163,028
Liabilities payable from restricted assets:			
Customer deposits payable	1,240,000	1,906,323	3,146,323
Accounts payable	668,499	250,152	918,651
Long term obligations	-	759,502	759,502
Noncurrent liabilities:			
Due within one year:			
Long term obligations	1,275,542	2,175,498	3,451,040
Notes Payable	257,666	932,922	1,190,588
Claims and judgments	3,275,659	-	3,275,659
Compensated absences	214,841	120,823	335,664
Capital lease payable	501,096	-	501,096
Due in more than one year:			
Long term obligations	10,045,000	2,990,000	13,035,000
Notes Payable	1,103,439	3,995,185	5,098,624
Claims and judgments	8,052,341	-	8,052,341
Compensated absences	5,756,702	935,275	6,691,977
Pollution remediation obligation	985,599	-	985,599
Total OPEB liability	10,267,094	1,995,486	12,262,580
Capital lease payable	1,823,427	-	1,823,427
Certificates of participation payable	-	23,875,000	23,875,000
Net pension liability	155,225,450	16,058,335	171,283,785
Total liabilities	<u>211,715,220</u>	<u>63,847,142</u>	<u>275,562,362</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	6,131,735	1,087,255	7,218,990
NET POSITION			
Net investment in capital assets	296,451,107	127,840,934	424,292,041
Restricted for:			
Renewal and replacement/rate stabilization	-	3,734,993	3,734,993
Capital projects	925,231	452,398	1,377,629
Building permit function	12,686,132	-	12,686,132
Community Redevelopment	40,521,919	-	40,521,919
Cultural Arts	532	-	532
Transportation	88,850	-	88,850
Unrestricted	(58,192,514)	51,444,887	(6,747,627)
Total net position	<u>\$ 292,481,257</u>	<u>\$ 183,473,212</u>	<u>\$ 475,954,469</u>

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

CITY OF POMPANO BEACH, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General government	\$ 31,953,414	\$ 15,049,463	\$ 4,074	\$ -
Public safety	106,755,628	32,187,477	3,168,470	182,462
Physical environment	21,206,645	174,051	483,869	1,192,615
Transportation	4,469,527	-	212,417	-
Economic environment	9,949,169	184,987	11,930	2,294,793
Culture and recreation	14,715,289	4,292,310	44,897	50,000
Interest on long-term debt	633,223	-	-	-
Total governmental activities	<u>189,682,895</u>	<u>51,888,288</u>	<u>3,925,657</u>	<u>3,719,870</u>
Business-Type Activities:				
Utility	41,733,935	43,239,985	-	1,197,904
Sanitation	8,214,578	8,362,125	-	-
Stormwater	2,062,874	3,474,493	-	377,000
Pier	191,798	-	-	-
Airpark	2,254,140	1,374,695	77,783	2,811,107
Parking	3,239,261	2,361,774	-	-
Total business-type activities	<u>57,696,586</u>	<u>58,813,072</u>	<u>77,783</u>	<u>4,386,011</u>
Total government	<u>\$ 247,379,481</u>	<u>\$ 110,701,360</u>	<u>\$ 4,003,440</u>	<u>\$ 8,105,881</u>
General revenues:				
Taxes:				
Property taxes, levied for general purposes				
Sales and use taxes				
Business tax receipts				
Utility taxes				
Communication service taxes				
Tax increment fees - Community Redevelopment Agency				
Pari Mutuel				
Franchise fees				
State revenue sharing				
Gain on sale of capital assets				
Investment earnings				
Miscellaneous revenue				
Transfers				
Total General Revenues and Transfers				
Changes in Net Position				
Net position-beginning, as restated (Note III)(H)				
Net position, ending				

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

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (16,899,877)	\$ -	\$ (16,899,877)
(71,217,219)	-	(71,217,219)
(19,356,110)	-	(19,356,110)
(4,257,110)	-	(4,257,110)
(7,457,459)	-	(7,457,459)
(10,328,082)	-	(10,328,082)
(633,223)	-	(633,223)
<u>(130,149,080)</u>	<u>-</u>	<u>(130,149,080)</u>
-	2,703,954	2,703,954
-	147,547	147,547
-	1,788,619	1,788,619
-	(191,798)	(191,798)
-	2,009,445	2,009,445
-	(877,487)	(877,487)
-	<u>5,580,280</u>	<u>5,580,280</u>
<u>(130,149,080)</u>	<u>5,580,280</u>	<u>(124,568,800)</u>
63,589,738	-	63,589,738
1,964,359	-	1,964,359
2,232,173	-	2,232,173
12,773,367	-	12,773,367
4,436,062	-	4,436,062
11,146,362	-	11,146,362
2,148,790	-	2,148,790
8,226,917	-	8,226,917
11,108,883	-	11,108,883
1,764,202	77,647	1,841,849
744,672	448,343	1,193,015
817,412	54,469	871,881
218,123	(218,123)	-
<u>121,171,060</u>	<u>362,336</u>	<u>121,533,396</u>
(8,978,020)	5,942,616	(3,035,404)
301,459,277	177,530,596	478,989,873
<u>\$ 292,481,257</u>	<u>\$ 183,473,212</u>	<u>\$ 475,954,469</u>

CITY OF POMPANO BEACH, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2018

	<u>General</u>	<u>Northwest Community Redevelopment District</u>	<u>East Community Redevelopment District</u>
ASSETS			
Cash and cash equivalents	\$ 1,820,411	\$ 218,919	\$ 2,110,145
Restricted cash and cash equivalents	-	-	3,449,397
Restricted investments	-	-	-
Unrestricted investments	25,878,825	7,531,892	3,022,311
Interest receivable	112,656	24,107	6,681
Accounts receivables, net	2,604,013	-	-
Notes receivable	-	130,000	-
Assets held for resale and redevelopment	-	35,610,911	2,700,404
Advances to other funds	2,383,475	-	-
Due from other funds	3,943,232	-	-
Due from other governments	2,259,767	-	-
Inventories	200,298	-	-
Prepays	918,912	-	-
Other assets	98,451	-	-
Total assets	<u>\$ 40,220,040</u>	<u>\$ 43,515,829</u>	<u>\$ 11,288,938</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 1,168,761	\$ 177,153	\$ 431,142
Accrued expenditures	1,747,532	-	-
Due to other governments	351,361	-	-
Due to other funds	-	-	-
Advances from other funds	-	2,383,475	-
Deposits	2,112	32,124	3,605
Unearned revenue	1,448,028	4,500	-
Total liabilities:	<u>4,717,794</u>	<u>2,597,252</u>	<u>434,747</u>
Deferred inflows of resources:			
Unavailable revenue	<u>67,159</u>	<u>130,000</u>	<u>-</u>
Fund balances:			
Nonspendable	3,502,685	-	-
Restricted	-	40,788,577	10,854,191
Committed	-	-	-
Assigned	3,508,214	-	-
Unassigned	28,424,188	-	-
Total fund balances	<u>35,435,087</u>	<u>40,788,577</u>	<u>10,854,191</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 40,220,040</u>	<u>\$ 43,515,829</u>	<u>\$ 11,288,938</u>

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

Emergency Medical Services District	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ 87,180	\$ 2,934,233	\$ 3,882,432	\$ 11,053,320
-	110,297	1,240,000	4,799,694
-	5,373,767	88,849	5,462,616
707,325	19,327,784	14,998,053	71,466,190
2,792	96,668	55,422	298,326
3,669,162	180,957	492,263	6,946,395
-	-	-	130,000
-	-	561,992	38,873,307
-	-	-	2,383,475
-	-	-	3,943,232
5,847	1,975,496	476,661	4,717,771
314,917	-	-	515,215
-	-	-	918,912
-	-	8,474	106,925
<u>\$ 4,787,223</u>	<u>\$ 29,999,202</u>	<u>\$ 21,804,146</u>	<u>\$ 151,615,378</u>

\$ 415,210	\$ 1,621,165	\$ 1,117,375	\$ 4,930,806
501,243	25,495	231,924	2,506,194
-	21,728	-	373,089
-	-	3,281,364	3,281,364
-	-	-	2,383,475
-	-	1,240,434	1,278,275
-	-	1,710,500	3,163,028
<u>916,453</u>	<u>1,668,388</u>	<u>7,581,597</u>	<u>17,916,231</u>

<u>3,039,690</u>	<u>1,741,585</u>	<u>199,693</u>	<u>5,178,127</u>
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314,917	-	-	3,817,602
516,163	-	12,775,514	64,934,445
-	-	3,757,238	3,757,238
-	26,589,229	-	30,097,443
-	-	(2,509,896)	25,914,292
<u>831,080</u>	<u>26,589,229</u>	<u>14,022,856</u>	<u>128,521,020</u>

<u>\$ 4,787,223</u>	<u>\$ 29,999,202</u>	<u>\$ 21,804,146</u>	<u>\$ 151,615,378</u>
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CITY OF POMPANO BEACH, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2018

Fund Balances - total governmental funds	\$ 128,521,020
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:

Governmental capital assets	\$ 512,146,903	
Less accumulated depreciation	<u>(201,845,251)</u>	310,301,652

Revenues in the statement of activities that do not provide current financial resources are reported as unavailable revenue in the governmental funds financial statements:

EMS transport fees	3,033,843	
FL. Division of Emergency Management	105,705	
FEMA - Hurricane Matthew	49,224	
Broward County - Ad Valorem	73,006	
ETA NU Education Foundation	130,000	
CDBG/HOME Grants	44,764	
Communication service taxes	<u>1,741,585</u>	5,178,127

Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds:

Tax increment bonds	(11,320,542)	
Net pension liability	(155,225,450)	
Deferred outflows of resources related to pensions	30,695,930	
Deferred inflows of resources related to pensions	(6,131,735)	
Total OPEB liability	(9,736,038)	
Notes payable	(1,361,105)	
Compensated absences	(5,591,438)	
Capital lease payable	(2,324,523)	
Accrued interest payable	(73,279)	
Pollution remediation obligation	<u>(985,599)</u>	(162,053,779)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds that are reported with governmental activities are as follows:

Assets	23,229,560	
Liabilities	<u>(13,457,722)</u>	9,771,838

Adjustment for Internal Service Funds look-back	<u>762,399</u>
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Net position of governmental activities	<u><u>\$ 292,481,257</u></u>
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The accompanying notes are an integral part of the financial statements.

CITY OF POMPANO BEACH, FLORIDA**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES****GOVERNMENTAL FUNDS****FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	<u>General</u>	<u>Northwest Community Redevelopment District</u>	<u>East Community Redevelopment District</u>
Revenues			
Taxes	\$ 76,119,012	\$ 8,078,016	\$ 3,068,346
Judgments, fines and forfeitures	827,619	-	-
Permits, fees and special assessments	23,669,162	-	-
Intergovernmental	14,665,030	138,495	-
Charges for services	18,544,844	214,098	18,487
Pari-Mutuel	2,148,790	-	-
Donations	3,669	11,930	-
Program income	-	-	-
Investment earnings	314,304	78,824	43,102
Other revenue	622,010	126,866	451
Total revenues	<u>136,914,440</u>	<u>8,648,229</u>	<u>3,130,386</u>
EXPENDITURES			
Current:			
General government	22,139,508	-	-
Public safety	68,406,002	-	-
Physical environment	18,649,812	-	-
Transportation	2,845,973	-	-
Economic environment	-	3,487,206	946,466
Culture and recreation	12,070,275	-	-
Debt Service:			
Principal	700,687	2,203,415	710,000
Interest	59,742	202,605	387,498
Capital outlay	8,341,226	237,213	1,257,167
Total expenditures	<u>133,213,225</u>	<u>6,130,439</u>	<u>3,301,131</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,701,215</u>	<u>2,517,790</u>	<u>(170,745)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital assets	1,634,202	-	-
Transfers in	221,491	-	-
Transfers out	(9,481,553)	(20,000)	-
Total other financing sources (uses)	<u>(7,625,860)</u>	<u>(20,000)</u>	<u>-</u>
Net change in fund balances	(3,924,645)	2,497,790	(170,745)
Fund balances - beginning	<u>39,359,732</u>	<u>38,290,787</u>	<u>11,024,936</u>
Fund Balances - ending	<u>\$ 35,435,087</u>	<u>\$ 40,788,577</u>	<u>\$ 10,854,191</u>

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

Emergency Medical Services District	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ 5,795,599	\$ 3,687,903	\$ 145,180	\$ 96,894,056
-	-	-	827,619
-	440,710	11,238,347	35,348,219
562,675	3,058,529	2,156,642	20,581,371
3,474,395	1,306,768	332,991	23,891,583
-	-	-	2,148,790
-	-	10,905	26,504
-	-	886,144	886,144
21,637	181,368	105,438	744,673
600	66,703	781	817,411
<u>9,854,906</u>	<u>8,741,981</u>	<u>14,876,428</u>	<u>182,166,370</u>
-	63,222	290,454	22,493,184
16,936,067	-	8,254,150	93,596,219
-	1,267,645	-	19,917,457
-	-	343,272	3,189,245
-	-	5,191,978	9,625,650
-	-	118,558	12,188,833
-	-	231,000	3,845,102
-	-	4,035	653,880
951,564	8,640,341	681,382	20,108,893
<u>17,887,631</u>	<u>9,971,208</u>	<u>15,114,829</u>	<u>185,618,463</u>
<u>(8,032,725)</u>	<u>(1,229,227)</u>	<u>(238,401)</u>	<u>(3,452,093)</u>
-	-	-	1,634,202
7,438,012	2,042,374	27,799	9,729,676
-	-	(10,000)	(9,511,553)
<u>7,438,012</u>	<u>2,042,374</u>	<u>17,799</u>	<u>1,852,325</u>
(594,713)	813,147	(220,602)	(1,599,768)
1,425,793	25,776,082	14,243,458	130,120,788
<u>\$ 831,080</u>	<u>\$ 26,589,229</u>	<u>\$ 14,022,856</u>	<u>\$ 128,521,020</u>

CITY OF POMPANO BEACH, FLORIDA**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

Net change in fund balances - total governmental funds \$ (1,599,768)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are capitalized and depreciated over their estimated useful lives.

Expenditures for capital assets	\$ 20,108,893	
Less depreciation	<u>(16,353,263)</u>	3,755,630

Some revenues and expenses reported in the statement of activities are not reported in the funds because they have no effect on current financial resources.

Change in unavailable revenue	(3,738,703)	
Change in pollution remediation obligation	408,401	
Change in total OPEB liability	(506,894)	
Loss on disposal of capital assets	(86,978)	
Donation of capital assets	341,630	
Change in compensated absences liability	(24,518)	
Change in accrued interest	<u>20,657</u>	(3,586,405)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction however, has any effect on net position.

Principal payments	<u>3,845,102</u>	3,845,102
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Changes in the City's net pension liability, deferred outflows of resources and deferred inflows of resources for the current year are not reported in the governmental funds but are reported in the statement of activities.

Change in deferred outflows of resources	184,889	
Change in net pension liability	(6,416,727)	
Change in deferred inflows of resources	<u>(5,639,813)</u>	(11,871,651)

Internal service funds are used by management to charge the costs of certain activities to individual funds.

The change in net position in the internal service funds is reported with governmental funds in the government-wide statement of activities.	618,911
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Adjustment for Internal Service Funds look-back	(139,839)
Change in Net Position - Governmental Activities	<u><u>\$ (8,978,020)</u></u>

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

CITY OF POMPANO BEACH, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2018

	Business-type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	Utility	Parking	Nonmajor Enterprise Funds	Total	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 3,279,062	\$ 281,490	\$ 1,825,403	\$ 5,385,955	\$ 2,264,071
Restricted cash and cash equivalents	2,665,825	-	-	2,665,825	-
Interest receivable	172,514	7,276	54,975	234,765	71,916
Accounts receivables, net	4,190,463	40,084	993,614	5,224,161	-
Due from other governments	80,595	-	1,732,150	1,812,745	11,585
Inventories	187,206	-	9,985	197,191	795,358
Total current assets:	<u>10,575,665</u>	<u>328,850</u>	<u>4,616,127</u>	<u>15,520,642</u>	<u>3,142,930</u>
Noncurrent assets:					
Unrestricted investments	44,498,371	1,814,373	14,810,258	61,123,002	18,931,005
Restricted investments	3,734,993	452,398	-	4,187,391	-
Capital assets:					
Land	467,725	-	60,992	528,717	-
Construction in progress	2,811,967	-	16,730,329	19,542,296	-
Buildings	50,717,305	22,355,752	1,656,670	74,729,727	254,536
Infrastructure	108,397,014	-	15,301,229	123,698,243	-
Improvements	68,480,845	-	26,572,471	95,053,316	423,838
Machinery and equipment	25,423,377	115,828	3,414,899	28,954,104	5,923,316
Less accumulated depreciation	<u>(155,629,418)</u>	<u>(1,545,779)</u>	<u>(23,318,228)</u>	<u>(180,493,425)</u>	<u>(5,446,065)</u>
Total capital assets (net of accumulated depreciation)	<u>100,668,815</u>	<u>20,925,801</u>	<u>40,418,362</u>	<u>162,012,978</u>	<u>1,155,625</u>
Total noncurrent assets:	<u>148,902,179</u>	<u>23,192,572</u>	<u>55,228,620</u>	<u>227,323,371</u>	<u>20,086,630</u>
Total assets	<u>159,477,844</u>	<u>23,521,422</u>	<u>59,844,747</u>	<u>242,844,013</u>	<u>23,229,560</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	103,665	-	-	103,665	-
Deferred outflows related to pensions	<u>5,440,012</u>	-	<u>832,321</u>	<u>6,272,333</u>	-
Total deferred outflows of resources	<u>5,543,677</u>	-	<u>832,321</u>	<u>6,375,998</u>	-

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

CITY OF POMPANO BEACH, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2018

	Business-type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	Utility	Parking	Nonmajor Enterprise Funds	Total	
LIABILITIES					
Current liabilities, unrestricted:					
Accounts payable	4,111,203	159,373	2,994,192	7,264,768	481,917
Accrued expenses	383,524	-	102,669	486,193	124,775
Accrued interest payable	42,733	309,093	-	351,826	-
Due to other funds	-	-	50,000	50,000	611,868
Compensated absences	120,823	-	-	120,823	18,090
Claims and judgments	-	-	-	-	3,275,659
Current portion of long-term debt	2,175,498	-	-	2,175,498	-
Notes payable	932,922	-	-	932,922	-
Total current liabilities, unrestricted	<u>7,766,703</u>	<u>468,466</u>	<u>3,146,861</u>	<u>11,382,030</u>	<u>4,512,309</u>
Current liabilities payable from restricted assets:					
Customer deposits payable	1,906,323	-	-	1,906,323	-
Current portion of long-term debt	759,502	-	-	759,502	-
Total current liabilities payable from restricted assets	<u>2,665,825</u>	<u>-</u>	<u>-</u>	<u>2,665,825</u>	<u>-</u>
Total current liabilities	<u>10,432,528</u>	<u>468,466</u>	<u>3,146,861</u>	<u>14,047,855</u>	<u>4,512,309</u>
Noncurrent liabilities:					
Compensated absences	710,787	-	224,488	935,275	362,016
Total OPEB liability	1,689,726	-	305,760	1,995,486	531,056
Claims and judgments	-	-	-	-	8,052,341
Notes payable	3,995,185	-	-	3,995,185	-
Revenue bonds payable	2,990,000	-	-	2,990,000	-
Certificates of participation payable	-	23,875,000	-	23,875,000	-
Net pension liability	14,240,458	-	1,817,877	16,058,335	-
Total noncurrent liabilities	<u>23,626,156</u>	<u>23,875,000</u>	<u>2,348,125</u>	<u>49,849,281</u>	<u>8,945,413</u>
Total liabilities	<u>34,058,684</u>	<u>24,343,466</u>	<u>5,494,986</u>	<u>63,897,136</u>	<u>13,457,722</u>
Deferred inflows related to pensions	959,501	-	127,754	1,087,255	-
NET POSITION					
Net investment in capital assets	89,919,374	(2,496,801)	40,418,358	127,840,931	1,155,625
Restricted:					
Renewal & replacement/rate stabilization	3,734,993	-	-	3,734,993	-
Capital Projects	-	452,398	-	452,398	-
Unrestricted	<u>36,348,969</u>	<u>1,222,359</u>	<u>14,635,961</u>	<u>52,207,289</u>	<u>8,616,213</u>
Total net position	<u>\$ 130,003,336</u>	<u>\$ (822,044)</u>	<u>\$ 55,054,319</u>	<u>\$ 184,235,611</u>	<u>\$ 9,771,838</u>

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

CITY OF POMPANO BEACH, FLORIDA

**RECONCILIATION OF THE ENTERPRISE FUNDS STATEMENT OF NET POSITION
TO THE GOVERNMENTWIDE STATEMENT OF NET POSITION
SEPTEMBER 30, 2018**

Net Position - Enterprise Funds	\$ 184,235,611
Adjustment to Enterprise Funds for Internal Service Funds look-back	<u>(762,399)</u>
Net Position - Business-type Activities	<u><u>\$ 183,473,212</u></u>

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

CITY OF POMPANO BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	Business-type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	Utility	Parking	Nonmajor Enterprise Funds	Total	
OPERATING REVENUES					
Charges for services	\$ 43,239,985	\$ 2,074,119	\$ 13,211,313	\$ 58,525,417	\$ 23,863,176
Fines and forfeitures	-	287,655	-	287,655	-
Miscellaneous	353	-	50,000	50,353	325,267
Total operating revenues	<u>43,240,338</u>	<u>2,361,774</u>	<u>13,261,313</u>	<u>58,863,425</u>	<u>24,188,443</u>
OPERATING EXPENSES					
Personnel services	10,149,188	-	2,556,305	12,705,493	3,288,207
Other current expenses	24,418,641	1,221,983	8,178,834	33,819,458	20,424,027
Depreciation and amortization	6,985,048	767,223	2,021,376	9,773,647	188,747
Total operating expenses	<u>41,552,877</u>	<u>1,989,206</u>	<u>12,756,515</u>	<u>56,298,598</u>	<u>23,900,981</u>
Operating income (loss)	<u>1,687,461</u>	<u>372,568</u>	<u>504,798</u>	<u>2,564,827</u>	<u>287,462</u>
NONOPERATING REVENUES (EXPENSES)					
Investment earnings	336,129	15,191	97,023	448,343	129,951
Miscellaneous revenue	4,116	-	-	4,116	104
Interest expense and fiscal agent fees	(286,517)	(1,251,310)	-	(1,537,827)	-
Operating grants and contributions	-	-	77,783	77,783	-
Gain or (loss) from disposition of capital assets	60,643	-	17,004	77,647	(8,182)
Total nonoperating revenues (expenses)	<u>114,371</u>	<u>(1,236,119)</u>	<u>191,810</u>	<u>(929,938)</u>	<u>121,873</u>
Income (loss) before contributions and transfers	1,801,832	(863,551)	696,608	1,634,889	409,335
Capital grants and contributions	1,197,904	-	3,188,107	4,386,011	209,576
Transfers out	-	-	(218,123)	(218,123)	-
Change in net position	<u>2,999,736</u>	<u>(863,551)</u>	<u>3,666,592</u>	<u>5,802,777</u>	<u>618,911</u>
Total net position - beginning	127,234,237	41,507	51,452,151	178,727,895	9,274,577
Restatement of net position for GASB 75 implementation	<u>(230,637)</u>	<u>-</u>	<u>(64,424)</u>	<u>(295,061)</u>	<u>(121,650)</u>
Total net position - beginning, as restated (Note (III)(H))	<u>127,003,600</u>	<u>41,507</u>	<u>51,387,727</u>	<u>178,432,834</u>	<u>9,152,927</u>
Total net position - ending	<u>\$ 130,003,336</u>	<u>\$ (822,044)</u>	<u>\$ 55,054,319</u>	<u>\$ 184,235,611</u>	<u>\$ 9,771,838</u>

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

CITY OF POMPANO BEACH, FLORIDA**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION OF ENTERPRISE FUNDS TO THE
STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

Net change in Net Position - Enterprise Funds	\$ 5,802,777
Adjustment to Enterprise Funds for Internal Service Funds look-back	<u>139,839</u>
Change in Net Position - Business-type Activities	<u>\$ 5,942,616</u>

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

CITY OF POMPANO BEACH, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	Business-type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	Utility	Parking	Nonmajor Enterprise Funds	Total	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from other funds for charges for services	\$ -	\$ -	\$ -	\$ -	\$ 20,588,412
Receipts from customers	43,126,859	2,390,276	12,812,681	58,329,816	3,601,144
Payments to suppliers/Insurer	(22,884,290)	(1,160,460)	(6,940,205)	(30,984,955)	(16,869,777)
Payments to employees	(9,539,234)	-	(2,344,861)	(11,884,095)	(3,324,063)
Claims paid	-	-	-	-	(4,662,099)
Net cash provided (used) by operating activities	<u>10,703,335</u>	<u>1,229,816</u>	<u>3,527,615</u>	<u>15,460,766</u>	<u>(666,383)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Advances from other funds	-	-	50,000	50,000	149,223
Operating grants and contributions	-	-	78,137	78,137	-
Transfers to other funds	-	-	(218,123)	(218,123)	-
Interest paid on utility deposits	(4,729)	-	-	(4,729)	-
Net cash provided (used) by noncapital financing activities	<u>(4,729)</u>	<u>-</u>	<u>(89,986)</u>	<u>(94,715)</u>	<u>149,223</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(8,863,717)	(16,520)	(11,613,779)	(20,494,016)	(814,677)
Capital grants and contributions	770,680	-	3,111,107	3,881,787	-
Proceeds from the sale of surplus materials/capital assets	65,338	-	21,216	86,554	104
Principal paid on bonds/notes	(3,797,972)	-	-	(3,797,972)	-
Payments to fiscal agents	-	(1,350)	-	(1,350)	-
Interest paid on bonds/notes	(297,625)	(1,249,960)	-	(1,547,585)	-
Net cash provided (used) by capital and related financing activities	<u>(12,123,296)</u>	<u>(1,267,830)</u>	<u>(8,481,456)</u>	<u>(21,872,582)</u>	<u>(814,573)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Calls/maturities of investments	38,408,587	1,805,047	13,011,770	53,225,404	15,074,901
Purchase of investments	(37,964,991)	(1,805,227)	(8,812,034)	(48,582,252)	(14,329,122)
Interest earnings	319,869	12,077	89,585	421,531	127,828
Net cash provided (used) by investing activities	<u>763,465</u>	<u>11,897</u>	<u>4,289,321</u>	<u>5,064,683</u>	<u>873,607</u>
Net increase (decrease) in cash and cash equivalents	(661,225)	(26,117)	(754,506)	(1,441,848)	(458,126)
Cash and cash equivalents, beginning of the year	<u>6,606,112</u>	<u>307,607</u>	<u>2,579,909</u>	<u>9,493,628</u>	<u>2,722,197</u>
Cash and cash equivalents, end of the year	<u>\$ 5,944,887</u>	<u>\$ 281,490</u>	<u>\$ 1,825,403</u>	<u>\$ 8,051,780</u>	<u>\$ 2,264,071</u>
Cash and cash equivalents, unrestricted	\$ 3,279,062	\$ 281,490	\$ 1,825,403	\$ 5,385,955	\$ 2,264,071
Cash and cash equivalents, restricted	<u>2,665,825</u>	<u>-</u>	<u>-</u>	<u>2,665,825</u>	<u>-</u>
Cash and cash equivalents, end of the year	<u>\$ 5,944,887</u>	<u>\$ 281,490</u>	<u>\$ 1,825,403</u>	<u>\$ 8,051,780</u>	<u>\$ 2,264,071</u>
Non-cash transactions (Capital & Related Financing Activities):					
Contribution of capital assets from developers	\$ 427,224	\$ -	\$ 77,000	\$ 504,224	\$ -
Capitalized interest	<u>59,647</u>	<u>-</u>	<u>-</u>	<u>59,647</u>	<u>-</u>
Non-cash transactions (Investing Activities):					
Changes in fair value of investments	(200,815)	11,057	(63,090)	(252,848)	(76,277)
Total non-cash activities	<u>\$ 286,056</u>	<u>\$ 11,057</u>	<u>\$ 13,910</u>	<u>\$ 311,023</u>	<u>\$ (76,277)</u>

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

CITY OF POMPANO BEACH, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	Business-type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	Utility	Parking	Nonmajor Enterprise Funds	Total	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 1,687,461	\$ 372,568	\$ 504,798	\$ 2,564,827	\$ 287,462
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization expense	6,985,048	767,223	2,021,376	9,773,647	188,747
Non-cash pension expense	692,778	-	124,282	817,060	-
Changes in assets and liabilities:					
(Increase) decrease in assets:					
Accounts receivables	(143,782)	28,502	496,681	381,401	-
Due from other governments	1,209	-	(945,313)	(944,104)	1,113
Inventories	109,266	-	(1,372)	107,894	(134,350)
Increase (decrease) in liabilities:					
Accounts and other payables	1,337,111	61,523	1,224,082	2,622,716	162,853
Accrued expenses	15,856	-	17,812	33,668	1,859
Customer deposits payable	29,094	-	-	29,094	-
Other Post Employment Benefits (OPEB)	87,974	-	15,919	103,893	27,648
Compensated absences	(98,680)	-	69,350	(29,330)	(37,715)
Estimated claims payable	-	-	-	-	(1,164,000)
Net cash provided (used) by operating activities	<u>\$ 10,703,335</u>	<u>\$ 1,229,816</u>	<u>\$ 3,527,615</u>	<u>\$ 15,460,766</u>	<u>\$ (666,383)</u>

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

CITY OF POMPANO BEACH, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2018

	Employee Retirement Plans	Agency Fund
ASSETS		
Cash and cash equivalents	\$ 50,877	\$ 660,969
Receivables:		
Accrued interest and dividends	590,929	-
Due from brokers	635,097	-
Other	186,494	-
Total receivables	1,412,520	-
Other assets	2,978	-
Investments:		
US Government obligations	29,449,261	-
Mortgage backed securities	17,855,373	-
Municipal obligations	410,022	-
Corporate obligations	27,982,724	-
Equity securities	170,557,590	-
Mutual funds and collective trusts	86,058,935	-
Hedge funds & private equity funds	63,638,090	-
Real estate funds	25,692,099	-
Money market funds	10,648,686	-
Pompano Beach Investors LLC	3,000,000	-
Total investments	435,292,780	-
Prepayments and other assets	1,685,508	-
Property & equipment, net of accumulated depreciation	224,587	-
Total assets	438,669,250	660,969
LIABILITIES		
Accounts payable and accrued expenses	396,843	-
Due to brokers	701,124	-
Deposits, sales tax & payroll taxes payable	-	660,969
Total liabilities	1,097,967	\$ 660,969
NET POSITION		
Restricted for pension benefits	\$ 437,571,283	

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

CITY OF POMPANO BEACH, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	Employee Retirement Plans
ADDITIONS	
Contributions:	
Employer	\$ 13,723,573
Broward County Sheriff's Office	5,338,192
Broward County - Library	15,225
Members	4,371,462
State	2,501,946
Total contributions:	<u>25,950,398</u>
Investment income	
Net appreciation in fair value of investments	30,233,349
Interest and dividends	8,823,609
Other	21,367
Total investment income	<u>39,078,325</u>
Less: investment expenses	<u>2,138,104</u>
Net Investment Income	<u>36,940,221</u>
Total	<u>62,890,619</u>
DEDUCTIONS	
Participant benefit payments	37,596,528
Benefits paid from DROP	1,512,706
Refunds of participant contributions	307,372
Administrative expenses	1,166,297
Total	<u>40,582,903</u>
Net Increase in net position	<u>22,307,716</u>
Net position restricted for pension benefits	
Beginning of the year	<u>415,263,567</u>
End of the year	<u>\$ 437,571,283</u>

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

Notes to the Financial Statements

**CITY OF POMPANO BEACH, FLORIDA
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NOTES TO THE FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2018**

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CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

(I) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of the City of Pompano Beach, Florida's (the "City") Significant Accounting Policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies are considered essential and should be read in conjunction with the accompanying financial statements.

The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Component units, although legally separate entities, are in substance part of the City's operations. The basic financial statements include both government-wide and fund financial statements. The government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The fund financial statements focus on short-term results of operations and financing decisions at a specific fund level.

Internal service funds of a government (which provide services primarily to other funds of the government) are presented 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 primarily included in the governmental column when presented at the government-wide level. The costs of these services are allocated to the appropriate functional activity.

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

The following is a summary of significant accounting policies of the City.

(A) The Financial Reporting Entity

The City, located in Broward County, Florida, was incorporated in 1947. The legal authority by which the City was created and is governed by its charter, which was derived from Chapter 57-1754, Special Acts 1957, as amended. The City is governed by an elected five member district commission and a mayor at large and provides services to residents in many areas, including law enforcement and community enrichment. As required by accounting principles generally accepted in the United States of America, the accompanying financial statements present the reporting entity, which consists of the primary government and its component units. The component units discussed in Note 1 (B) below are included in the City's reporting entity because of the significance of their operational and financial relationships with the City. The City also has the following retirement plans:

- City of Pompano Beach General Employees' Retirement System, established in 1972 by Ordinance 73-3;
- Pompano Beach Police and Firefighter's Retirement System, established in 1973 by Ordinance 73-11; and
- Defined Contribution Retirement System, established in 1996 by Ordinance 96-84.

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

(B) Blended Component Unit Disclosure

The reporting entity of the City includes the following component units:

The Pompano Beach Community Redevelopment Agency (the "CRA"), comprised of the Northwest and East Districts (the "Districts"), was established in 1988 by Ordinance 89-27 and in 2001 by Resolution 2002-12, respectively, pursuant to the authority set forth in Florida Statutes, Chapter 163, Part III. These Districts are dependent special districts governed by a five member board comprised of the City Commission and a mayor at large. Although legally separate from the City, each District is reported as part of the primary government as a special revenue fund, because each District is governed by the members of the City Commission and management of the City has operational responsibility for the CRA. The CRA issues separate financial statements that may be obtained by writing to the City of Pompano Beach, 100 W. Atlantic Blvd, Suite 480, Pompano Beach, Florida 33060.

The Pompano Beach Emergency Medical Services District (the "EMS District"), established in 1974 by Ordinance 75-18, is a dependent special district created to provide emergency medical care and transportation to the residents of the City. EMS is reported as a blended component unit because it is governed by the City Commission and there is a financial benefit or burden relationship between the City and EMS. EMS is reported as a special revenue fund. The EMS District does not issue separate financial statements.

Herb Skolnick Cultural Arts Foundation (the "CAF"), established in 1999 by Resolution 99-13, is reported as a blended component unit because it is governed by the City Commission and management of the City has operational responsibility for the CAF. The CAF is reported as a special revenue fund. The CAF does not issue separate financial statements.

The criterion used for including component units in the reporting entity of the City consist of identification of legally separate organizations for which the elected officials of the City are financially accountable. This criterion also includes identification of organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Under the blended method, component unit balances and transactions are reported in a manner similar to the balances and transactions of the primary government itself. The City has no discretely presented component units.

(C) Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City and its component units.

For the most part, the effect of interfund activity has been removed from these financial statements to avoid distorted financial results, with the exception of interfund services provided and used. Governmental activities, which primarily are supported by taxes and intergovernmental revenues are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items, which are not classified as program revenues, are reported instead as general revenues.

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

(D) Measurement focus, basis of accounting, and financial statement presentation

The government-wide, proprietary and fiduciary funds (with the exception of the agency fund which has no measurement focus) financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar type items are recognized as revenue as soon as all eligibility requirements have been met, except in the governmental funds which follow modified accrual basis of accounting. Unbilled service revenue is accrued in the enterprise funds.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, consistent with 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 pensions and other post employment benefits are recognized when the City has made a decision to fund those obligations with current available resources.

Property taxes when levied for, and other taxes (such as franchise taxes, utility taxes and sales tax), fees and fines, charges for services, interest and intergovernmental revenue for which eligibility requirements have been met are all considered to be measurable, and accordingly, have been recognized as revenues of the current fiscal period, if available.

All other revenue items are considered to be measurable only when cash is received by the City.

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

The City reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Northwest Community Redevelopment District Fund (NW CRA) accounts for a City agency which uses tax-increment financing to encourage development and the resources accumulated therein are restricted to those activities.

The East Community Redevelopment District Fund (East CRA) accounts for a City agency which uses tax-increment financing to encourage development and the resources accumulated therein are restricted to those activities.

The Emergency Medical Services District Fund (EMS) accounts for ad valorem taxes and emergency transport fees collected for emergency medical services provided by the City and the resources therein are committed to support that function.

The Capital Projects Fund accounts for the resources accumulated and expenditures made for the acquisition or construction of long term capital assets other than for amounts accounted for in proprietary funds.

The City reports the following major proprietary funds:

The Utility Fund which accounts for the provision of water and sewer services to residents of the City and surrounding areas.

The Parking Fund which accounts for parking operation activities throughout the City.

The City also has certain funds (Building Permit Fund, Special Purpose Fund, Law Enforcement Trust Fund (LETf), State Housing Initiative Partnership Grant Fund (SHIP), Other Grants Fund, Cultural Arts Foundation, Cemetery, Affordable Housing Fund, Capital Project 2018 GO Bonds, Pier, Airpark, Sanitation and Stormwater) that do not meet the GASB Statement No. 34 criteria for major fund classification.

Additionally, the City reports the following fund types:

Internal Service Funds

The Internal Service Funds account for central stores, information technology, central services, risk management (health), risk management (general) and vehicle services provided to other departments or agencies of the government, on a cost reimbursement basis.

Fiduciary Funds:

The City of Pompano Beach General Employees' Retirement System Pension Trust Fund accounts for the accumulation of resources to be used for retirement benefit payments to the majority of City employees. Resources are contributed by employees at rates fixed by contract and by the City at amounts determined by an

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

annual actuarial valuation.

The Pompano Beach Police and Firefighters' Retirement System Pension Trust Fund accounts for the accumulation of resources to be used for retirement benefit payments to City police officers and firefighters. Resources are contributed by employees at rates fixed by contract and by the City at amounts determined by an annual actuarial valuation.

The General Agency Fund accounts for the receipt of monies from various funds for sales tax, payroll taxes, refundable deposits, and unclaimed checks.

The effect of interfund activity has been eliminated from the government-wide financial statements, except for charges between the enterprise funds activity and various other functions of the government.

Amounts reported as program revenues include 1) charges for service, 2) operating grants and contributions, and 3) capital grants and contributions.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for the proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

(E) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, time and demand deposits and short term investments with original maturity dates within three months of the date acquired by the City.

(F) Investments

Investments in participating interest-earning contracts that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost. All other investments, including pension trust fund and component unit investments, are reported at fair value or amortized cost. Fair value is 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 categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

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(G) Inventories/Prepays

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

(H) Due to/from other funds and Advances to/from other funds

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due to/from other funds" and are expected to be repaid within one year of the balance sheet date. Activities between funds that are representative of long-term lending/borrowing arrangements (not expected to be repaid within one year from the balance sheet date) outstanding at the end of the fiscal year are referred to as "advances to/from other funds."

(I) Capital Assets

Capital assets recorded in the government-wide and proprietary fund statements are stated at historical cost or estimated historical cost and include, land, buildings, improvements, equipment, infrastructure and intangible assets (such as right-of-way easements, utility easements, land use rights, computer software etc.). Contributed capital assets are recorded at acquisition value when received.

In governmental fund financial statements, the cost associated with the acquisition or construction of capital assets are shown as capital outlay expenditures. Capital assets are not shown on the governmental fund balance sheets and no depreciation expense is recognized in the governmental fund statement of revenues, expenditures and changes in fund balances.

Depreciation on all assets meeting the City's capitalization threshold of \$1,000 including those obtained through contributions is charged to operations. A \$25,000 threshold is maintained for additions to infrastructure and intangible capital assets.

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

Buildings	15-50 Years
Improvements other than buildings	5-50 Years
Machinery and equipment	3-15 Years
Infrastructure	15-50 Years
Art Work	5-50 Years

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred net of any interest earned on specific bonds during the

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construction phase of the capital assets of enterprise funds and business-type activities is capitalized as part of the capitalized value of the assets constructed. The total interest expense incurred by the Utility fund during the current fiscal year was \$282,198, of which \$59,647 was capitalized. Total interest expense incurred by the Parking Fund during the current fiscal year was \$1,249,960, of which \$0 was capitalized.

(J) Deferred Inflows & Outflows of Resources

The statement of net position includes a separate section for deferred inflows of resources and deferred outflows of resources. Deferred Inflows of resources represent the acquisition of net position that is applicable to a future accounting period and will not be recognized as revenue until the future period to which it applies. Deferred outflows of resources represents the consumption of net position applicable to future periods and will not be recognized as expenditures or expenses until the future period to which it applies.

(K) Risk Management

The City is self-insured for automobile liability, general liability, including public official's liability and property damage claims pursuant to Florida Statute Section 768.28 (Waiver of Sovereign Immunity in Tort Actions; Recovery Limits; Limitation on Attorney Fees; Statute of Limitations; Exclusions; Indemnification; Risk Management Programs).

The City has purchased insurance to cover its property exposures in excess of a \$100,000 per occurrence / 5% windstorm deductible. In addition, the City has purchased primary liability insurance coverage for the airport. In 2003/2004, the City's retention for workers' compensation claims increased from \$200,000 per occurrence to \$350,000 per occurrence. This was reduced to \$250,000 effective March 1, 2013. Florida Statute 768.28 limits general liability and automobile liability claims to \$100,000 per person/\$200,000 per occurrence. Effective October 1, 2011, however, the statutory limit increased to \$200,000 per person/\$300,000 per occurrence. These limits do not apply to actions brought in federal courts or to claim relief bills approved by the Florida legislature.

The risk management funds charge the operating funds insurance premiums. The accrued liability for estimated insurance claims represents an estimate of the ultimate cost of settling claims arising prior to year end including claims incurred but not yet reported. The City has insurance coverage for health claims with a commercial carrier. The City accounts for its Risk Management activities in the internal service funds.

(L) Compensated Absences

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

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(M) Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts and gain/loss on bond refunding are deferred and amortized over the life of the bonds using the straight line method, which is not materially different than the effective interest method. Bonds payable are reported net of the unamortized amount of the applicable bond premium/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. Payments on debt are recorded as expenditures. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Debt issuance costs, except any portion related to prepaid insurance costs, are recognized as an expense in the period incurred in government-wide and proprietary fund statements. Prepaid insurance costs are reported as an asset and recognized as an expense over the duration of the related debt.

(N) Employee Benefit Plans and Net Pension Liability

The City provides separate defined benefit pension plans for general employees and for uniformed police and fire department personnel, as well as an optional defined contribution pension plan created in accordance with Internal Revenue Code Section 401(a) for certain employees. The defined contribution plan is not included in the the City's financial statements. The City also offers an optional deferred compensation plan created in accordance with Internal Revenue Code Section 457. The 457 Plan is not included in the City's financial statements.

The Police and Firefighters' Retirement Plan (PFRS) is a single employer plan with the City being named as the Plan sponsor. In August 1999, the City contracted with the Broward County Sheriff's Office ("BSO") whereby the BSO would provide policing services in Pompano Beach. As a result, all of the City's police officers were employed by the BSO. Participating police officers were given the option to either remain in the Plan or switch to the BSO's retirement plan and the Plan was closed to new police officers. The City contracted with BSO to make annual contributions to the PFRS as actuarially determined. However, the City is ultimately obligated to ensure that the Plan is funded each year, despite its contract with BSO.

At September 30, 2018 the City recorded a net pension liability related to the General Employees Retirement Plan and a net pension liability related to the Police and Firefighters' Retirement Plan in its government-wide and enterprise fund statements of net position, as applicable. For governmental activities it is expected that the net pension liability will be liquidated by the General and EMS Funds. For business-type activities, the enterprise funds will be responsible for liquidating that component of the City's net pension liability and the net pension liability is recorded within these individual fund financial statements to reflect this, in accordance with accounting recognition criteria.

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The net pension liability is the difference between the total pension liability (the present value of projected benefit payments to employees based on their past service) and the assets (mostly investments reported at fair value) set aside in a trust and restricted to paying benefits to current employees, retirees and their beneficiaries). Please refer to Note (III) for further information.

(O) Post Employment Benefits Other Than Pensions (OPEB)

Pursuant to Section 112.0801, Florida Statutes, the City is mandated to permit participation in the health insurance program by retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. Retirees pay 100% of the blended (active and retiree combined) equivalent premium rates. The blended rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees.

The City currently provides these benefits in accordance with the vesting and retirement requirements for its General Employees Retirement System (GERS) and Police and Firefighters Retirement System (PFRS).

The City is financing other post employee benefits (OPEB) on a pay-as-you go basis. As determined by an actuarial valuation, the City records a Total OPEB liability in its proprietary and government-wide financial statements related to the implicit subsidy. Please refer to Note II (J) for further information.

(P) Pollution Remediation Obligations

Once any one of five specified obligating events below occurs, the City is required to estimate the components of expected pollution remediation outlays and determine whether outlays for those components should be accrued as a liability or, if appropriate, capitalized when goods and services are acquired. Components of a liability (for example, legal services, site investigation, or required post-remediation monitoring) should be recognized as they become reasonably estimable. Obligating events include the following:

- The City is compelled to take pollution remediation action because of an imminent endangerment to the public.
- The City violates a pollution prevention-related permit or license.
- The City is named, or evidence indicates that it will be named, by a regulator as a responsible party or potentially responsible party (PRP) for remediation, or as a government responsible for sharing costs.
- The City is named, or evidence indicates that it will be named, in a lawsuit to compel participation in pollution remediation.
- The City commences or legally obligates itself to commence pollution remediation.

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The City measures pollution remediation obligations using the expected cash flow technique. Estimates of a pollution remediation liability are adjusted when benchmarks are met or when new information indicates changes in estimated outlays due to, for example, changes in the remediation plan or operating conditions. These changes may include the type of equipment, facilities, and services that will be used, price increases or reductions for specific outlay elements such as ongoing monitoring requirements, changes in technology, and changes in legal or regulatory requirements. The City has adopted a minimum reporting threshold of \$100,000, per obligating event. Therefore only remediation sites with outlays estimated to meet or exceed that amount are reported in the financial statements. The City recorded pollution remediation obligations at September 30, 2018. Please refer to Note II (K) for further information.

(Q) Unearned/Unavailable

Resources that do not meet revenue recognition requirements (not earned) are recorded as unearned revenue in the government-wide and the governmental and proprietary fund financial statements. In addition, amounts related to governmental fund receivables that are measurable, but not available (not received within 60 days from fiscal year end), are recorded as unavailable (a deferred inflow of resources) in the governmental fund financial statements.

(R) Fund Equity/Net Position

In the governmental fund financial statements, fund balance classifications are as follows:

- Nonspendable Fund Balance – amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted Fund Balance - amounts that are restricted to specific purposes when constraints placed on the use of resources are either by (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed Fund Balance - amounts that can only be used for specific purposes pursuant to constraints imposed by formal City Ordinance or Resolution which are equally binding by the City Commission, which is the City's highest level of legal authorization. Constraints may only be removed by similar City Commission action.
- Assigned Fund Balance – amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Assignments are made directly by the City Commission via formal action.
- Unassigned Fund Balance – includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any

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governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as follows:

- Net Investment in Capital Assets – consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, notes, or other obligations that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related obligations are also included in this component of net position.
- Restricted Net Position – amounts that are restricted to specific purposes when constraints placed on the use of resources are either by (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation's. These amounts are reduced by liabilities and deferred inflows of resources related to those assets.
- Unrestricted Net Position – have no third party limitations on their use. While City management may have categorized and segmented portions for various purposes, the City Commission has the unrestricted authority to revisit or alter these managerial decisions.

(S) Restricted Net Position

Restricted Net Position consists of amounts restricted to comply with grant contracts and other externally imposed constraints or by legislation that are legally enforceable. At September 30, 2018, the Government-wide statement of net position reports \$58,410,055 in restricted net position. Of this amount, \$53,297,433 is restricted as a result of enabling legislation.

(T) Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and deferred outflows and liabilities and deferred inflows and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results may differ from those estimates.

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(II) DETAILED NOTES ON ALL FUNDS

(A) Cash and Cash Equivalents and Investments

The City maintains pooled cash, cash equivalents and investments that are available for use by all funds except for those in which the cash and investments must be segregated due to bond indenture or other legal restrictions such as the Pension Trust Funds.

Interest earned on pooled cash, cash equivalents and investments is allocated to funds based on average daily balances.

The following are components of the cash, cash equivalents and investments at September 30, 2018:

	Unrestricted		Restricted		Total cash, cash equivalents and investments
	Cash and cash equivalents	Investments	Cash and cash equivalents	Investments	
Governmental activities:					
General	\$ 1,820,411	\$ 25,878,825	\$ -	\$ -	\$ 27,699,236
Northwest Community Redevelopment District	218,919	7,531,892	-	-	7,750,811
East Community Redevelopment District	2,110,145	3,022,311	3,449,397	-	8,581,853
Emergency Medical Services District	87,180	707,325	-	-	794,505
Capital Projects	2,934,233	19,327,784	110,297	5,373,767	27,746,081
Nonmajor Governmental Funds	3,882,432	14,998,053	1,240,000	88,849	20,209,334
Internal Service Funds	2,264,071	18,931,005	-	-	21,195,076
Total governmental	<u>13,317,391</u>	<u>90,397,195</u>	<u>4,799,694</u>	<u>5,462,616</u>	<u>113,976,896</u>
Business-type activities:					
Utility	3,279,062	44,498,371	2,665,825	3,734,993	54,178,251
Parking	281,490	1,814,373	-	452,398	2,548,261
Nonmajor Enterprise Funds	1,825,403	14,810,258	-	-	16,635,661
Total business-type	<u>5,385,955</u>	<u>61,123,002</u>	<u>2,665,825</u>	<u>4,187,391</u>	<u>73,362,173</u>
Fiduciary Funds	711,846	435,292,780	-	-	436,004,626
Total	<u>\$ 19,415,192</u>	<u>\$ 586,812,977</u>	<u>\$ 7,465,519</u>	<u>\$ 9,650,007</u>	<u>\$ 623,343,695</u>

Public Deposits:

At September 30, 2018, the book balance of the City's deposits was \$26,880,711 and the bank balance was \$28,566,626. Deposits whose balance exceeds the limits of federal depository insurance are collateralized pursuant to Florida Statutes, Chapter 280, Florida Security for Public Deposits Act (the Act). Under this Act, financial institutions which are qualified as public depositories place with the State Board of Administration ("SBA"), securities which have a market value equal to 50 percent of the average daily balance for each month of all public deposits in excess of applicable deposit insurance. The Public Deposit Security Trust Funds have a procedure to allocate and recover losses in the event of default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. It is the City's practice to ensure that all its public deposits are maintained with a qualified depository and as a result, all City depositories at fiscal year end were designated as qualified public

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depositories in accordance with Florida Statute.

Investment Authorization:

The City's investment program is established in accordance with the City's investment policy, which was adopted via resolution 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 investment Funds Trust Fund, United States Treasury securities, United States Government Agency securities with the full faith and credit of the United States Government, Federal Instrumentalities (Government Sponsored Enterprises), Corporate Notes, Commercial Acceptances, State and/or Local Government Taxable and/or Tax-Exempt Debt, Money Market Mutual Funds, Intergovernmental Investment Pools and Savings Accounts of financial institutions that are Qualified Public Depositories, in accordance with Florida State Statute Chapter 280.01, Security for Public Deposits.

The City has a General Employees' Retirement System and a Police and Firefighters' Retirement System (the plans) whose investments are held separately from those of other City funds. The Plan's adopted investment policies (as adopted by the Board of Trustees for each Plan) comply with guidelines stipulated in Florida Statutes, Chapter 280, Florida Security for Public Deposits Act and Chapter 112, Local Retirement System Investment Policies.

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The Pompano Beach Police and Firefighters' Retirement System's investment policy is also governed by Chapter 175, (Firefighter Pensions) and 185 (Municipal Police Pensions), Florida Statutes. Both Plans also apply the "Prudent Person Rule" when executing investment strategies.

The City's investment policy stipulates the following maximum portfolio percentages:

Authorized Investments	Maximum % Portfolio Composition	Maximum % Individual Issuers	Maximum % Individual Sectors
Florida Local Government Surplus Funds Trust Fund	25%	NA	NA
U.S. Government Securities	100% ⁽¹⁾	NA	NA
U.S. Government Agencies	50%	10%	NA
U.S. Sponsored Agencies	80%	25%	NA
Interest Bearing Time Deposit	10%	10%	NA
Repurchase Agreements	20% ⁽²⁾	5%	NA
Commercial Paper	25%	2%	10%
Corporate Notes	25%	2%	10%
Asset Backed Securities	10%	2%	5%
Bankers' Acceptances	15%	5%	NA
State/Local Government Taxable/Tax Exempt general obligation bonds	25%	NA	NA
State/Local Government Taxable/Tax Exempt revenue/excise tax bonds	10%	NA	NA
Money Market Mutual Funds	35%	15%	NA
Intergovernmental Investment Pools	25%	NA	NA

⁽¹⁾ 10% for treasury strips

⁽²⁾ excludes one (1) business day agreements and overnight sweep agreements

NA-not applicable

At September 30, 2018 the City held investments in the Florida Municipal Investment Trust (FMIT) and Florida Cooperative Liquid Assets Securities System (FLCLASS) which are local government investment pools authorized under Section 218.415, Florida Statutes, Local Government Investment Policies, for units of local government in Florida. The operation and administration of the FMIT and FLCLASS is the responsibility of a Board of Trustees who are selected from the ranks of elected officials of governmental entities participating in the respective investment pools.

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Florida Statutes and the investment policy authorize the Board of Trustees for the City of Pompano Beach General Employees' Retirement System to acquire any kind of investment property, real, personal or mixed, and every kind of investment specifically including, but not by way of limitation, bonds, debentures, and other corporate obligations and stocks, preferred or common, which persons of prudence, discretion and intelligence acquire or retain for their own account. The investment policy stipulates the following maximum portfolio percentages:

Authorized Investments	Maximum % Portfolio Composition
Domestic Equities	30-70%
International Equities	5-25%
Fixed Income	10-35%
Real Estate	5-20%
Alternatives	5-20%
Cash and Cash Equivalents	0-10%

Florida Statutes and Plan policy authorize the Board of Trustees for the Pompano Beach Police and Firefighters' Retirement System to invest in marketable debt securities issued or guaranteed by either the United States Government or its agencies, domestic corporations (including industrial and utilities), Israel bonds, asset backed and commercial mortgage backed securities, domestic banks and other financial institutions, exchange traded funds, equity securities listed on the New York, American and principal regional and foreign (for foreign securities) exchanges, over the counter securities for which there is an active market maker regulated by National Association of Securities Dealers, American Depository Receipts, and real estate investment trusts (REIT) listed on the New York, American, and principal regional and foreign exchanges, Funds of Hedge Funds, and private real estate through institution vehicles or direct ownership.

The investment policy establishes asset classes and stipulates the following maximum portfolio percentages:

Authorized Investments	Allowable Range %	Target %
Fixed Income Securities	17.5% - 27.5	22.5%
Equity Securities	42.5% - 57.5%	50.0%
Real Estate	2.5% - 10%	7.5%
Private Equity	0% - 7.5%	5.0%
Hedge Funds	0% - 10%	10.0%
Master Limited Partnerships	0% - 7.5%	5.0%

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Security:

The City and the Pension Plans have a third party custodial arrangement with certain financial institutions to accept securities on a delivery vs. payment basis for direct purchase agreements. Securities purchased in the City's or Pension Plan's name are registered in the name of the City or Pension Plans by an agent of these entities and are confirmed with safekeeping statements.

Fair Value Measurement

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Intergovernmental Investment Pool invests mainly in US government and agency securities and asset-backed securities. The underlying securities have observable level 1 quoted pricing inputs or observable level 2 significant other observable pricing inputs. Most of the security prices were obtained from a pricing service, Interactive Data Corporation (IDC). While the underlying asset values are based on quoted prices or market-corroborated inputs, the net asset value of the portfolio is not publicly quoted. As such, this is reported as level 2, since the value is based on market-corroborated data. The City does not value any of its investments using level 1 or level 3 inputs.

The City has the following recurring fair value measurements as of September 30, 2018:

		Fair Value Hierarchy		
		Quotes Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level	Fair Value			
U.S. Treasury Notes	\$ 56,501,622	\$ -	\$ 56,501,622	\$ -
U.S. Sponsored Agencies	60,983,154	-	60,983,154	-
Asset Backed Securities	7,635,892	-	7,635,892	-
Corporate Bonds	33,437,376	-	33,437,376	-
Intergovernmental Investment Pool	605,495	-	605,495	-
Total investments by fair value level	159,163,539	-	\$ 159,163,539	-
Certificate of Deposit	6,056,592			
Intergovernmental Investment Pool	2,006,665			
Demand Deposits	17,769,115			
Money Market Mutual Funds	3,004,126			
Total Government-wide & Agency Fund	\$ 188,000,037			

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GERS Fair Value Measurements

The GERS categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The GERS utilizes various valuation methodologies for fair value asset measurement:

Common stock: Valued at the closing price reported on the New York Stock Exchange.

Mutual funds: 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 and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Government securities: Valued using pricing models maximizing the use of observable inputs for similar securities.

Corporate bonds: 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.

Money market funds: Valued at the floating net asset value of shares held by the Plan at year end.

The Plan also has investments in private equity and real estate. These investments are measured at net asset value (NAV). The Plan does not value any of its investments using level 3 inputs.

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The following table presents the Plan's fair value hierarchy for investments at fair value as of September 30, 2018:

Investments by fair value level	Fair Value Hierarchy			
	Fair Value	(Level 1)	(Level 2)	(Level 3)
Equity securities				
Common stocks	\$ 37,208,352	\$ 37,208,352	\$ -	\$ -
Mutual funds	86,058,935	86,058,935	-	-
Total equity securities	123,267,287	123,267,287	-	-
Debt securities				
U.S. treasury securities	4,223,009	4,223,009	-	-
U.S. agency securities	7,642,261	-	7,642,261	-
Corporate bonds	11,665,257	-	11,665,257	-
Total debt securities	23,530,527	4,223,009	19,307,518	-
Total investments by fair value level	146,797,814	\$ 127,490,296	\$ 19,307,518	-
Investments measured at the net asset value (NAV)				
Real estate	25,692,099			
Private equity	14,531,768			
Total investments measured at NAV	40,223,867			
Money market funds (exempt)	4,094,474			
Total investments	\$ 191,116,155			

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented in the following table:

Investment Type	Fair Value	Unfunded Commitment	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Real estate (1)	\$ 21,396,608	\$ -	Quarterly	45 Days
Real estate (2)	4,295,491	-	Quarterly	10 Days
Private equity (3)	3,345,915	136,594	N/A	N/A
Private equity (3)	11,185,853	-	N/A	N/A
Total investments measured at the NAV	\$ 40,223,867			

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

(2) Real estate fund: This fund is an open-end, commingled investment vehicle with a multidisciplinary investment strategy. Diversified nationally, the foundation of the portfolio

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is to acquire yield-driven assets consisting of all property types. The investment is valued at NAV and redemption request must be received by the fund 10 days prior to quarter end.

(3) Private equity fund: These funds seeks to acquire and structure private equity portfolios of private equity partnerships and underlying portfolio companies. These investment are valued at NAV.

PFRS Fair Value Measurements

The PFRS categorizes its fair value measurements with 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 following is a description of the fair value techniques for the Plan's investments:

Level 1 and 2 prices are obtained from various pricing sources by the Plan's custodian bank.

Money market funds are reported at cost.

Equity securities traded on national or international exchanges are valued at the last reported sales price or current exchange rates (Level 1). This includes common stock, American Depository Receipts, foreign stock, mutual fund equities and REITS.

Debt securities are valued using pricing inputs that reflect the assumptions market participants would use to price an asset or liability and are developed based on market data obtained from sources independent of the reporting entity (Level 2). This includes U.S. Treasury bonds and notes, inflation-indexed bonds, U.S. federal agencies, mortgage backed and collateralized securities, municipal bonds, mutual bond funds and corporate obligations, foreign bonds and notes, and private placements.

The Plan has investments in alternative asset classes including funds of hedge funds, private equity fund of funds and a core real estate fund which hold a variety of investment vehicles that do not have readily available market quotations. These investments are measured at net asset value based on their proportionate share of the value of the investments as determined by the fund managers and are valued according to methodologies which include pricing models, discounted cash flow models and similar techniques.

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The following is a summary of the fair value hierarchy of the fair value of investments as of September 30, 2018:

Investments by fair value level	Fair Value Hierarchy			
	Fair Value	(Level 1)	(Level 2)	(Level 3)
Debt securities				
U.S. Government agency obligations	\$ 17,583,991	\$ -	\$ 17,583,991	\$ -
Mortgage backed securities	17,855,373	-	17,855,373	-
Municipal obligations	410,022	-	410,022	-
Corporate obligations	16,317,467	-	16,317,467	-
Total debt securities	52,166,853	-	52,166,853	-
Equity securities				
Common stock	78,929,034	78,929,034	-	-
ADR's	31,451,493	31,451,493	-	-
Partnerships publicly traded	7,223,781	-	7,223,781	-
Foreign stock	8,695,255	8,695,255	-	-
Mutual fund equities	5,206,177	5,206,177	-	-
Preferred stock	1,051,883	1,051,883	-	-
REITS	791,615	791,615	-	-
Total equity securities	133,349,238	126,125,457	7,223,781	-
Pompano Beach Investors, LLC	3,000,000	-	3,000,000	-
Total investments by fair value level	188,516,091	\$ 126,125,457	\$ 62,390,634	\$ -
Investments measured at the net asset value (NAV)				
Fund of hedge funds	22,369,952			
Real estate fund	17,040,624			
Private equity fund of funds	9,695,746			
Total investments measured at NAV	49,106,322			
Money market funds (exempt)	6,554,212			
Total investments	\$ 244,176,625			

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The following table summarizes investments for which fair value is measured using the net asset value per share practical expedient, including their related unfunded commitments and redemption restrictions.

Investments measured at the (NAV)	Fair Value	Unfunded Commitment	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Fund of hedge funds - multi strategy (1)	\$ 11,807,350	\$ -	Semi-Annual	95 Days
Fund of hedge funds - multi strategy (2)	10,562,602	-	Quarterly	95 Days
Core real estate fund (3)	17,040,624	-	Quarterly	45 Days
Private equity fund of funds (4)	3,626,623	1,725,000	N/A	N/A
Private equity fund of funds (4)	2,712,575	960,000	N/A	N/A
Private equity fund of funds (5)	2,156,529	154,418	N/A	N/A
Private equity fund of funds (6)	1,200,019	706,924	N/A	N/A
Total investments measured at the NAV	<u>\$ 49,106,322</u>			

(1) Multi-strategy fund of hedge fund. Aims to pursue varying strategies in order to diversify risks and reduce volatility. This fund is a diversified portfolio of relative value, equity market neutral and low net equity, event driven and distressed and credit securities. This investment is valued at NAV and is redeemable on a semi-annual basis.

(2) Multi-strategy fund of hedge fund. Aims to pursue varying strategies in order to diversify risks and reduce volatility. This fund is a diversified portfolio of relative value and event driven hedge funds with a focus on credit strategies. This investment is valued at NAV and is redeemable on a quarterly basis.

(3) Core real estate fund. This fund is an open-end core real estate fund with a diversified portfolio of income producing institutional properties throughout the US. This investment is valued at NAV and is redeemable on a quarterly basis.

(4) Private equity fund of funds. These two funds are globally diversified private equity programs that invest in large, mid and small-cap buyouts, venture and growth capital, and special situations. These investments are valued at NAV.

(5) Private equity fund of funds. This fund seeks to find undervalued opportunities in a differentiated platform of private equity, real estate, credit, hedge fund solutions and secondary solutions. This investment is valued at NAV.

(6) Private equity fund of funds. The fund seeks to acquire and structure private equity portfolios of private equity partnerships and underlying portfolio companies across leveraged buyout, credit, distressed, growth capital, real assets and venture capital strategies. This investment is valued at NAV.

Risk Disclosures:

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.

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The City employs multiple investment duration and investment management strategies which seek to minimize the City's portfolio interest rate risk. The City maintains sixty days or more of liquidity in overnight investments and remaining assets are invested in short term securities with maturity and diversification limitations to further minimize changes in market price, as interest rates change.

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity at September 30, 2018:

Investment Type	Fair Value	Remaining Maturity (in years)					
		Less than 1	1 to 2	2 to 3	3 to 4	4 to 5	5+ Years
U.S. Treasury Notes	\$ 56,501,622	\$ 11,773,004	\$ 29,377,418	\$ 13,539,391	\$ 1,811,809	\$ -	\$ -
U.S. Sponsored Agencies	60,983,154	27,200,091	17,244,810	3,991,793	-	1,935,803	10,610,657
Asset Backed Securities	7,635,892	-	1,819,184	2,420,634	2,168,282	1,227,792	-
Corporate Bonds	33,437,376	14,509,816	7,728,010	9,822,749	1,376,801	-	-
Money Market Mutual Funds	3,004,126	3,004,126	-	-	-	-	-
Intergovernmental Investment Pool	2,612,160	2,006,665	605,495	-	-	-	-
	<u>\$ 164,174,330</u>	<u>\$ 58,493,702</u>	<u>\$ 56,774,917</u>	<u>\$ 29,774,567</u>	<u>\$ 5,356,892</u>	<u>\$ 3,163,595</u>	<u>\$ 10,610,657</u>
Breakdown Government-wide Investments --							
(subject to interest rate risk)	\$ 164,174,330						
Deposits --							
(not subject to interest rate risk)							
Certificate of Deposit	6,056,592						
Money Market Savings	7,944,809						
Cash & Cash Equivs. (other deposits)	<u>9,824,306</u>						
Total Government-wide & Agency Fund	<u>\$ 188,000,037</u>						

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As a means of limiting its exposure to interest rate risk over time, the General Employees Retirement Plan diversifies its investments by security type and durations of maturities. Information about the sensitivity of the fair values of the investments for the plan to market interest rate fluctuations is provided by the following table which shows the distribution of the plan's debt type investments by remaining maturity at September 30, 2018:

Investment Type	Remaining Maturity (in years)				
	Fair Value	Less than 1	1 to 5	6 to 10	More than 10
Corporate Bonds	\$ 11,665,257	\$ 1,263,384	\$ 8,261,806	\$ 1,835,340	\$ 304,727
US Treasuries	4,223,009	-	1,562,894	2,660,115	-
US Agencies	7,642,261	-	305,281	190,809	7,146,171
	23,530,527	<u>\$ 1,263,384</u>	<u>\$ 10,129,981</u>	<u>\$ 4,686,264</u>	<u>\$ 7,450,898</u>
Investment types not subject to interest rate risk:					
Common Stock	37,208,352				
Real Estate	25,692,099				
Mutual Funds	86,058,935				
Private Equity	14,531,768				
Money Market funds	4,094,474				
Total Investments	<u>\$ 191,116,155</u>				

Foreign Currency Risk – Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit.

The General Employees Retirement System (the GERS) plan exposure to foreign currency risk derives mainly from its investments in international equity funds. The Plan owns participation in international equity funds as well as individual securities. The investment policy limits the foreign investments to no more than 25% of the Plan's investment balance. As of year-end, the foreign investments were 14.56% of total investments.

As a means of limiting its exposure to fair value losses, the investment guidelines for the Pompano Beach Police and Firefighters' Retirement System (PFRS) look to control impacts from interest rate risk in both rising and declining interest rate environments considering such factors as credit quality and duration for losses in rising rate environments, and credit quality in declining rate environments. The benchmarks are monitored and changed when warranted by the investment market environment. Debt portfolios are structured and managed to produce returns based on risks inherent in the selected benchmarks.

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Information about the sensitivity of the fair values of the investments for the PFRS to market interest rate fluctuations is provided by the following table which shows the distribution of the plan's investments by remaining maturity at September 30, 2018:

Investment Type	Remaining Maturity (in years)				
	Fair Value	Less than 1	1 to 5	6 to 10	More than 10
U.S. Treasuries, notes and bonds	\$ 16,501,168	\$ 84,986	\$ 11,458,244	\$ 1,638,561	\$ 3,319,377
U.S. Federal agencies	467,491	-	467,491	-	-
US Mortgage backed securities	12,972,753	-	13,782	57,109	12,901,862
U.S. Treasury/Inflation protected securities	615,332	-	-	370,332	245,000
Municipal obligations	410,022	-	258,774	-	151,248
Corporate obligations	15,620,469	383,201	5,384,029	5,349,485	4,503,754
Bond mutual funds	696,998	696,998	-	-	-
Collateralized mortgage obligations	4,882,620	-	-	624,950	4,257,670
	52,166,853	\$ 1,165,185	\$ 17,582,320	\$ 8,040,437	\$ 25,378,911
Investment types not subject to interest rate risk:					
Equity securities	133,349,238				
Hedge funds & private equity	32,065,698				
Real estate	20,040,624				
Money market funds	6,554,212				
Total Investments	<u>\$ 244,176,625</u>				

Credit Risk – This is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. One measure of the perceived credit risk of an issuer is the credit rating. The City's investment policy provides strict guidelines and limits investments to highly rated securities with minimum ratings of AAA for money market funds, AA for corporate notes, A-1 for commercial paper and AAA for U.S. Agencies and U.S. Treasuries. To further minimize credit risk the City's investment policy also provides asset allocation limits for each security type. Issuer limits are also provided for certain investment types.

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Corporate notes limits (25%) and commercial paper limits (25%) are established with additional asset allocation limits for the sector (10%) and issuer (2%). The following table discloses composite credit ratings by investment type for the City as rated by Moody's or Standard & Poor's (Fitch for LGIP) at September 30, 2018:

Investment Type	Rating at September 30, 2018				
	Fair Value	AAAm	P-1	Aaa/AAA/Aa1/Aa2 Aa3/A1/A2/A3	AAAf/S2
U.S. Treasury Notes	\$ 56,501,622	\$ -	\$ -	\$ 56,501,622	\$ -
U.S. Sponsored Agencies	60,983,154	-	1,462,805	59,520,349	-
Asset Backed Securities	7,635,892	-	-	7,635,892	-
Corporate Bonds	33,437,376	-	-	33,437,376	-
Money Market Mutual Funds	3,004,126	3,004,126	-	-	-
Local Gov't Investment Pool (LGIP)	2,612,160	2,006,665	-	-	605,495
Total Investments with Credit Risk	164,174,330	<u>\$ 5,010,791</u>	<u>\$ 1,462,805</u>	<u>\$ 157,095,239</u>	<u>\$ 605,495</u>
Certificate of Deposit	6,056,592				
Demand Deposits	17,769,115				
Total City Portfolio	<u>\$ 188,000,037</u>				

The City's General Employees Retirement Plan utilizes portfolio diversification, as well as minimum credit ratings in order to control credit risk. The fixed income portfolio shall be comprised of securities rated "BBB" or higher by Standard and Poor's rating services with no more than 5% of an investment manager's total fixed income portfolio invested in the securities of a single issuer, other than U.S. Government securities and its agencies. In addition, the average credit quality of the bond portfolio shall be "A" or higher and the duration of the fixed income portfolio should be less than 135% of the duration of the market index defined as the Barclays U.S. Aggregate Bond Index.

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The following table discloses credit ratings by investment type for the General Employees Retirement Plan at September 30, 2018, as applicable:

	<u>Fair Value</u>	<u>Percentage of Portfolio</u>
Quality rating of credit risk debt securities		
A1	\$ 1,626,865	6.91%
A2	2,116,575	9.00%
A3	2,932,685	12.46%
AA1	152,729	0.65%
AA2	435,630	1.85%
AA3	710,990	3.02%
AAA	4,710,240	20.02%
BAA1	2,431,179	10.33%
BAA2	717,266	3.05%
BAA3	154,428	0.66%
Not rated	7,541,940	32.05%
Total credit risk debt securities	<u>23,530,527</u>	<u>100.00%</u>
Total fixed income securities	<u>\$ 23,530,527</u>	<u>100.00%</u>

*Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not have purchase limitations.

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The City's Police and Firefighters Retirement Plan also utilize portfolio diversification in order to control credit risk. The Plan's investment policy requires all fixed income investments to hold a credit rating in one of the four highest classifications by a major rating service. Commercial paper, if used, must be of only the highest quality (rating of A-1 or P-1). Investments in fixed income securities with a rating of BBB are limited to 15% of the fixed income portfolio. The fixed income investments credit ratings for the fiscal year ended September 30, 2018 ranged between AAA and CCC and below ratings. All of the fixed income investments for the fiscal year ended September 30, 2018 met the ratings requirements of the investment policy or an approved exception thereto.

	<u>Fair Value</u>	<u>Corporate</u>	<u>Bond Fund</u>	<u>Municipal</u>	<u>U.S. Government</u>
U.S. government guaranteed*	<u>\$33,771,055</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,771,055</u>
Quality rating of credit risk debt securities					
AAA	1,169,550	1,169,550	-	-	-
AA	1,269,259	711,243	-	90,525	467,491
A	5,024,685	4,963,962	-	60,723	-
BBB	8,574,519	8,315,745	-	258,774	-
CCC and below	37,387	37,387	-	-	-
Not rated	<u>2,320,398</u>	<u>1,623,400</u>	<u>696,998</u>	<u>-</u>	<u>-</u>
Total credit risk debt securities	<u>18,395,798</u>	<u>16,821,287</u>	<u>696,998</u>	<u>410,022</u>	<u>467,491</u>
Total fixed income securities	<u>\$52,166,853</u>	<u>\$16,821,287</u>	<u>\$ 696,998</u>	<u>\$ 410,022</u>	<u>\$ 34,238,546</u>

*Obligations are backed by the full faith and credit of the U.S. Government

Concentration of Credit Risk – Concentration of credit risk is defined as the risk of loss attributed to the magnitude of an investment in a single issuer.

The investment policy of the City includes limitations on the amount that can be invested in any one issuer as stated in the maximum portfolio percentages stated earlier. There were no individual investments that represent 5% or more of the City's total investments (excluding investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments) at September 30, 2018.

The investment policy of the General Employees Retirement Plan includes limitations on the amount that can be invested in any one issuer, as well as maximum portfolio allocation percentages. There were no individual investments that represent 5% or more of plan net position (excluding investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments) at September 30, 2018.

The investment policy of the Police and Firefighters Retirement Plan utilizes limitations on securities of a single issuer to manage this risk. The System's investment policy limits investments in the fixed income portion of the portfolio to 10% of a given issuer and limits

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equity investments in any one company to 10% of the equity portion of each portfolio manager (at market). The Invesco Core Real Estate U.S.A. LP investment is 7.00% of the System's net position restricted for pension benefits.

Custodial Credit Risk – This 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 held by the counterparty. It is the City's policy that all investments purchased by the City be designated as an asset of the City in the City's name, despite being held in safekeeping by the City's custodial bank or a third party custodial institution, chartered by the United States Government or the State of Florida. Consistent with the Plans' investment policies, investments are held by the Plans' custodial bank and registered in the Plans' name. Investments in mutual funds and external investment pools are not subject to custodial credit risk.

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(B) Receivables and Other Assets, net

Receivables at fiscal year-end for the City's governmental individual major funds, non-major governmental funds in the aggregate and internal service funds, including the applicable allowances for uncollectible accounts of \$1,506,114, are as follows:

Governmental	General	NW CRA	EMS	Capital Projects	Non-Major Govt'l	Internal Service	Total
Receivables:							
Electric franchise tax	\$ 1,566,340	\$ -	\$ -	\$ -	\$ -	\$ -	1,566,340
Electric utility tax	723,829	-	-	180,957	-	-	904,786
EMS transport fees	-	-	3,669,162	-	-	-	3,669,162
Utility tax	139,057	-	-	-	-	-	139,057
Affordable housing developer fees	-	-	-	-	492,263	-	492,263
Slot machine revenue	157,423	-	-	-	-	-	157,423
Other	17,364	130,000	-	-	-	-	147,364
Total governmental receivables	<u>\$ 2,604,013</u>	<u>\$130,000</u>	<u>\$ 3,669,162</u>	<u>\$ 180,957</u>	<u>\$ 492,263</u>	<u>\$ -</u>	<u>7,076,395</u>
Due from other governments:							
State half cents sales tax	1,182,447	-	-	-	-	-	1,182,447
State local option gas tax	187,476	-	-	-	-	-	187,476
Motor fuel tax	-	-	-	107,466	67,037	11,585	186,088
State of Florida - Division of Emergency Mgmt	-	-	-	-	105,705	-	105,705
FLCommunications service tax	697,210	-	-	1,868,030	-	-	2,565,240
Broward County court fines	9,796	-	-	-	-	-	9,796
Broward County - ad valorem taxes	85,691	-	5,847	-	-	-	91,538
Broward County - OES	58,212	-	-	-	-	-	58,212
Broward Sheriff's Office	38,935	-	-	-	-	-	38,935
FEMA	-	-	-	-	49,224	-	49,224
LETf - BSO	-	-	-	-	4,440	-	4,440
CDBG - HUD	-	-	-	-	205,491	-	205,491
Home - HUD	-	-	-	-	44,764	-	44,764
Total due from other governments	<u>\$ 2,259,767</u>	<u>\$ -</u>	<u>\$ 5,847</u>	<u>\$ 1,975,496</u>	<u>\$ 476,661</u>	<u>\$ 11,585</u>	<u>4,729,356</u>

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Business-type	Utility	Parking	Nonmajor Enterprise	Total
Receivables:				
Water /sewer customer charges	\$ 4,286,132	\$ -	\$ -	\$ 4,286,132
Solid waste service charges	-	-	761,147	761,147
Stormwater customer charges	-	-	304,904	304,904
Parking Fees	-	228,593	-	228,593
Less: Allowance for uncollectibles	(95,669)	188,509	(72,437)	(356,615)
Total business-type receivables (net)	<u>\$ 4,190,463</u>	<u>\$ 40,084</u>	<u>\$ 993,614</u>	<u>\$ 5,224,161</u>
Due from other governments:				
Broward County OES	\$ 9,915	\$ -	\$ 367,164	\$ 377,079
Broward Sheriff's Office	-	-	10,189	10,189
State of Florida - Dept of Environmental Protection	70,680	-	300,000	370,680
US Dept of Transportation	-	-	22,442	22,442
FDOT -Aviation Grant	-	-	1,032,355	1,032,355
Total due from other governments	<u>\$ 80,595</u>	<u>\$ -</u>	<u>\$ 1,732,150</u>	<u>\$ 1,812,745</u>

Mortgages

The Northwest Community Redevelopment District (the Northwest District) provided qualified individuals with loans/grants to build new homes at the Canal Point (10 year amortization period), Sabal Chase (30 year amortization period), and Ortanique Estates (30 year amortization period) subdivisions which were reported as community redevelopment expenses/expenditures. In addition, the Northwest District also provided similar grants for various infill housing projects during the current fiscal year. The Northwest District has placed a mortgage lien on these new homes with a covenant that the owner must reside at the property for the respective period of time in order to remain eligible for the grant. The Northwest District's reasonable assumption is that the homeowner will reside at the home for the stipulated period. The Northwest District maintains a memorandum record of the outstanding mortgage amounts related to these grants. These amounts are reduced ratably over the 10 year period as it relates to the grants for the Canal Point subdivision and the infill housing projects. Should the homeowner move, sell or refinance, the Northwest District is paid a prorated amount of the initial grant. After the 10 year period the amounts relating to these mortgages are forgiven. As it relates to the Sabal Chase and Ortanique Estates grants, these amounts are not amortized over the 30 year period. After the 30 year period the amounts relating to these mortgages are forgiven. During fiscal year 2018, no one defaulted on the terms of the grants and consequently, the Northwest District did not receive any repayments related to these grants. At September 30, 2018 the unamortized amount outstanding related to these grants was \$2,149,836. Due to the reasonable assumption made above of expected homeowner residence for the grant period a receivable has not been recorded.

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Notes Receivable

- On April 23, 2013 the City sold equipment related to its golf course for \$575,000 to Cypress Golf Management, LLC. Payment is to be made in 5 equal annual installments of \$115,000. The loan is non-interest bearing with an implicit interest rate of 3.48%. As of September 30, 2018 there no remaining loan payments as the last payment was made during the fiscal year.
- On May 15, 2018 the City provided a \$150,000 economic development loan to the ETA NU Education Foundation. The loan is non-interest bearing as it is provided to carry out the objectives for the NW Community Redevelopment Agency.

The loan payments are as follows:

Fiscal Year Ending	Principal	Interest	Total
2019	\$ 18,600	\$ -	\$ 18,600
2020	18,600	-	18,600
2021	18,600	-	18,600
2022	18,600	-	18,600
2023	18,600	-	18,600
2024	18,600	-	18,600
2025	18,400	-	18,400
Total	\$ 130,000	\$ -	\$ 130,000

Assets Held for Resale for Redevelopment

The City and the Agency acquires and develops property in economically depressed areas, for the intention of rendering the property suitable for economic development and then reselling it to private sector purchasers meeting certain criteria. Since these properties are acquired with the express intent of resale and 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 a gain from sale of capital assets in the government-wide statements and proceeds from sale of capital assets in the fund financial statements and losses are recorded as economic environment expenses/expenditures.

Additionally the City participates in the Neighborhood Stabilization Program (NSP) funded by the United States Department of Housing and Urban Development (HUD). The

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Housing and Economic Recovery Act signed into law on July 30, 2008 provided Neighborhood Stabilization funds to assist local governments to acquire foreclosed, vacant and abandoned properties to address neighborhood decline. HUD awarded NSP funds to the City to stabilize City neighborhoods through the purchase of foreclosed properties. Through this program, the City purchases foreclosed homes in targeted neighborhoods with the intention of rehabilitating and selling back to the public. The homes are available for purchase by eligible residents meeting certain income requirements. The cost basis of assets held for resale and development in this category include all costs incurred by the City to acquire and redevelop or rehabilitate the homes or properties up to a marketable, safe, and habitable condition. These assets are recorded at the lower of cost or net realizable value.

Assets held for resale and redevelopment activity for the year ended September 30, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Assets held for resale and redevelopment	<u>\$ 37,744,432</u>	<u>\$ 1,869,371</u>	<u>\$ 740,496</u>	<u>\$ 38,873,307</u>
Total	<u>\$ 37,744,432</u>	<u>\$ 1,869,371</u>	<u>\$ 740,496</u>	<u>\$ 38,873,307</u>

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
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(C) Capital Assets and Construction Commitments

Capital asset activity for the fiscal year ended September 30, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 61,344,803	\$ 6,707,465	\$ -	\$ 68,052,268
Construction in progress	14,657,760	10,459,482	13,871,587	11,245,655
Total capital assets, not being depreciated	<u>76,002,563</u>	<u>17,166,947</u>	<u>13,871,587</u>	<u>79,297,923</u>
Capital assets, being depreciated:				
Buildings	76,580,036	73,798	-	76,653,834
Infrastructure	156,160,328	234,000	-	156,394,328
Improvements other than buildings	151,188,484	13,822,731	1,850	165,009,365
Machinery and equipment	38,759,985	3,976,785	1,419,976	41,316,794
Art Work	4,250	72,099	-	76,349
Total capital assets being depreciated	<u>422,693,083</u>	<u>18,179,413</u>	<u>1,421,826</u>	<u>439,450,670</u>
Less accumulated depreciation for:				
Buildings	31,304,391	2,115,274	-	33,419,665
Infrastructure	64,156,195	6,076,657	-	70,232,852
Improvements other than buildings	65,419,286	5,599,840	-	71,019,126
Machinery and equipment	31,195,182	2,748,186	1,326,668	32,616,700
Art Work	921	2,052	-	2,973
Total accumulated depreciation	<u>192,075,975</u>	<u>16,542,009</u>	<u>1,326,668</u>	<u>207,291,316</u>
Total capital assets being depreciated, net	<u>230,617,108</u>	<u>1,637,404</u>	<u>95,158</u>	<u>232,159,354</u>
Governmental activities capital assets, net	<u>\$ 306,619,671</u>	<u>\$ 18,804,351</u>	<u>\$ 13,966,745</u>	<u>\$ 311,457,277</u>

CITY OF POMPANO BEACH, FLORIDA

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	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Utility Fund:				
Capital assets, not being depreciated:				
Land	\$ 467,725	\$ -	\$ -	\$ 467,725
Construction in progress	1,974,119	7,564,409	6,726,561	2,811,967
Total capital assets, not being depreciated	<u>2,441,844</u>	<u>7,564,409</u>	<u>6,726,561</u>	<u>3,279,692</u>
Capital assets, being depreciated:				
Buildings	50,717,305	-	-	50,717,305
Infrastructure	107,969,790	427,224	-	108,397,014
Improvement other than buildings	61,857,209	6,623,636	-	68,480,845
Machinery and equipment	24,366,107	1,465,994	408,724	25,423,377
Total capital assets being depreciated	<u>244,910,411</u>	<u>8,516,854</u>	<u>408,724</u>	<u>253,018,541</u>
Less accumulated depreciation for:				
Buildings	25,538,192	1,457,158	-	26,995,350
Infrastructure	65,143,645	2,678,024	-	67,821,669
Improvements other than buildings	39,296,398	1,534,273	-	40,830,671
Machinery and equipment	19,070,165	1,315,593	404,030	19,981,728
Total accumulated depreciation	<u>149,048,400</u>	<u>6,985,048</u>	<u>404,030</u>	<u>155,629,418</u>
Utility Fund capital assets, being depreciated, net	95,862,011	1,531,806	4,694	97,389,123
Utility Fund capital assets, net	<u><u>\$ 98,303,855</u></u>	<u><u>\$ 9,096,215</u></u>	<u><u>\$ 6,731,255</u></u>	<u><u>\$ 100,668,815</u></u>
Parking Fund:				
Capital assets, not being depreciated:				
Construction in progress	\$ -	16,520	16,520	\$ -
Capital assets, being depreciated:				
Buildings	22,339,232	16,520	-	22,355,752
Machinery and equipment	115,828	-	-	115,828
Total capital assets being depreciated	<u>22,455,060</u>	<u>16,520</u>	<u>-</u>	<u>22,471,580</u>
Less accumulated depreciation for:				
Buildings	737,639	744,058	-	1,481,697
Machinery and equipment	40,917	23,165	-	64,082
Total accumulated depreciation	<u>778,556</u>	<u>767,223</u>	<u>-</u>	<u>1,545,779</u>
Parking Fund capital assets, being depreciated, net	21,676,504	(750,703)	-	20,925,801
Parking Fund capital assets	<u><u>\$ 21,676,504</u></u>	<u><u>\$ (734,183)</u></u>	<u><u>\$ 16,520</u></u>	<u><u>\$ 20,925,801</u></u>

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Nonmajor Enterprise Funds:				
Capital assets, not being depreciated				
Land	\$ 60,992	\$ -	\$ -	\$ 60,992
Construction in progress	<u>5,624,254</u>	<u>11,133,551</u>	<u>27,476</u>	<u>16,730,329</u>
Total capital assets, not being depreciated	<u>5,685,246</u>	<u>11,133,551</u>	<u>27,476</u>	<u>16,791,321</u>
Capital assets, being depreciated:				
Buildings	1,656,670	-	-	1,656,670
Infrastructure	15,224,229	77,000	-	15,301,229
Improvements other than buildings	26,544,995	27,476	-	26,572,471
Machinery and equipment	<u>2,933,716</u>	<u>671,481</u>	<u>190,298</u>	<u>3,414,899</u>
Total capital assets being depreciated	<u>46,359,610</u>	<u>775,957</u>	<u>190,298</u>	<u>46,945,269</u>
Less accumulated depreciation for:				
Buildings	735,700	36,880	-	772,580
Infrastructure	6,663,737	160,201	-	6,823,938
Improvements other than buildings	11,502,855	1,423,876	-	12,926,731
Machinery and equipment	<u>2,580,293</u>	<u>400,419</u>	<u>185,733</u>	<u>2,794,979</u>
Total accumulated depreciation	<u>21,482,585</u>	<u>2,021,376</u>	<u>185,733</u>	<u>23,318,228</u>
Nonmajor Enterprise Funds capital assets, being depreciated, net	<u>24,877,025</u>	<u>(1,245,419)</u>	<u>4,565</u>	<u>23,627,041</u>
Nonmajor Enterprise Funds capital assets, net	<u>30,562,271</u>	<u>9,888,132</u>	<u>32,041</u>	<u>40,418,362</u>
Business-type activities capital assets, net	<u>\$ 150,542,630</u>	<u>\$ 18,250,164</u>	<u>\$ 6,779,816</u>	<u>\$ 162,012,978</u>

CITY OF POMPANO BEACH, FLORIDA
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Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

General government	\$ 8,442,005
Public safety	3,272,486
Transportation	1,207,425
Physical environment	1,271,378
Culture and recreation	2,348,715
Total depreciation expense - governmental activities	<u>\$ 16,542,009</u>

Business-type activities:

Utilities	\$ 6,985,048
Parking	767,223
Pier	55,979
Airpark	1,108,667
Sanitation	94,210
Stormwater	762,520
Total depreciation expense - business-type activities	<u>\$ 9,773,647</u>

The City has active construction projects as of September 30, 2018. Significant projects that were ongoing as of September 30, 2018 for governmental activities with significant commitments, were as follows:

Project	Expended through September 30, 2018	Remaining Commitment
Old Pompano Area Improvements	\$ 571,310	\$ 3,444,340
A1A Underground Electric	1,289,766	18,271
Charlotte J. Burrie Community Center	1,179,486	3,837,855
Fire Station #24	2,497,169	2,683,779
Blanche Ely Renovation	476,569	31,375
Martin Luther King Jr. Boulevard Reconstruction	671,999	2,972,180
Waterfront Promenade	276	758,860
Atlantic Blvd. Bridge	1,817,662	2,463,489
	<u>\$ 8,504,237</u>	<u>\$ 16,210,149</u>

CITY OF POMPANO BEACH, FLORIDA
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Significant projects that were ongoing as of September 30, 2018 for business-type activities with significant commitments were as follows:

Project	Expended through September 30, 2018	Remaining Commitment
Old Pompano Area Improvements	\$ 61,186	\$ 1,501,009
Water Treatment Plant - Concentrate Deep Well Re-Lining	1,252,755	499,698
Water Treatment Plant - Recarbonation Feed System Rehabilitation	583,471	29,866
Avondale Stormwater Draining	1,838,800	1,897,328
Lyons Park Stormwater Improvements	592,229	20,419
HUD Old Pompano Area Stormwater - Kendall Lake Neighborhood	14,176	562,777
	310,830	247,345
Airpark Taxiway	3,835,868	145,135
Airpark Building Renovation	34,039	918,150
Pier Replacement	8,629,676	4,721,026
	<u>\$ 17,153,030</u>	<u>\$ 10,542,753</u>

(D) Unearned/Unavailable Revenue

Unearned/Unavailable revenue at fiscal year end for the City's governmental individual major funds and non-major governmental funds in the aggregate are as follows:

Governmental Activities	General Fund	N.W. CRA	EMS Fund	Capital Projects	Non Major Govt'l Funds	Total
Unearned revenue:						
Local Business Taxes	\$ 1,418,194	\$ -	\$ -	\$ -	\$ -	1,418,194
Law Enforcement Trust Fund	-	-	-	-	1,203,372	1,203,372
Unredeemed Gift Cards	29,834	-	-	-	-	29,834
Prepaid Rent	-	4,500	-	-	-	4,500
SHIP Grant Funds	-	-	-	-	507,128	507,128
Total unearned revenue	<u>\$ 1,448,028</u>	<u>\$ 4,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,710,500</u>	<u>\$ 3,163,028</u>
Unavailable revenue:						
FEMA - Hurricane Matthew Grant	-	-	-	-	49,224	49,224
Broward County - Ad Valorem	67,159	-	5,847	-	-	73,006
Communications Service Tax	-	-	-	1,741,585	-	1,741,585
EMS Transport Fees	-	-	3,033,843	-	-	3,033,843
State of Florida - Division of Emergency Mgmt	-	-	-	-	105,705	105,705
ETA Nu	-	130,000	-	-	-	130,000
Home - HUD	-	-	-	-	44,764	44,764
Total unavailable revenue	<u>\$ 67,159</u>	<u>\$ 130,000</u>	<u>\$ 3,039,690</u>	<u>\$ 1,741,585</u>	<u>\$ 199,693</u>	<u>\$ 5,178,127</u>

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
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(E) Interfund Loans and Transfers

The composition of interfund balances as of September 30, 2018, is as follows:

Due to/from other funds:

<u>Receivable</u>	<u>Payable</u>	<u>Amount</u>
General Fund	Internal Service Fund	\$ 611,868 (a)
General Fund	Other Grants	3,281,364 (b)
General Fund	Airpark Fund	<u>50,000 (b)</u>
		<u><u>\$ 3,943,232</u></u>

- (a) This is a short-term non-interest bearing receivable and payable to cover a negative cash balance at fiscal year end in the central stores fund.
- (b) This amount represents a short-term non-interest bearing receivable and payable to cover negative cash balances related to cost reimbursement grants for which the City has not yet received reimbursement from the grantor at fiscal year end.

Advances to/from other funds:

<u>Advances to Fund</u>	<u>Advances From Fund</u>	<u>Amount</u>
Northwest CRA District Fund	General Fund	\$ 2,383,475

This amount represents a long-term receivable and payable to cover the purchase of two (2) properties that would enable the development of a 30 acre Commerce Park at the northeast quadrant of Atlantic Boulevard and Interstate 95. The loan has a fixed annual interest rate of 2.91%, amortized over a 20 year term.

The annual requirements to pay on the advance from the General Fund to the NW CRA District Fund are as follows.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 111,032	\$ 69,359	\$ 180,391
2020	114,263	66,128	180,391
2021	117,588	62,803	180,391
2022	121,010	59,381	180,391
2023	124,532	55,859	180,391
2024-2025	<u>1,795,050</u>	<u>145,413</u>	<u>1,940,463</u>
	<u><u>\$ 2,383,475</u></u>	<u><u>\$ 458,943</u></u>	<u><u>\$ 2,842,418</u></u>

In the government-wide statement of net position, interfund balances between governmental activities and business-type activities have been consolidated and reported on a single line called "internal balances" (net amount of \$812,399), which includes a short-term loan from the General Fund to the Sanitation Fund and the internal service

CITY OF POMPANO BEACH, FLORIDA
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fund look-back adjustment to enterprise funds.

Transfers in/out are as follows:

Transfers out	Transfers In:							Total
	General Fund	EMS	Capital Projects	Nonmajor Govt'l Funds	Subtotal Govt'l Activities	Utility Fund	Nonmajor Enterprise Funds	
General Fund	\$ -	\$ 7,438,012	\$ 2,015,742	\$ 27,799	\$ 9,481,553	\$ -	\$ -	\$ 9,481,553
NW District fund	20,000	-	-	-	20,000	-	-	20,000
Nonmajor Govt'l Funds	-	-	10,000	-	10,000	-	-	10,000
Nonmajor Enterprise Funds	201,491	-	16,632	-	218,123	-	-	218,123
	<u>\$ 221,491</u>	<u>\$ 7,438,012</u>	<u>\$ 2,042,374</u>	<u>\$ 27,799</u>	<u>\$ 9,729,676</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,729,676</u>

The transfer from the General Fund to the Emergency Management Services (EMS) Fund was required to support operating costs, as the General Fund subsidizes the EMS Fund. Transfers from the General Fund to the Capital Projects Fund were to fund costs relating to the Charlotte J. Burrie Community Center. Transfers from the Nonmajor enterprise Funds to the General Fund were to cover storm water services provided by the Public Works Department.

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
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(F) Long-term Obligations

Summarized below are the City's debt issued to finance the acquisition of properties for community development and construction of capital facilities, which were outstanding at September 30, 2018.

Governmental Activities Debt:

- On December 16, 2003, the Pompano Beach Community Redevelopment Agency (the Agency) authorized the issuance of Tax Increment Bond – Series 2003A in an original principal amount not to exceed \$10,000,000, with Wachovia Bank, National Association (the Bank) being the registered holder of the bond. On December 22, 2003, the Agency also entered into a non-revolving line of credit agreement (line of credit) with the Bank, not to exceed \$10,000,000, which represents the Bank's obligation to fund advances of principal of the Series 2003A Bond. The Series 2003A Bond represent the Agency's obligation to reimburse the Bank for up to \$10,000,000 of drawings made under the line of credit. The line of credit is secured by a senior lien on all tax increment revenues generated within the Agency's Northwest District's Redevelopment Area boundaries on a parity with the lien of the Agency's Series 2004A Bond as discussed below. At September 30, 2018 the Agency had \$270,271 outstanding related to this line of credit. Proceeds of these draws were used to finance the current refunding of the Agency's Special Obligation Bonds – Series 1999, the cost of redevelopment projects in the Northwest District Redevelopment Area and costs of issuance. Interest on the 2003A Bond is at a fixed rate of 5.34%, with a final maturity date of November 1, 2018. Principal and interest on the Series 2003A Bond is due and payable quarterly.
- On January 21, 2004, the Agency authorized the issuance of Tax Increment Bonds – Series 2004A in an original principal amount not to exceed \$10,000,000, with Wachovia Bank, National Association (the Bank) being the registered holder of the Series 2004A Bond. On January 21, 2004, the Agency also entered into a non-revolving line of credit agreement (line of credit) with Wachovia Bank, National Association (the Bank), in an amount not to exceed \$10,000,000, representing the Bank's obligation to fund advances of principal of the Series 2004A Bond. The Series 2004A Bond represents the Agency's obligation to reimburse the Bank for up to \$10,000,000 of drawings made under the line of credit. The line of credit is secured by a senior lien on all tax increment revenues generated within the Agency's Northwest District Redevelopment Area boundaries, on a parity with the Agency's Series 2003A Bond, as discussed above. At September 30, 2018 the Agency had \$270,271 outstanding related to this line of credit. Proceeds of these draws were used to finance the cost of redevelopment projects in the Northwest District Redevelopment Area. Interest on the Series 2004A Bond is at a fixed rate of 5.34%, with a final maturity date of

CITY OF POMPANO BEACH, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2018

November 1, 2018. Principal and interest on the Series 2004A Bond is due and payable quarterly.

For the Series 2003A & 2004A bonds, principal and interest paid for the current fiscal year and total tax increment revenues were \$2,253,309 and \$8,078,016, respectively. At September 30, 2018, total principal and interest remaining on the bonds is \$547,752 payable through November 2018.

- On April 23, 2013 the Pompano Beach Community Redevelopment Agency Board authorized the issuance of tax increment revenue bonds – Series 2013A and B (collectively known as the Series 2013 bonds). The Series 2013 bonds were subsequently issued on June 20, 2013. The Series 2013A bonds were issued at a fixed rate of 3.48%, with a final maturity of February 1, 2030, for the purpose of refunding and redeeming the Agency's outstanding tax increment revenue bonds, Series 2010A, which bore an interest rate of 5.13% and had outstanding balance of \$9,055,000. As a result of the refunding the Series 2010A bonds are considered fully refunded and the outstanding balance has been removed from the financial statements. The Series 2013B bonds were issued at a fixed interest rate of 2.83% and a final maturity of February 1, 2030, to finance the cost of community projects in the East District Redevelopment Area and to cover related costs of issuance in the original aggregate principal amount of \$5,000,000.

At September 30, 2018, the City had \$10,780,000 outstanding related to this obligation. Principal and interest paid for the current fiscal year and total tax increment revenues were \$1,097,498 and \$3,068,346, respectively. At September 30, 2018, total principal and interest remaining on the bonds is \$13,185,898 payable through February 2030.

Business-type Activities Debt:

- On September 23, 2014, the City Commission authorized the issuance of Water and Sewer Revenue Refunding Bonds – Series 2014 (Series 2014 bonds), per City Ordinance No. 2014-50. The Series 2014 bonds were subsequently issued on September 26, 2014. The Series 2014 bonds were issued for the purpose of providing funds sufficient to accomplish the current refunding of the City's outstanding Water and Sewer Revenue Bonds, Series 2006B, which had an outstanding balance in the amount of \$17,945,000. As a result of the refunding the Series 2006B bonds are considered fully refunded and the outstanding balance has been removed from the financial statements.

The City has pledged future water and sewer customer gross revenues, net of specified operating expenses (net revenues), to repay the Series 2014 bonds. The bonds are payable solely from water and sewer customer net revenues and are payable through 2020. The interest on the Series 2014 bonds is 1.68% through July 1, 2020, the scheduled maturity of the bonds.

Principal and interest payments on the Series 2014 bonds are due semi-annually

CITY OF POMPANO BEACH, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2018

through maturity. Annual principal and interest payments on the Series 2014 bonds are expected to require less than 30 percent of net revenues. Principal and interest paid for the current fiscal year and total water and sewer net revenue were \$3,038,092 and \$14,860,462, respectively. The total principal and interest remaining to be paid on the bonds is \$6,074,772.

- On April 14, 2015 the City Commission authorized the issuance of Taxable Certificates of Participation (Parking Garage Project) – Series 2015 (the "Certificates"), per City Ordinance No. 2015-30. The Certificates were subsequently issued on June 10, 2015. The Certificates were issued for the purpose of providing funds to finance the acquisition, construction and installation of a new public garage structure and surrounding public improvements, pay capitalized interest on the Certificates through July 1, 2018 and pay costs of issuance on the Certificates. The Certificates were issued in the par amount of \$23,875,000.

The Certificates are payable solely from legally available revenues as budgeted and appropriated each year by the City to make rent payments under the lease agreement and are payable through 2040. Interest on the Certificates range from 3.058% to 5.579% through January 1, 2040, the scheduled maturity of the Certificates. The total principal and interest remaining to be paid on the Certificates is \$43,053,957.

Governmental/Business-type Activities Obligation:

The City contracted with Siemens Industry, Inc. (Siemens) under an energy performance contract to perform an audit of City facilities in order to identify energy performance projects which, if implemented, would result in energy savings to the City. As a mechanism to finance the projects identified by Siemens, the City entered into a loan agreement with Chase Equipment Finance on November 12, 2010 for the purchase of energy efficiency equipment for various City facilities. It is anticipated that the savings from these projects will be utilized to cover the obligation for the note. At September 30, 2018, total principal and interest remaining related to Governmental Activities was \$1,460,372 and \$5,287,523 was related to Business-type Activities. Interest on the loan is fixed at 2.72%, with a final maturity date of August 12, 2023. Principal and interest is due and payable quarterly.

Conduit Debt:

- On December 14, 2010 the City Commission authorized the issuance of Health Facilities Revenue Refunding Bonds, Series 2010, in an amount not exceeding \$30 million, for the purpose of loaning the proceeds to John Knox of Village, Inc. (the Village), as borrower, to be applied to (I) refund and defease all of the Broward County Health Facilities Authority Revenue and Revenue Refunding bonds, Series 2002, outstanding as of the date of issuance of the Series 2010 Bonds, and (II) pay costs of issuance of the Series 2010 Bonds. The 2010 Series bonds were subsequently issued on December 30, 2010 in the amount of \$29,045,000. The bonds are limited obligations of the City payable from the loan

CITY OF POMPANO BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
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payments due from the Village. The City is not obligated to pay the principal or interest on the bonds except from the loan payments made by the Village, and neither the faith and credit nor the taxing power of the City is pledged to the payment of the principal and interest on the bonds. At September 30, 2018, total principal and interest outstanding related to this debt issue was \$21,225,000, and \$5,813,550, respectively.

- On January 13, 2015 the City Commission authorized the issuance of Revenue Bonds, Series 2015, in an amount not exceeding \$40 million, for the purpose of loaning the proceeds to John Knox Village of Florida, Inc. (the Village) in order to finance or reimburse the costs of certain capital improvements to the senior living and healthcare facilities owned and operated by the Village, fund any necessary reserves, and pay the costs of issuance of the bonds. The 2015 Series bonds were subsequently issued on February 12, 2015 in the amount of \$29,470,000. The bonds are limited obligations of the City payable from the loan payments due from the Village. The City is not obligated to pay the principal or interest on the bonds except from the loan payments made by the Village, and neither the faith and credit nor the taxing power of the City is pledged to the payment of the principal and interest on the bonds. At September 30, 2018, total principal and interest outstanding related to this debt issue was \$27,780,000 and \$20,629,300 respectively.

CITY OF POMPANO BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

Changes in long-term liabilities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
Tax increment bonds-East District	\$ 11,490,000	\$ -	\$ 710,000	\$ 10,780,000	\$ 735,000
Tax increment bonds-NW District	2,702,704	-	2,162,162	540,542	540,542
Total bonds payable	14,192,704	-	2,872,162	11,320,542	1,275,542
Claims and judgments	12,492,000	2,334,099	3,498,099	11,328,000	3,275,659
Net pension liability:					
PFRS	105,151,074	34,337,623	34,890,156	104,598,541	-
GERS	43,657,649	30,124,073	23,154,813	50,626,909	-
Total net pension liability	148,808,723	64,461,696	58,044,969	155,225,450	-
Total OPEB liability*	9,732,552	987,851	453,309	10,267,094	-
Pollution remediation obligation	1,394,000	-	408,401	985,599	-
Notes payable:					
Energy Equipment	1,611,880	-	250,775	1,361,105	257,666
HUD Section 108	231,000	-	231,000	-	-
Total notes payable	1,842,880	-	481,775	1,361,105	257,666
Compensated absences	5,984,740	5,226,137	5,239,336	5,971,541	214,840
Capital lease payable:					
Building	1,330,187	-	41,253	1,288,934	44,852
Fleet Equipment	1,485,501	-	449,912	1,035,589	456,244
Total capital lease payable	2,815,688	-	491,165	2,324,523	501,096
Long-term liabilities	<u>\$ 197,263,287</u>	<u>\$ 73,009,783</u>	<u>\$ 71,489,216</u>	<u>\$ 198,783,854</u>	<u>\$ 5,524,803</u>
Business-type activities:					
Water & sewer revenue bonds	\$ 8,815,000	\$ -	\$ 2,890,000	\$ 5,925,000	\$ 2,935,000
Certificates of Participation	23,875,000	-	-	23,875,000	-
Net pension liability (GERS)	13,275,803	9,692,778	6,910,246	16,058,335	-
Total OPEB liability*	1,891,593	191,996	88,103	1,995,486	-
Notes payable - Energy Equipment	5,836,080	-	907,973	4,928,107	932,922
Compensated absences	1,085,428	720,239	749,569	1,056,098	120,823
Business-type activity					
Long-term liabilities	54,778,904	10,605,013	11,545,891	53,838,026	3,988,745
Total long-term liabilities	<u>\$ 252,042,191</u>	<u>\$ 83,614,796</u>	<u>\$ 83,035,107</u>	<u>\$ 252,621,880</u>	<u>\$ 9,513,548</u>

***Note:** Beginning balance has been restated for the effects of adopting GASB Statements No. 75. See Note (III)(H).

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities.

For the governmental activities; pension liabilities, compensated absences and OPEB liabilities are generally liquidated by the General Fund and EMS Funds. Pension contributions are paid by the General Fund and EMS Funds as actuarially determined by the actuaries of the pension plans.

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Bond indentures for the water and sewer bonds contain provisions relating to annual debt service payments, restricted account transactions, minimum sinking fund requirements, and minimum revenue levels. The City believes that it is in compliance with all bond provisions and maintained reserves totaling \$4,414,723 at September 30, 2018.

The City Charter limits the amount of net general obligation bonded debt to 15% of the assessed property valuation. At September 30, 2018, the statutory limit for the City was approximately \$1.8 billion, providing a legal debt margin of approximately \$1.8 billion, as the City had no general obligation debt outstanding at September 30, 2018.

The Tax Reform Act of 1986 arbitrage rebate regulations require earnings from investment of tax-exempt debt proceeds which exceed the yield on the debt to be remitted to the federal government every five years. As of September 30, 2018 the City had negative arbitrage related to all outstanding bond issues. Amounts to be rebated, if any, depend on net results of arbitrage calculations in future years.

The annual requirements to pay principal and interest on bonds and notes at September 30, 2018 are as follows:

Bonds:

	Governmental Activities						
	Northwest (NW) CRA District			East CRA District			Total
	Principal	Interest	Subtotal NW District	Principal	Interest	Subtotal East District	
2019	\$ 540,542	\$ 7,210	\$ 547,752	\$ 735,000	\$ 362,355	\$ 1,097,355	\$ 1,645,107
2020	-	-	-	765,000	336,255	1,101,255	1,101,255
2021	-	-	-	790,000	309,198	1,099,198	1,099,198
2022	-	-	-	820,000	281,184	1,101,184	1,101,184
2023	-	-	-	845,000	252,213	1,097,213	1,097,213
2024 - 2028	-	-	-	4,700,000	790,134	5,490,134	5,490,134
2029 - 2030	-	-	-	2,125,000	74,559	2,199,559	2,199,559
	<u>\$ 540,542</u>	<u>\$ 7,210</u>	<u>\$ 547,752</u>	<u>\$10,780,000</u>	<u>\$2,405,898</u>	<u>\$ 13,185,898</u>	<u>\$ 13,733,650</u>

	Business-type Activities		
	Principal	Interest	Total
2019	\$ 2,935,000	\$ 99,540	\$ 3,034,540
2020	2,990,000	50,232	3,040,232
	<u>\$ 5,925,000</u>	<u>\$ 149,772</u>	<u>\$ 6,074,772</u>

Notes:

On November 12, 2010 the City entered into a loan agreement which allowed the City to be reimbursed for the purchase of energy equipment up to a maximum of \$13,500,000. At September

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30, 2018, the City's obligation under the note, inclusive of accrued interest was \$6,289,212 and allocated between Governmental and Business-type Activities was as follows:

	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2019	\$ 257,666	\$ 34,409	\$ 292,075	\$ 932,922	\$ 124,582	\$ 1,057,504
2020	264,746	27,328	292,074	958,558	98,947	1,057,505
2021	272,021	20,054	292,075	984,898	72,607	1,057,505
2022	279,496	12,579	292,075	1,011,961	45,543	1,057,504
2023	287,176	4,897	292,073	1,039,768	17,737	1,057,505
	<u>\$ 1,361,105</u>	<u>\$ 99,267</u>	<u>\$ 1,460,372</u>	<u>\$ 4,928,107</u>	<u>\$ 359,416</u>	<u>\$ 5,287,523</u>

On November 23, 2015 the City received a \$4,308,000 loan commitment from the U.S. Department of Housing and Urban Development (HUD) Section 108 Loan Guarantee Program. HUD will raise the funds via a public offering of its trust certificates at a future date. In the interim the City may elect to be advanced funds via interim financing from a financial institution selected by HUD. As of September 30, 2018, the City has received \$388,000 in interim financing related to the \$4,308,000 loan commitment from HUD. The balance on the loan as of September 30, 2018 is \$0. The purpose of this loan is to maximize existing right-of-ways to add sidewalks where they may be missing or widen existing sidewalks wherever possible to provide a better pedestrian experience; improve and upgrade existing water, sewer and drainage facilities that promote opportunities for future growth and encourage private investment; add lush landscaping features and pedestrian-friendly light fixtures; and, implement traffic calming features to inspire a safer environment. The project will expand on recent improvements carried out by the Pompano Beach Community Redevelopment Agency (CRA) in Downtown Pompano and will span the following areas:

- NE 1st Street
- Flagler Ave
- NE 3rd Street
- NE 4th Street
- NE 2nd Ave
- NE 3rd Ave

The interest rate is variable (3 month Libor plus 20 basis points) until the date HUD converts it into a permanent loan or the redemption date, whichever is earlier. These dates have not been determined. During the interim period, interest will be billed the City on the first day of each February, May, August and November. A schedule of principal and interest will be provided by HUD after the conversion of the loan.

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Other unamortized amounts on bond refunding

Deferred charges (difference between carrying value of old debt and reacquisition price of new debt) on the bond refunding of the 1993, 2000 and 2006 Water and Sewer Revenue Bonds are being amortized over the life of the latest refunding (Water and Sewer Revenue Refunding Bonds, Series 2014) in the Utility Fund and the government-wide financial statements using the effective interest method. The deferred charge was \$103,665 at September 30, 2018. This amount is reported as a deferred outflows of resources at September 30, 2018.

Certificates of Participation

The annual requirements to pay principal and interest on certificates of participation at September 30, 2018 are as follows:

	Business-type Activities		
	Principal	Interest	Total
2019	\$ -	\$ 1,249,960	\$ 1,249,960
2020	100,000	1,248,431	1,348,431
2021	500,000	1,238,335	1,738,335
2022	500,000	1,220,700	1,720,700
2023	500,000	1,201,990	1,701,990
2024-2028	3,385,000	5,623,239	9,008,239
2029-2033	5,535,000	4,539,435	10,074,435
2034-2038	8,715,000	2,592,701	11,307,701
2039-2040	4,640,000	264,166	4,904,166
	<u>\$ 23,875,000</u>	<u>\$ 19,178,957</u>	<u>\$ 43,053,957</u>

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Capital Lease

On September 16, 2014 the Pompano Beach Community Redevelopment Agency entered into an agreement as lessee for the lease of a 6,098 square foot building located at 11 NE 1st Street in downtown Pompano. The lease is for twenty (20) years and is subject to annual rent increases of 3%. The annual interest rate on the lease is 2.91%. The lease agreement qualifies as a capital lease for accounting purposes and therefore has been recorded at the present value of the future minimum lease payments as of the inception date.

Future minimum lease obligations are as follows:

Fiscal Year Ending September 30,	Governmental Activities
2019	\$ 82,360
2020	84,831
2021	87,376
2022	89,997
2023	92,697
2024 - 2028	506,906
2029 - 2033	587,643
2034 - 2034	128,315
Total minimum lease payments	1,660,125
Less: Amount represent interest	371,191
Present value of minimum lease payments	\$ 1,288,934

On October 27, 2015 the City entered into an agreement as lessee for the lease of equipment and approximately thirty-one (31) vehicles of various types to be used for the City's fire services, grounds and parks maintenance, recreation activities, public works and code compliance operations. The lease is for five (5) years with an annual interest rate on the lease is 1.40%. The lease agreement qualifies as a capital lease for accounting purposes and therefore has been recorded at the present value of the future minimum lease payments as of the inception date.

Future minimum lease obligations are as follows:

Fiscal Year Ending September 30,	Governmental Activities
2019	\$ 468,354
2020	468,354
2021	117,088
Total minimum lease payments	1,053,796
Less: Amount represent interest	18,207
Present value of minimum lease payments	\$ 1,035,589

(G) Operating Leases

The City is a lessee in a long-term land lease in order to receive access to a tract of land at the Hillsboro Inlet. The lease expires in 55 years and is adjusted for changes in the

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Consumer Price Index every three years.

The lease payments are as follows:

Fiscal Year Ending September 30,	Governmental Activities
2019	\$ 377,418
2020	377,418
2021	377,418
2022	377,418
2023	377,418
2024 - 2028	1,887,090
2029 - 2033	1,887,090
2034 - 2038	1,887,090
2039 - 2043	1,887,090
2044 - 2048	1,887,090
2049 - 2053	1,887,090
2054 - 2058	1,887,090
2059 - 2063	1,887,090
2064 - 2068	1,887,090
2069 - 2073	1,887,090
Total lease payments	<u><u>\$ 20,757,990</u></u>

(H) Governmental Fund - Fund Balance

Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Please refer to Note (I)(R) for a description of these categories.

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NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2018

The City Commission has adopted a formal minimum unassigned fund balance policy for the General Fund via Resolution No. 2013-358, whereby a target equal to at least 17% of that fund's annual appropriation budget must be maintained.

Below is a table of fund balance categories and classifications at September 30, 2018 for the City's governmental funds:

	<u>General</u>	<u>NW CRA District</u>	<u>East CRA District</u>	<u>Emergency Medical Services</u>	<u>Capital Projects</u>	<u>Non-major Gov't Funds</u>
Fund Balances:						
Non-spendable						
Inventory	\$ 200,298	\$ -	\$ -	\$ 314,917	\$ -	\$ -
Prepays	918,912	-	-	-	-	-
Advances to other funds	2,383,475	-	-	-	-	-
Restricted:						
Building Permit Function	-	-	-	-	-	12,686,132
Emergency Medical Services	-	-	-	516,163	-	-
Transportation	-	-	-	-	-	88,850
Cultural Arts	-	-	-	-	-	532
Community Redevelopment	-	40,788,577	10,854,191	-	-	-
Committed:						
Cemetery Care	-	-	-	-	-	1,369,925
Disaster Relief	-	-	-	-	-	398,099
Affordable Housing	-	-	-	-	-	1,325,841
Tree Canopy Landscape/ Tricentennial/Nautica Flea Mkt.	-	-	-	-	-	631,132
Beach Area Parking	-	-	-	-	-	5,609
Emergency Medical Services	-	-	-	-	-	26,632
Assigned:						
Fire Stations	-	-	-	-	246,387	-
Culture, Recreation & Leisure	-	-	-	-	7,206,951	-
Canal Dredging/Seawall Repairs	-	-	-	-	59,959	-
Seawall Repairs	-	-	-	-	193,291	-
General Government Bldg. Improvs.	-	-	-	-	1,198,992	-
City Landscaping\Signage\Lighting	-	-	-	-	2,002,741	-
Bridge Repairs\Enhancements	-	-	-	-	1,571,094	-
Traffic Signals	-	-	-	-	24,413	-
Underground Utilities/Traffic Signals	-	-	-	-	1,772,240	-
Railroad Crossing Repairs	-	-	-	-	3,014,604	-
Road/Sidewalks/Parking Lots	-	-	-	-	8,294,093	-
Art in Public Places	-	-	-	-	547,432	-
Capital Reserves	-	-	-	-	457,032	-
General Government (Encumbrances)	734,745	-	-	-	-	-
Public Safety (Encumbrances)	128,557	-	-	-	-	-
Physical Environment (Encumbrances)	309,555	-	-	-	-	-
Culture & Recreation (Encumbrances)	374,239	-	-	-	-	-
Subsequent Year's Expenditures	1,961,118	-	-	-	-	-
Unassigned						
General Government	28,424,188	-	-	-	-	-
2018 GO Bonds	-	-	-	-	-	(358,707)
Reimbursable Grants	-	-	-	-	-	(2,151,189)
Total Fund Balances	<u>\$ 35,435,087</u>	<u>\$ 40,788,577</u>	<u>\$ 10,854,191</u>	<u>\$ 831,080</u>	<u>\$ 26,589,229</u>	<u>\$ 14,022,856</u>

CITY OF POMPANO BEACH, FLORIDA
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(I) Property Taxes

The City levies property taxes each October 1, which becomes a lien on real and personal property located in the City. Property taxes are based on the assessed values determined by the Broward County Property Appraiser as of the prior January 1. The current year's levy is based on assessed property values totaling approximately \$12.0 billion. Taxes are collected directly by Broward County and remitted to the City as collected.

The State of Florida permits the City to levy taxes up to 10 mills of assessed property valuation for the General Fund. The City levied taxes at 4.9865 mills for the General Fund and .5000 mills for the EMS District for the fiscal year ended September 30, 2018.

All taxes are due from property owners on March 31. Taxes become delinquent on April 1 and are subject to the issuance of tax sale certificates if unpaid by June 1. Gross tax collections for the year ended September 30, 2018 were approximately 98.0% of the total tax levy.

(J) Post Employment Benefits Other Than Pensions

Plan Description - The City as a single employer, maintains a Post Employment Benefits Plan, for benefits other than pension (OPEB). There are no assets accumulated in a trust that meet the criteria in paragraph 4 of Statement 75. Pursuant to Section 112.0801, Florida Statutes, the City is mandated to permit participation in the health insurance program by eligible retirees (as defined in the City's pension plans as discussed in more detail at Note III) and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees.

Benefits Provided - Retirees pay 100% of the blended (active and retiree combined) equivalent premium rates. The blended rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. The OPEB Plan does not issue a separate stand alone financial report. The City is financing the post employee benefits on a pay-as-you go basis. For fiscal year 2018, 57 retirees received health care benefits. Annual payments amounted to \$1,669,879 for the current fiscal year, towards which the City made \$541,412 (implicit subsidy) in benefit payments. Retirees made the remaining payments of \$1,128,467 for the fiscal year ended September 30, 2018.

Employees covered by benefit terms. At September 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	57
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	705
Total	762

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Total OPEB Liability

The City's total OPEB liability of \$12,262,580 was measured as of September 30, 2018, and was determined by an actuarial valuation as of October 1, 2017.

Actuarial assumptions and other inputs. The total OPEB liability in the September 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate

3.64% per annum; this rate was used to discount all future benefit payments and is based on the return on the S&P Municipal Bond 20-year High Grade Index as of the measurement date.

Salary increases

3.00% per annum.

Cost-of-living increases

Retiree contributions, health insurance premiums, and the implied subsidy have been assumed to increase in accordance with the healthcare cost trend rates.

Healthcare cost trend rates

Increases in healthcare costs are assumed to be 8.00% for the 2017/18 fiscal year graded down by 0.50% per year to 5.00% for the 2023/24 and later fiscal years.

Age-related morbidity

Healthcare costs are assumed to increase at the rate of 3.50% for each year of age.

Implied subsidy

Because the insurance carrier charges the same monthly rate for health insurance regardless of age, an implied monthly subsidy for the retiree of \$425.00 under the HMO plan or \$550.00 under the PPO plan has been assumed at age 62 for the 2017/18 fiscal year; at other ages, the implied subsidy was developed based on the age-related morbidity assumption and, for other fiscal years, the implied subsidy was increased in accordance with the healthcare cost trend rates; the implied subsidy is assumed to disappear at age 65.

Retirement

For general employees, retirement is assumed to occur at the earlier of age 55 with 20 years of service or age 62 with three years of service, but no earlier than age 60; for firefighters and police officers, retirement is assumed to occur at age 47 with 20 years of service (if hired before May 27, 2014), age 50 with 20 years of service (if hired after May 26, 2014), or age 55 with 10 years of service, but no earlier than age 55.

Other decrements

Assumed employment termination is based on the Scale 155 table; assumed disability is

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based on the Wyatt 1985 Disability study (Class 1 for general employees and Class 4 for firefighters and police officers).

Coverage election

50% of eligible employees are assumed to elect medical coverage upon retirement or disability in accordance with their current election as to plan choice and spousal coverage; coverage for spouses is assumed to end upon the retiree's death.

Spouses and dependents

Husbands are assumed to be three years older than wives; retirees are not assumed to have any dependent children.

COBRA

Future healthcare coverage provided solely pursuant to COBRA was not included in the OPEB valuation; because the COBRA premium is determined periodically based on plan experience, the COBRA premium to be paid by the participant is assumed to fully cover the cost of providing healthcare coverage during the relevant period.

Mortality rates

Mortality rates were based on sex-distinct rates set forth in the RP-2000 Combined Mortality Table (general employees) or RP-2000 Blue Collar Mortality Table (firefighters and police officers), both with full generational improvements in mortality using Scale BB.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balances at 9/30/2017	\$ 11,624,145
Changes for the year:	
Service cost	739,573
Interest	440,274
Benefit payments	(541,412)
Net changes	638,435
Balances at 9/30/2018	\$ 12,262,580

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
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Sensitivity of Total OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.64 percent) or 1-percentage-point higher (4.64 percent) than the current discount rate:

	1% Decrease (2.64%)	Discount Rate (3.64%)	1% Increase (4.64%)
Total OPEB liability	\$ 13,347,288	\$ 12,262,580	\$ 11,285,607

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the County, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (7.0 percent decreasing to 4.0 percent) or 1-percentage-point higher (9.0 percent decreasing to 6.0 percent) than the current healthcare cost trend rates:

	1% Decrease (7.0% decreasing to 4.0%)	Healthcare Cost Trend Rates (8.0% decreasing to 5.0%)	1% increase (9.0% decreasing to 6.0%)
Total OPEB liability	\$ 10,930,412	\$ 12,262,580	\$ 13,830,093

For the year ended September 30, 2018, the City recognized positive OPEB expense of \$638,435. At September 30, 2018, the City reported no deferred outflows of resources and deferred inflows of resources related to OPEB.

(K) Pollution Remediation Obligations

With the passage of Governmental Accounting Standards Board Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations (GASB 49) the City is required to reasonably estimate and report a pollution remediation liability when any of the following obligating events has occurred:

- Pollution poses an imminent danger to the public and the City is compelled to take action;
- The City is found in violation of a pollution related permit or license;
- The City is named, or has evidence that it will be named as a responsible party by a regulator;
- The City is named, or has evidence that it will be named in a lawsuit to enforce a

CITY OF POMPANO BEACH, FLORIDA
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cleanup; or

- The City commences or legally obligates itself to conduct remediation activities.

The City has recorded a pollution remediation liability at September 30, 2018 utilizing the expected cash flow technique. Under this technique, the City estimated a reasonable range of potential outlays and multiplied those outlays by their probability of occurring. This liability could change over time due to changes in costs of goods and services, changes in remediation technology, or changes in laws and regulations governing the remediation efforts.

The City owns the site referred to as the former Sabals Golf Course at 31st Avenue (just north of Atlantic Boulevard and also referred to as "12 acre park"). Based on the environmental assessment results and the anticipated redevelopment plans for the site, present state law requires the City to undertake pollution remediation efforts. Shallow soil remediation or some other means of controlling exposure will be required to support development. The City anticipates using engineering controls to remove the required amount of soil and cover the remainder with an impermeable cap consisting of asphalt, concrete or similar material.

The following pollution remediation obligation has been recorded at September 30, 2018, related to 12 acre park by the City:

	Governmental Activities
Environmental remediation liability, beginning of year	\$ 1,394,000
Expected additional future outlays, increasing liability estimates	-
Fiscal year 2018 outlays for environmental remediation	(36,965)
Reduction in liability estimates	(371,436)
Estimated recoveries from third parties or tax credits	-
Environmental remediation liability, end of year	<u>\$ 985,599</u>

(III) OTHER INFORMATION

**(A) Employee Retirement System
Police and Firefighters' Retirement System**

1. Summary of Significant Accounting Policies

Basis of accounting – The PFRS's financial statements are prepared using the accrual basis of accounting. Contributions from the Plan's members are recognized as revenue in the period in which the contributions are due. Contributions from the City and the Broward Sheriff's Office (BSO), as calculated by the System's actuary, are recognized as revenue when due and when the entities have made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

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Method used to value investments – Investments are reported at fair value except for the money market funds which are reported at amortized cost. Fair value is 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. Net appreciation (depreciation) in fair value of investments includes realized and unrealized gains and losses. Realized gains and losses are determined on the basis of specific cost. Interest and dividends are recorded as earned. Purchases and sales of investments are recorded on a trade date basis. Dividends are recorded on the ex-dividend date. For more detail regarding the methods used to measure the fair value of investments, refer to the fair value hierarchy discussed in Note (II)(A).

Use of estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires the plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

2. Plan Description and Contribution Information

The following brief description of the Plan is provided for general information purposes only. Participants should refer to City ordinances for more complete information.

Plan description – The Pompano Beach Police and Firefighters' Retirement System ("PFRS") was established by ordinance of the City of Pompano Beach, Florida ("City") on August 15, 1972 (effective October 1972), to account for the financial activity of the Pompano Beach Police and Firefighters' Retirement Plan ("Plan"). The PFRS is a single-employer defined benefit pension plan, which is administered by a nine member Board of Trustees comprised of three members appointed by the City Commission, three members elected by/from the Firefighter members, and three members elected by/from the Police members. Ordinance Section No. 34.047 provides the Board of Trustees sole and exclusive responsibility for the administration and operation of the PFRS, including the authority to establish and amend benefit terms and contribution requirements.

All full time employees of the police and fire departments, who are classified as sworn police officers and firefighters are covered by this single employer defined benefit pension plan. In August 1999, the City contracted with the Broward County Sheriff's Office ("BSO") whereby the BSO would provide policing services in Pompano Beach. As a result, all of the City's police officers were employed by the BSO. Participating police officers were given the option to either remain in the Plan or switch to the BSO's retirement plan and the Plan was closed to new police officers. The PFRS is an integral part of the primary government of the City and is included as a pension trust fund in the City's basic financial statements. However, the PFRS also issues a stand alone financial report that may be obtained by writing to the Pension Board, P.O. Box 610489, Pompano Beach, Florida 33061-0489.

The PFRS provides retirement, death and disability benefits for its members. Benefit provisions are established and may be amended by the City of Pompano Beach, in conjunction with the members' collective bargaining units. A member may retire with normal benefits after reaching age 47 and accumulating 20 or more years of credited service or age 55 and accumulating 10 or more years of credited service. Pursuant to

CITY OF POMPANO BEACH, FLORIDA

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Ordinance 2014-61, firefighters hired on or after May 27, 2014, may retire with normal benefits after reaching age 50 and accumulating 20 or more years of credited service or age 55 and accumulating 10 or more years of credited service. Pursuant to Ordinance 2008-54, a police officer with 25 years of credited service may elect to purchase unreduced normal retirement benefits regardless of age. Normal retirement benefits are stipulated in Section 34.055 of the City's Code of Ordinances and are contingent upon a member's employment classification, separation date, length of service and average monthly earnings. In general, normal retirement benefits are the member's average monthly earnings times the number of years of service multiplied by a factor ranging from 2.0% to 4.0%. Members with 20 or more years of service may receive an early retirement benefit at age 47 or an immediate benefit at a reduced amount. Members who have attained age 50 and have completed 10 years of service are also eligible for an early retirement benefit.

Each October 1, an automatic cost of living adjustment (COLA) of 2% is provided to those retirees who have been retired at least 5 years. An additional increase of up to 1% may be paid to those same retirees under certain circumstances.

A member attaining age 47 with 20 or more years of credited service is eligible for delayed retirement. These benefits begin upon application and are computed in the same manner as the normal retirement benefit.

Disability benefits for service related disabilities are paid to the member for at least 10 years or until recovery. Benefits are calculated as 75% of the member's final earnings in effect at the date the benefit is approved. Disability benefits for non-service related disabilities for members with 10 or more years of credited service are paid to a member for at least 10 years or until recovery. Benefits are calculated as 3% of the member's average monthly earnings times the number of credited service years, up to a maximum of 60% of the member's salary, plus 2% of average monthly earnings times the number of credited service years in excess of 25 years.

Pre-retirement death benefits for service related deaths are payable to the member's surviving spouse until death or remarriage (for life if the member was killed in the line of duty). Benefits are calculated as \$5,000 lump sum payment plus 75% of the member's final earnings. In addition, eligible children each receive 7.5% of the member's final earnings. If no eligible surviving spouse exists, eligible children each receive 15% of the member's final earnings not to exceed 50%. Pre-retirement death benefits for non-service related deaths of members with more than 10 years of credited service are payable to a designated beneficiary. The designated beneficiary may elect to receive a return of the member's contribution plus interest or an accrued benefit payable at normal retirement or early retirement. In addition, the designated beneficiary may elect the pre-retirement death benefit for non-service related deaths of members with 5 to 10 years of credited service. Pre-retirement death benefits for non-service related deaths of members with 5 to 10 years of credited service are paid to the member's surviving spouse for life. Benefits are computed as a \$5,000 lump sum plus 65% of the member's accrued benefits at the date of death, subject to a minimum of 20% of the member's average monthly salary. In addition, eligible children each receive 7.5% of the member's final earnings. If no eligible surviving spouse exists, eligible children each receive 15% of the member's final earnings. The pre-retirement death benefit for members with 1 to 5 years of credited service is a \$5,000 lump sum payment to the member's designated

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beneficiary. Post retirement death benefits are payable to the member's beneficiary in accordance with the terms of the payment method selected.

A member with less than 10 years of credited service who terminates employment is refunded his or her contributions, plus interest of 3%. A member with 10 or more years who terminates employment may receive his or her accrued benefit or a refund of contributions plus 3% interest.

Membership consisted of the following at October 1, 2017, the date of the latest actuarial valuation:

Inactive Plan members or beneficiaries currently receiving benefits	399
Inactive plan members entitled but not yet receiving benefits	4
Active plan members	170
Total	<u>573</u>

Deferred Retirement Option Plan (Drop) Plan - Any member who is eligible to receive a normal retirement pension and prior to attaining 25 years of service may elect to participate in a deferred retirement option plan ("DROP") while continuing his or her active employment as a police officer or firefighter. The maximum DROP participation period is five years for police officers and eight years for firefighters. A member with 25 years of credited service, who is not yet eligible for normal retirement may elect to participate in the DROP upon reaching normal retirement. Upon participation in the DROP, the member becomes a retiree for all PFRS purposes so that he or she ceases to accrue any further benefits under the pension plan. Normal retirement payments that would have been payable to the member as a result are accumulated and invested in the DROP plan to be distributed to the member upon his or her termination of employment. Participation in the DROP plan ceases for a member after 5 years for police officers and 8 years for firefighters. As of September 30, 2018, the balance in the DROP account was \$16,238,241, with 53 DROP participants. These amounts are included in the total investment balance presented on the statement of fiduciary net position.

Drop Loan Program - The PFRS allowed participants to borrow from their DROP account. The loan limit is up to 50% of participant's account balance, subject to a minimum of \$5,000 and a maximum of \$50,000. The interest rate charged is the "prime rate" in effect on the day of loan application and the repayment schedule and maturity date may not exceed five years. At September 30, 2018, the balance of DROP loans outstanding was \$180,715.

Share Plan - A Supplemental Retirement Benefit Plan was established for firefighter members who were employed on October 1, 2010. Firefighters who were actively employed on that date were given a share, based on completed months of service, of the existing Chapter 175 reserves. Annually thereafter, Chapter 175 contributions exceeding \$821,230 are also allocated to members who are employed at the end of each fiscal year. In addition, earnings are posted to the share plan accounts each January 1. Firefighters become vested in their accounts at the rate of 50% after 10 years of service, 75% after 15 years of service and 100% after 20 years of service. As of September 30, 2018, the balance in the share plan account was \$5,448,724. This amount is included in the total investment balance presented on the statement of fiduciary net position.

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Effective February 28, 2017, a Supplemental Retirement Benefit Plan for police officer members was established in accordance with Chapter 185, Florida statutes. Under this Plan, a portion of monies received from the Chapter 185 contributions is set aside to provide special benefits to eligible police officer members. Annually, Chapter 185 contributions exceeding \$876,088 are allocated 50% to a police Share Plan and 50% to reduce the unfunded actuarial liability of the Plan. In accordance with a policy adopted on July 10, 2018, police officer members who were vested with a minimum of ten years of service as of February 28, 2017 were each given a share. The Share Plan funds are allocated to all eligible police members at the end of each fiscal year and distributed to retired police officers annually on December 1. Share Plan funds are held in an account with posted earnings for the remaining active police members until retirement pay status is attained. As of September 30, 2018, the balance in the police officers' Share Plan account was \$500,118, and the manner of allocation and distribution has not yet been determined. This amount is included in the total investment balance presented on the statement of fiduciary net position.

Contributions – Contribution requirements are established and may be amended by the City in conjunction with the Broward County Police Benevolent Association and the Pompano Beach Professional Firefighters Local 1549. The contribution requirements are determined based on the benefit structure established by the City. The City is required to contribute amounts necessary to finance the benefits through periodic contributions at actuarially determined rates. Police officers are required to contribute 8.6% and firefighters 11.6% of their annual covered salary. Pursuant to chapters 175 and 185 of the Florida Statutes, a premium tax on certain property and casualty insurance contracts written on Pompano Beach properties is collected by the State and is remitted to the PFRS. The City and BSO are required to contribute the remaining amounts necessary to fund the benefits through periodic contributions at actuarially determined rates. Administrative costs are funded through investment earnings.

In accordance with Florida Statutes, and in the absence of mutual consent, additional premium tax revenues in excess of a base amount are reserved 50%, to fund minimum benefits or benefits in excess of minimums, and 50% to fund a Share Plan. As of the October 1, 2017 actuarial valuation, the cumulative balance of additional premium tax revenues reserved to provide Share Plan benefits to firefighter members (Chapter 175 funds) totaled \$406,615 and was allocated to the members' Share Plan accounts on January 1, 2018. As of the October 1, 2017 actuarial valuation, the cumulative balance of additional premium tax revenues used to provide Share Plan benefits to police officer members (Chapter 185 funds) totaled \$314,032. Chapter 185 premium tax funds in excess of the minimum received in 2018 totaled \$372,173 of which \$186,087 was allocated to reduce the unfunded actuarial liability of the Plan and \$186,086 was allocated to the members' Share Plan accounts on September 30, 2018.

3. Due to Brokers

Pending trades payable amounting to \$662,112 at September 30, 2018 account for amounts due to the PFRS's broker for investment purchases made with trade dates prior to the fiscal year end and settlement dates after the fiscal year end. The trades will be settled by receiving or liquidating cash equivalents.

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(B) Employee Retirement System
General Employees' Retirement System

1. Summary of Significant Accounting Policies

Basis of Accounting – The GERS's financial statements are prepared using the accrual basis of accounting. Member contributions are recognized as revenues in the period in which employee contributions are due.

Use of Estimates – The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, benefit obligations and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

City and County contributions are recognized as revenues when due pursuant to actuarial valuations. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Investments – Plan investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. (Please refer to Note (II)(A) for discussion of fair value measurements).

Purchases and sales of investments are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net (depreciation) appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

2. Plan Description

Organization – The City of Pompano Beach General Employees' Retirement System (the GERS) is a single employee defined benefit pension plan established by the City of Pompano Beach, Florida (the City), on December 8, 1972. The GERS reflects the provisions and requirements of Ordinance Section No. 34.010 through 34.040, as amended. In September 1991, the City contracted with Broward County for the operation of the Pompano Beach Public Library. As part of this agreement, all City employees who chose to remain in the library system became employees of Broward County. These employees were given the option of remaining in the GERS, in which case Broward County would make the required annual employer contributions as determined by the Plan actuary. In August 1999, the City also contracted with the Broward County Sheriff's Office ("BSO") whereby the BSO would provide policing services in Pompano Beach. As a result, certain code enforcement officers were employed by the BSO. Participating code enforcement officers were given the option to either remain in the Plan or switch to the BSO's retirement plan.

The GERS is administered by a seven member Board of Trustees comprised of three

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persons elected directly by the members, three persons who are not members appointed by the City Commission and one person elected by the other six trustees. Ordinance Section No. 34.012 provides the Board of Trustees sole and exclusive responsibility for the administration and operation of the GERS, including the authority to establish and amend benefit terms and contribution requirements.

Since the GERS is sponsored by the City, the GERS is included as a pension trust fund in the City's comprehensive annual financial report, as part of the City's financial reporting entity. The GERS issues a stand alone financial report that may be obtained by writing to the Pension Board, 555 S. Andrews Avenue, Suite 106, Pompano Beach, Florida 33069.

The following brief description of the GERS is provided for general information purposes only. Participants should refer to the Plan document for more detailed and comprehensive information.

Participants

Participants are all general employees with full-time status, elected officials and appointees and senior managers of the City of Pompano Beach who have met the requirements of the City's merit system. Members are further divided in the following two tiers:

Tier One members are those members hired prior to June 8, 2011.

Tier Two members are those members hired on or after June 8, 2011.

Membership

At September 30, 2018, pension plan membership consisted of the following:

Inactive members or their beneficiaries currently receiving benefits	441
Inactive members entitled to but not yet receiving benefits	26
Active members	<u>488</u>
Total	<u><u>955</u></u>

Pension Benefits

Normal retirement is at the earlier of attainment of age 55 and 20 completed years of credited service or age 62 and 3 completed years of credited service. Several benefit options are available to members that are elected at time of retirement. Early retirement, disability, death and other benefits are also provided. General employees have vested benefits after 7 years of creditable service in accordance with qualifications under the plan. Elected officials, appointees, and senior management have vested benefits after 5 years of creditable service in accordance with qualifications under the plan.

Tier One members

Normal retirement benefit is calculated using 2.75% of the Average Monthly Salary multiplied by the years of credited service. Average Monthly Salary is the average of the highest completed 78 bi-weekly pay periods times 1.0048.

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Tier Two members

Normal retirement benefit is calculated using 2.00% of the Average Monthly Salary multiplied by the years of credited service. Average Monthly Salary is the average of the highest completed 130 bi-weekly pay periods times 1.0048.

Deferred Retirement Option Plan (DROP)

Any member who is eligible to receive a normal retirement pension may freeze their accrued benefits and elect to participate in a DROP while continuing their active employment. For members electing participation in the DROP, an individual DROP account shall be created. Payment shall be made by the Plan into the employee's DROP account in an amount equal to the regular monthly retirement benefit which the participant would have received had the participant separated from service and commenced receipt of pension benefits plus interest. Interest shall be at the same rate as the investment earnings assumption for the Plan. Participation in the DROP is limited to sixty months.

Cost of Living Adjustment (COLA)

Tier One members

The Plan allows for an annual guaranteed Cost of Living Adjustment (COLA) equal to two percent (2%) payable on October 1, plus an additional variable COLA equal to up to one percent (1%) if Plan earnings are sufficient (as certified by the Plan's actuary). The COLA is payable to each Retiree who has been retired for at least one year at the time of COLA payment (October 1). All retirees and their beneficiaries are eligible for the COLA once they have been retired for one year.

Tier Two members

The Plan allows for an annual guaranteed Cost of Living Adjustment (COLA) for eligible Retirees over the age of 55, payable to each Retiree who has been retired for five years at the time of the COLA payment (October 1). The amount is determined by the Retirees' age on October 1. The COLA amount is one percent (1%) for Retirees between the ages of 55 and 64. For Retirees age 65 and older, the COLA amount is two percent (2%). In addition, eligible Retirees may receive an additional variable COLA equal to up to one percent (1%) if Plan earnings are sufficient (as certified by the Plan's actuary).

Funding Requirements and Funding Status of Plan

Member Contributions:

Tier One members are required to contribute 10% of their earnings to the Plan. Tier Two members are required to contribute 7% of their earnings to the Plan. If a member terminates their employment before they become eligible to receive benefits, the accumulated contributions will be returned to the members plus interest at 3% per year.

City Contributions:

The City is to contribute such amounts as are necessary to maintain the actuarial soundness of the Plan and to provide the Plan with assets sufficient to meet the benefits to be paid to the participants.

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County Contributions:

The County is to contribute such amounts as determined by the actuary to cover Broward Sheriff's Office employees.

Investments

The Plan contracts with investment managers who supervise and direct the investment of the assets. In addition, the Plan utilizes an investment monitor to evaluate and report on quarterly basis, compliance by the investment managers with the investment policy of the Board and investment performance of the Plan. The investment policy statement was last amended on June 20, 2017.

(C) Other Pension Information

1. Contribution Rates and Actual Contributions

	Police and Firefighters'	General Employees
Contributions:		
Plan members:		
General Employees	-	10.00% ⁽¹⁾
Police	8.60%	-
Fire	11.60%	-
Contributions made:		
Employer	\$ 10,775,021	\$ 8,301,969
Plan members	1,708,166	2,663,296
State	2,501,946 ⁽²⁾	-

⁽¹⁾ 7% for employees hired on or after June 8, 2011

⁽²⁾ The Police and Firefighters Plan is also funded by contributions from the State of Florida under Chapters 175 (Firefighter Pensions) and 185 (Municipal Police Pensions) of Florida Statutes. This contribution consists of excise taxes collected on fire and casualty insurance premiums on policies written within the City.

Beginning in fiscal year 1998, the State, by passage of Chapters 175 and 185 of Florida Statutes, limited the allowable premium tax credit to the base amount received by the Plan in 1997 plus any fire supplemental payments received from the State subsequent to 1997. The City is allowed to take an additional credit for any improved benefits (approved by City Ordinance) provided to the firefighters resulting in additional costs to the Plan. The annual credit taken, which is equal to the sum of the 1997 base amount plus additional fire supplemental payments received and additional costs incurred from improved benefits cannot exceed the actual premium taxes received for that fiscal year. For the fiscal year ended September 30, 2018 the Plan received \$2,501,946 for the Police and Firefighters Plan. This amount is recorded as intergovernmental revenue and public safety expenditures (on behalf payments) in the City's General Fund and as operating grants and contributions and public safety expenses for governmental activities in the

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government-wide financial statements.

2. Net Pension Liability

Police and Firefighters

The City's net pension liability was measured as of September 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2017. Update procedures were used to roll forward the total pension liability to the measurement date. The components of the net pension liability of the City at September 30, 2018 were as follows:

Total pension liability	\$350,950,167
Plan fiduciary net position	<u>246,351,626</u>
Net pension liability	<u>\$104,598,541</u>
Plan fiduciary net position as a percentage of the total pension liability	70.20%

General Employees

The City's net pension liability was measured as of September 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2016. Update procedures were used to roll forward the total pension liability to the measurement date. The components of the net pension liability of the City at September 30, 2018 were as follows:

Total pension liability	\$244,011,049
Plan fiduciary net position	<u>177,325,805</u>
Net pension liability	<u>\$ 66,685,244</u>
Plan fiduciary net position as a percentage of the total pension liability	72.67%

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Actuarial Methods and Assumptions

Police and Firefighters

The total pension liability was determined by an actuarial valuation as of October 1, 2017 updated to September 30, 2018 using the following actuarial assumptions applied to all measurement periods:

Actuarial cost method	Entry Age Normal
Asset Method	Market Value of Assets
Interest rates:	
Discount rate	7.4%
Expected long-term rate of return	7.4%
Municipal bond rate	N/A
Inflation	2.5%
Annual salary increases, excluding inflation	0.5%-8.5%
Ad-hoc Cost of Living Increases	none

Mortality rates were based on the Florida Retirement System special risk mortality projected with scale BB generationally. Mortality rates for the disabled were based on the Florida Retirement System disabled mortality (no projection scale). The most recent study was completed in November 2013 taking into account 6 years of data experience.

The long-term expected rate of return on PFRS 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) 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, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	50.00%	7.85%
Fixed income	22.50%	2.57%
Real estate	7.50%	4.30%
Hedge funds and private equity	15.00%	4.68%
Master Limited Partnership	5.00%	6.60%
Short-term investments	-%	1.50%
Cash	-%	1.30%
Total	100.00%	

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General Employees

The total pension liability was determined by an actuarial valuation as of October 1, 2016 updated to September 30, 2017 using the following actuarial assumptions applied to all measurement periods:

Actuarial cost method	Entry Age Normal
Amortization method	Level percent of payroll, closed
Remaining amortization period	1 to 30 years
Asset valuation method	5 year smoothed market
Inflation	3.50%
Salary increase	4.25 - 7.50%, including inflation
Investment rate of return	7.9 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP2000 Generational for males and females.

The long-term expected rate of return on GERS pension plan investments was determined using a log-normal distribution analysis 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, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	47.10%	7.60%
Int'l equity	14.20%	8.10%
Real estate	9.30%	6.61%
Infrastructure	9.50%	7.47%
Fixed income	18.30%	4.08%
Cash	1.60%	2.00%
Total	100.00%	

Discount Rate:

Police and Firefighters

The discount rate used to measure the total pension liability was 7.40%. 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 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

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to all periods of projected benefit payments to determine the total pension liability.

General Employees

The discount rate used to measure the total pension liability was 7.90%. 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 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.

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Changes in the Net Pension Liability:

Changes in the City's net pension liability for the Police and Firefighters and General Employees Plans for the fiscal year ended September 30, 2018 is as follows:

	Police and Firefighters			General Employees		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Beginning Balances	<u>\$ 343,088,836</u>	<u>\$ 237,937,762</u>	<u>\$ 105,151,074</u>	<u>\$ 217,355,750</u>	<u>\$ 160,422,298</u>	<u>\$ 56,933,452</u>
Changes for the year:						
Service cost	4,342,954	-	4,342,954	4,125,985	-	4,125,985
Interest	25,088,027	-	25,088,027	17,193,735	-	17,193,735
Changes of assumptions	3,537,718	-	3,537,718	19,985,869	-	19,985,869
Differences between expected and actual experience	742,156	-	742,156	(1,530,189)	-	(1,530,189)
Contributions - employer	-	10,775,021	(10,775,021)	-	6,755,068	(6,755,068)
Contributions - member	-	1,708,166	(1,708,166)	-	2,617,652	(2,617,652)
Contributions - nonemployer contributing member	-	2,501,946	(2,501,946)	-	-	-
Net investment income (loss)	-	19,886,454	(19,886,454)	-	21,126,562	(21,126,562)
Benefit payments, including refunds of member contributions	(25,849,524)	(25,849,524)	-	(13,120,101)	(13,120,101)	-
Administrative expense	-	(626,768)	626,768	-	(475,674)	475,674
Other changes	-	18,569	(18,569)	-	-	-
Net changes	<u>7,861,331</u>	<u>8,413,864</u>	<u>(552,533)</u>	<u>26,655,299</u>	<u>16,903,507</u>	<u>9,751,792</u>
Ending Balances	<u><u>\$ 350,950,167</u></u>	<u><u>\$ 246,351,626</u></u>	<u><u>\$ 104,598,541</u></u>	<u><u>\$ 244,011,049</u></u>	<u><u>\$ 177,325,805</u></u>	<u><u>\$ 66,685,244</u></u>

The City's aggregate net pension liability for the Police and Firefighters Plan measured at September 30, 2018 and General Employees Plan measured at September 30, 2017 was \$171,283,785 for the fiscal year ended September 30, 2018.

Sensitivity of the net pension liability to changes in the discount rate:

Police and Firefighters

The following presents the net pension liability, calculated using the discount rate of 7.40%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.40%) or 1-percentage-point higher (8.40%) than the current rate:

	1% Decrease (6.40%)	Current Discount Rate (7.40%)	1% Increase (8.40%)
City's net pension liability	\$ 143,937,862	\$ 104,598,541	\$ 71,971,597

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General Employees

The following presents the net pension liability, calculated using the discount rate of 7.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.90%) or 1-percentage-point higher (8.90%) than the current rate:

	1% Decrease (6.90%)	Current Discount Rate (7.90%)	1% Increase (8.90%)
City's net pension liability	\$ 95,013,085	\$ 66,685,244	\$ 42,942,402

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

For the year ended September 30, 2018, the City recognized pension expense related to the pension plans as follows:

	Police and Firefighters	General Employees	Total
Pension expense	\$ 23,232,825	\$ 11,034,821	\$ 34,267,646

At September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pension plans from the following sources:

	Police and Firefighters		General Employees		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,346,098	\$ 245,960	\$ 918,914	\$ 1,197,539	\$ 3,265,012	\$ 1,443,499
Changes of assumptions	9,760,167	-	15,641,115	-	25,401,282	-
Net difference between projected and actual earnings on pension plan investments	-	2,303,840	-	3,471,651	-	5,775,491
Employer contributions subsequent to the measurement date	-	-	8,301,969	-	8,301,969	-
Total	<u>\$ 12,106,265</u>	<u>\$ 2,549,800</u>	<u>\$ 24,861,998</u>	<u>\$ 4,669,190</u>	<u>\$ 36,968,263</u>	<u>\$ 7,218,990</u>

The City reported \$8,301,969 reported as deferred outflows of resources relating to pensions. This amount resulted from City contributions subsequent to the measurement

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date and will be recognized as a reduction of the net pension liability in the year ended September 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal year ending September 30:	Police and Firefighters		General Employees	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
2019	\$ 9,753,975	\$ (1,938,856)	\$ 4,761,156	\$ 239,215
2020	2,352,290	2,018,930	4,716,461	26,302
2021	-	1,971,605	4,475,559	2,511,744
2022	-	498,121	2,606,853	1,891,929
	<u>\$ 12,106,265</u>	<u>\$ 2,549,800</u>	<u>\$ 16,560,029</u>	<u>\$ 4,669,190</u>

(D) Employee Retirement System
Defined Contribution Retirement System (Contribution Plan)

Plan Description – The defined contribution retirement system (“DCRS”) is a defined contribution pension plan established by the City in 1996 by Ordinance 96-84. to provide benefits at retirement to certain professional and managerial employees of the City that were not part of the General Employees Retirement System (GERS). Contribution Plan provisions and contribution requirements are established and may be amended by City Commission Ordinance. In 2008 Ordinance 2008-16 provided for the inclusion of these same employees in the GERS plan.

The International City Management Association Retirement Corporation acts as agent for the City in administering the Contribution Plan. As a result of Ordinance 2008-16, there are no required contributions to the plan. For fiscal year 2018 employer contributions totaled \$0 and employee contributions also totaled \$0.

(E) 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 group health. The City is self-insured except for commercial insurance purchased for airport liability and group health insurance, and purchases of excess commercial insurance beyond the self-insured retention for general liability, auto liability, property damage and workers’ compensation and has not incurred a reduction in insurance coverage. No workers’ compensation settlements exceeded the City’s self-insured retention in fiscal year 2018.

There have been no settlements in excess of insurance coverage for the past three years.

All funds, except for the capital projects fund, participate in the program and make premium payments to the risk management fund based on actuarial estimates of the

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
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amounts needed to ultimately settle claims. The total estimated claims payable at September 30, 2018 reflect management's loss estimate of \$11,328,000, which includes reported claims and claims incurred but not reported (IBNR).

Changes in the fund's estimated claims payable amount in fiscal years 2018 and 2017 were:

Fiscal Year	Liability October 1	New Claims and Changes in Estimates	Claims Payments	Liability September 30
2018	\$ 12,492,000	\$ 2,334,099	\$ 3,498,099	\$ 11,328,000
2017	\$ 13,926,000	\$ 1,528,290	\$ 2,962,290	\$ 12,492,000

(F) Contingencies/Risks/Uncertainties

There are several pending claims and lawsuits in which the City is involved. The estimated liabilities related to all known pending claims have been accrued in the City's risk management fund. In the opinion of City management, the ultimate resolution of these claims will not materially exceed the amounts recorded in the financial statements.

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

The City's pension plans (PFRS and GERS-the Plans) invest in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of the investment securities will occur in the near term, and those changes could materially affect the amounts reported in the statement of plan net position for each Plan. The Plans, through investment advisors, monitor plan investments and the risks associated therewith on a regular basis, which the Plans believe serve to minimize these risks.

The Plans' contributions are made and the net pension liability is reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term could be material to the Plans' financial statements.

On September 10, 2017, the President issued a major disaster declaration (FEMA DR-4337) for the State of Florida as a result of Hurricane Irma. The declaration authorized public assistance and hazard mitigation grants for eligible states. The State of Florida received public assistance grant funds from the Federal Emergency Management Agency (FEMA) and is authorized to sub-grant a portion of such funds to the City of Pompano Beach pursuant to the requirements of federal and state law. As of September 30, 2018 the City has submitted \$5.5 million in claims for qualifying expenditures associated with

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

costs incurred as a direct result of Hurricane Irma.

(G) New Accounting Pronouncements

GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, is effective for financial statements for periods beginning after June 15, 2017. The primary objective of this Statement is to improve the usefulness of information for decisions made by the various users of the general purpose external financial reports of governments whose employees—both active employees and inactive employees—are provided with postemployment benefits other than pensions. These benefits are referred to as other postemployment benefits (OPEB).

The adoption of Statement No. 75 has no impact on the City's governmental fund financial statements. There is no change in cash flow or budgeted expenditures associated with the implementation of GASB 75. However, the adoption has resulted in the restatement of the City's Fiscal Year 2017 government-wide and proprietary funds net position to reflect the reporting of OPEB liabilities in accordance with the provisions of the Statement. See Note III(H), Restatement of Beginning Net Position for GASB Statement No. 75.

GASB 81, *Irrevocable Split-Interest Agreements*, is effective for financial statements for periods beginning after December 15, 2016. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The implementation of this pronouncement had no impact on the City's financial statements for the fiscal year ended September 30, 2018.

GASB 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73*, is effective for financial statements for periods beginning after June 15, 2016—except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end, which are effective for fiscal years beginning after June 15, 2017. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and 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 implementation of this pronouncement had no impact on the City's financial statements for the fiscal year ended September 30, 2018.

GASB 83, *Certain Asset Retirement Obligations*, is effective for financial statements for periods beginning after June 15, 2018. The objective of this statement is to address accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The City is aware of this requirement and will assess its impact to ensure timely implementation.

GASB 84, *Fiduciary Activities*, is effective for financial statements for periods beginning

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after December 15, 2018. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The City is aware of this requirement and will assess its impact to ensure timely implementation.

GASB 85, *Omnibus 2017*, is effective for financial statements for periods beginning after June 15, 2017. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The implementation of this pronouncement had no impact on the City's financial statements for the fiscal year ended September 30, 2018.

GASB 86, *Certain Debt Extinguishment Issues*, is effective for financial statements for periods beginning after June 15, 2017. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The implementation of this pronouncement had no impact on the City's financial statements for the fiscal year ended September 30, 2018.

GASB 87, *Leases*, is effective for financial statements for periods beginning after December 15, 2019. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The City is aware of this requirement and will assess its impact to ensure timely implementation.

GASB 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placement*, is effective for reporting periods beginning after June 15, 2018. The objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. This

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The City is aware of this requirement and will assess its impact to ensure timely implementation.

GASB 89, Accounting for Interest Cost Incurred Before the end of a Construction Period, is effective for reporting periods beginning after December 15, 2019. This requirement of this Statement should be applied prospectively. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The City is aware of this requirement and will assess its impact to ensure timely implementation.

GASB 90, Majority Equity Interests - An Amendment of GASB Statement No. 14 and No. 16, is effective for reporting periods beginning after December 15, 2018. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. The City is aware of this requirement and will assess its impact to ensure timely implementation.

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

(H) Restatement of Beginning Net Position for GASB Statement No. 75

The October 1, 2017 beginning net position of the following fund/activity was restated due to the implementation of GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement improves the usefulness of information for decisions made by the various users of the general purpose external financial reports of governments whose employees—both active employees and inactive employees—are provided with postemployment benefits other than pensions. These benefits are referred to as other postemployment benefits (OPEB). The impact of this restatement is as follows:

	<u>Governmental Activities</u>	<u>Government-Wide Business-type Activities</u>	<u>Total</u>
Net position-beginning	\$ 303,244,112	\$ 177,825,657	\$ 481,069,769
Cumulative effect of application of GASB 75	<u>(1,784,835)</u>	<u>(295,061)</u>	<u>(2,079,896)</u>
Net position-beginning, as restated	<u>\$ 301,459,277</u>	<u>\$ 177,530,596</u>	<u>\$ 478,989,873</u>

	<u>Proprietary Funds</u>				
	<u>Utility</u>	<u>Parking</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
Net position-beginning	\$ 27,234,237	\$ 41,507	\$ 51,452,151	\$ 78,727,895	\$ 9,274,577
Cumulative effect of application of GASB 75	<u>(230,637)</u>	<u>-</u>	<u>(64,424)</u>	<u>(295,061)</u>	<u>(121,650)</u>
Net position-beginning, as restated	<u>\$ 27,003,600</u>	<u>\$ 41,507</u>	<u>\$ 51,387,727</u>	<u>\$ 78,432,834</u>	<u>\$ 9,152,927</u>

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

(I) Deficit Fund Equity

At September 30, 2018, the following funds had deficit fund equity:

	Amount
Governmental funds	
Other Grants	\$ 2,151,189
Capital Project 2018 GO Bonds	358,707
Total governmental funds	<u>2,509,896</u>
Enterprise funds	
Parking	\$ 822,044

Other grants will be reduced through the reimbursement from the US Department of Homeland Security, Federal Emergency Management Agency (FEMA) for costs related to Hurricane Irma.

Capital Project 2018 GO Bonds will be reduced when the Series 2018 Bonds are subsequently issued on October 2, 2018.

Parking will be reduced as private parcel development around the Pier is completed, thereby generating increased parking revenue for the Parking Fund. The Beach House Restaurant opened in 2018 with another major anchor to the Pompano Fishing Village slated to open in summer 2019 (Oceanic Restaurant). It is anticipated that these two restaurants being open will increase parking revenues and reduce the deficit.

(J) Subsequent Events

The following information describes certain events that occurred subsequent to the City's fiscal year end of September 30, 2018.

General Obligation Bonds

On June 26, 2018 the City Commission authorized the issuance of General Obligation Bonds – Series 2018 (the "Series 2018 Bonds"), per City Ordinance No. 2018-58. The Series 2018 Bonds were subsequently issued on October 2, 2018. The Series 2018 Bonds were issued in order to (i) finance certain capital projects of the City, and (ii) pay costs of issuance on the bonds. The Series 2018 Bonds were issued in the par amount of \$99,375,000.

The Series 2018 Bonds are payable solely from Ad Valorem Taxes levied each year by the City and are payable through 2048. Interest on the Series 2018 Bonds range from 4% to 5% through July 1, 2048, the scheduled maturity of the bonds.

Accidental Wastewater Spill

On January 4, 2019 a subcontractor working for Florida Department of Transportation ruptured a 42" pressurized sewage pipe which spilled into the canal system from NW 15 Street east to the Intracoastal Waterway. The sewage pipe is owned and operated by the City. As a result of the spill the City has expended approximately \$2.7 million toward the repair of the pipe and the associated clean-up. The City is currently pursuing the reimbursement of this amount from the contractor responsible for the spill.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF POMPANO BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS
POLICE AND FIREFIGHTERS' RETIREMENT SYSTEM
LAST FIVE FISCAL YEARS

	2014	2015	2016	2017	2018
Total pension liability					
Service cost	\$ 3,645,948	\$ 3,645,948	\$ 3,703,207	\$ 4,117,315	\$ 4,342,954
Interest	21,340,649	21,555,235	21,977,143	24,421,412	25,088,027
Changes of benefit terms (1)	-	(6,900)	-	-	-
Differences between expected and actual experience	(1,213,699)	2,419,307	(983,846)	3,702,653	742,156
Changes of assumptions (2)	-	-	29,606,755	-	3,537,718
Benefit payments, including refunds of member contributions	(20,678,837)	(21,144,686)	(22,946,120)	(21,308,109)	(25,849,524)
Net change in total pension liability	3,094,061	6,468,904	31,357,139	10,933,271	7,861,331
Total pension liability - beginning	291,235,461	294,329,522	300,798,426	332,155,565	343,088,836
Total pension liability - ending (a)	<u>294,329,522</u>	<u>300,798,426</u>	<u>332,155,565</u>	<u>343,088,836</u>	<u>350,950,167</u>
Plan fiduciary net position					
Contributions - employer	9,722,948	8,129,211	8,154,934	8,142,644	10,775,021
Contributions - employee	1,422,685	1,453,342	1,492,330	1,632,948	1,708,166
Contributions - nonemployer contributing member	2,219,537	2,255,095	2,273,774	2,336,040	2,501,946
Net investment income (loss)	22,149,737	(3,955,004)	16,233,979	23,717,202	19,886,454
Benefit payments, including refunds of member contributions	(20,678,837)	(21,144,686)	(22,946,120)	(21,308,109)	(25,849,524)
Administrative expenses	(581,767)	(563,224)	(604,460)	(530,291)	(626,768)
Other	17,738	43,955	10,775	75,815	18,569
Net change in plan fiduciary net position	14,272,041	(13,781,311)	4,615,212	14,066,249	8,413,864
Plan fiduciary net position - beginning	218,765,571	233,037,612	219,256,301	223,871,513	237,937,762
Plan fiduciary net position - ending (b)	<u>233,037,612</u>	<u>219,256,301</u>	<u>223,871,513</u>	<u>237,937,762</u>	<u>246,351,626</u>
City's net pension liability - ending (a) - (b)	<u>\$ 61,291,910</u>	<u>\$ 81,542,125</u>	<u>\$ 108,284,052</u>	<u>\$ 105,151,074</u>	<u>\$ 104,598,541</u>
Plan fiduciary net position as a percentage of the total pension liability	79.18%	72.89%	67.40%	69.35%	70.20%
Covered payroll	\$ 12,948,557	\$ 13,065,752	\$ 13,061,612	\$ 13,527,197	\$ 14,353,623
City's net pension liability as a percentage of covered payroll	473.35%	624.09%	829.03%	777.33%	728.73%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available will be presented.

(1) **Changes of benefit terms:** During fiscal year 2015 there was a slight liability change for firefighter members hired on or after May 27, 2014. The change affected the normal retirement date and normal retirement benefit.

(2) **Changes in Assumptions:** For fiscal year 2016 the assumption for mortality rates was changed due to a Florida legislative change which mandated that local governments utilize the State of Florida's mortality tables to measure pension liabilities. Commencing on the October 1, 2018 actuarial valuation, the assumed rate of investment return will be lowered from 7.5% to 7.0% in increments of 0.10% per year over the course of a five-year phase-in. Commencing on the October 1, 2018 actuarial valuation, All new bases are to be amortized over 20 years from date established Existing bases remaining on that date will continue to be amortized over 30 years.

CITY OF POMPANO BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED
SCHEDULE OF CITY CONTRIBUTIONS
POLICE AND FIREFIGHTERS' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Actuarially determined contribution	\$ 6,321,557	\$ 6,828,542	\$ 6,085,623	\$ 5,527,605	\$ 8,121,441	\$ 9,722,948	\$ 8,129,211	\$ 8,154,934	\$ 8,142,644	\$ 10,775,021
Contributions in relation to the actuarially determined contribution	<u>6,321,557</u>	<u>6,828,542</u>	<u>6,085,623</u>	<u>5,527,605</u>	<u>8,121,441</u>	<u>9,722,948</u>	<u>8,129,211</u>	<u>8,154,934</u>	<u>8,142,644</u>	<u>10,775,021</u>
Covered payroll	\$ 18,187,155	\$ 16,804,153	\$ 15,514,029	\$ 14,432,987	\$ 13,137,295	\$ 12,948,557	\$ 13,065,752	\$ 13,061,612	\$ 13,527,197	\$ 14,353,623
Contributions as a percentage of covered payroll	34.76%	40.64%	39.23%	38.30%	61.82%	75.09%	62.22%	62.43%	60.19%	75.07%

Actuarially determined contribution rates for the year ended September 30, are calculated as of October 1, two years prior to the end of the year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Individual Entry Age Normal Cost Method
Amortization method	All new bases are to be amortized over 20 years from date established effective with the 10/1/2018 valuation. Existing bases remaining on that date will continue to be amortized over 30 years.
Amortization period	30 years
Asset valuation method	20% Phase-In Method: Actuarial value of assets is equal to expected value phase in the difference between expected investment earnings and actual investment earnings at the rate of 20% per year. The result cannot be greater than 120% of market value or less than 80% of market value.
Interest rates	7.4% compounded annually, net of investment expenses
Annual pay increases	2.5% compounded annually for inflation plus a seniority/merit scale ranging from .5% to 8.5%
Expense and/or contingency loading	One year cost method; average of prior two years' expenses
Mortality rates:	
Healthy	Florida Retirement System special risk mortality projected with Scale BB generationally.
Disabled	Florida Retirement System disabled mortality (no projection scale)

CITY OF POMPANO BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS
GENERAL EMPLOYEES' RETIREMENT SYSTEM
LAST FOUR FISCAL YEARS

	2014	2015	2016	2017
Total pension liability				
Service cost	\$ 4,002,187	\$ 3,971,996	\$ 4,065,485	\$ 4,125,985
Interest	15,228,081	15,876,511	16,453,581	17,193,735
Benefit changes	-	-	62,449	-
Difference between actual & expected experience	-	372,468	1,438,845	(1,530,189)
Assumption changes (1)	-	-	-	19,985,869
Benefit payments	(10,047,279)	(12,286,072)	(12,536,330)	(12,997,314)
Refunds	(362,250)	(238,755)	(198,760)	(122,787)
Net change in total pension liability	8,820,739	7,696,148	9,285,270	26,655,299
Total pension liability - beginning	191,553,593	200,374,332	208,070,480	217,355,750
Total pension liability - ending (a)	<u>200,374,332</u>	<u>208,070,480</u>	<u>217,355,750</u>	<u>244,011,049</u>
Plan fiduciary net position				
Contributions - employer	6,697,862	6,669,132	6,545,407	6,755,068
Contributions - member	2,515,665	2,562,901	2,593,355	2,617,652
Net investment income	12,478,865	(235,039)	14,289,309	21,126,562
Benefit payments	(10,047,279)	(12,286,072)	(12,536,330)	(12,997,314)
Refunds of contributions	(362,250)	(238,755)	(198,760)	(122,787)
Administrative expenses	(491,959)	(530,248)	(526,236)	(475,674)
Net change in plan fiduciary net position	10,790,904	(4,058,081)	10,166,745	16,903,507
Plan fiduciary net position - beginning	143,522,730	154,313,634	150,255,553	160,422,298
Plan fiduciary net position - ending (b)	<u>154,313,634</u>	<u>150,255,553</u>	<u>160,422,298</u>	<u>177,325,805</u>
City's net pension liability - ending (a) - (b)	<u>\$ 46,060,698</u>	<u>\$ 57,814,927</u>	<u>\$ 56,933,452</u>	<u>\$ 66,685,244</u>
Plan fiduciary net position as a percentage of the total pension liability	77.01%	72.21%	73.81%	72.67%
Covered payroll	\$ 26,048,410	\$ 27,015,680	\$ 27,957,210	\$ 28,647,136
City's net pension liability as a percentage of covered payroll	176.83%	214.01%	203.64%	232.78%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available will be presented.

(1) **Changes in Assumptions:** For fiscal year 2017 the assumption for mortality rates was changed due to a Florida legislative change which mandated that local governments utilize the State of Florida's mortality tables to measure pension liabilities. Commencing on the October 1, 2017 actuarial valuation, the assumed rate of investment return will be lowered from 8.0% to 7.5% in increments of 0.10% per year over the course of a five-year phase-in

CITY OF POMPANO BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED
SCHEDULE OF CITY CONTRIBUTIONS
GENERAL EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Actuarially determined contribution	\$ 3,706,870	\$ 4,338,870	\$ 5,351,521	\$ 5,801,971	\$ 6,332,731	\$ 6,697,862	\$ 6,669,132	\$ 6,545,407	\$ 6,755,068	\$ 8,301,969
Contributions in relation to the actuarially determined contribution	<u>3,706,870</u>	<u>4,338,870</u>	<u>5,351,521</u>	<u>5,801,971</u>	<u>6,332,731</u>	<u>6,697,862</u>	<u>6,669,132</u>	<u>6,545,407</u>	<u>6,755,068</u>	<u>8,301,969</u>
Covered payroll	\$ 27,477,396	\$ 26,596,532	\$ 26,238,403	\$ 25,833,472	\$ 25,922,708	\$ 26,048,410	\$ 27,015,680	\$ 27,957,210	\$ 28,647,136	\$ 31,178,459
Contributions as a percentage of covered payroll	13.49%	16.31%	20.40%	22.46%	24.43%	25.71%	24.69%	23.41%	23.58%	26.63%

Actuarially determined contribution rates for the year ended September 30, are calculated as of October 1, two years prior to the end of the year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level of percentage payroll, closed
Amortization period	30 years
Asset valuation method	5-year smoothed market
Inflation	3.50 percent
Salary increase	4.25 - 7.50 percent, including inflation
Investment rate of return	7.90 percent, net of plan investment expense, including inflation
Mortality rates:	RP2000 Generational for males and females

CITY OF POMPANO BEACH, FLORIDA**REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED****SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST FISCAL YEAR**

	<u>2018</u>
Total OPEB liability	
Service cost	\$ 739,573
Interest	440,274
Benefit payments	<u>(541,412)</u>
Net change in total OPEB liability	638,435
Total OPEB liability - beginning	<u>11,624,145</u>
Total OPEB liability - ending	<u><u>\$ 12,262,580</u></u>
 Covered payroll	 \$ 45,542,532
 Total OPEB liability as a percentage of covered payroll	 26.9%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available will be presented.

CITY OF POMPANO BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE (UNAUDITED) - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	<u>Budgeted Amounts</u>			Variance with Final Budget -
	<u>Original</u>	<u>Final</u>	Actual (Budgetary Basis)	Positive (Negative)
REVENUES				
Taxes	\$ 75,343,408	\$ 75,343,408	\$ 76,119,012	\$ 775,604
Judgments, fines and forfeitures	992,500	992,500	827,619	(164,881)
Permits, fees and special assessments	22,822,189	22,822,189	23,669,162	846,973
Intergovernmental	13,087,825	13,517,083	14,665,030	1,147,947
Charges for services	17,520,037	17,520,037	18,544,844	1,024,807
Pari-mutuel	2,422,500	2,422,500	2,148,790	(273,710)
Donations	11,919	11,919	3,669	(8,250)
Investment earnings	823,373	823,373	314,304	(509,069)
Other revenue	494,946	494,946	622,010	127,064
Total revenues	<u>133,518,697</u>	<u>133,947,955</u>	<u>136,914,440</u>	<u>2,966,485</u>
EXPENDITURES				
Current:				
General government	8,267,375	7,823,144	7,745,356	77,788
Finance	3,027,673	2,942,254	2,902,464	39,790
Development services	4,905,770	5,026,902	4,949,087	77,815
Police	45,197,611	45,512,611	45,487,384	25,227
Fire department	22,841,390	22,872,074	22,861,932	10,142
Public works	21,478,540	21,641,950	21,600,147	41,803
Non departmental	10,238,184	10,181,641	8,780,991	1,400,650
Culture and recreation	10,595,023	10,766,501	10,757,142	9,359
Capital outlay	9,756,386	9,962,033	8,915,389	1,046,644
Debt Service:				
Principal	700,687	700,687	700,687	-
Interest & other charges	59,742	59,742	59,742	-
Total expenditures	<u>137,068,381</u>	<u>137,489,539</u>	<u>134,760,321</u>	<u>2,729,218</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,549,684)</u>	<u>(3,541,584)</u>	<u>2,154,119</u>	<u>5,695,703</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	90,000	1,053,581	1,634,202	580,621
Transfers in	1,185,072	221,491	221,491	-
Transfers out	<u>(9,481,553)</u>	<u>(9,481,553)</u>	<u>(9,481,553)</u>	<u>-</u>
Total other financing sources (uses)	<u>(8,206,481)</u>	<u>(8,206,481)</u>	<u>(7,625,860)</u>	<u>580,621</u>
Net change in fund balance	<u>\$ (11,756,165)</u>	<u>\$ (11,748,065)</u>	<u>(5,471,741)</u>	<u>\$ 6,276,324</u>
FUND BALANCE - BEGINNING			<u>39,359,732</u>	
FUND BALANCE - ENDING			<u>\$ 33,887,991</u>	

The above schedule reflects certain adjustments to actual expenditures to present data on a basis comparable to the adopted budget. See notes to required supplementary information.

CITY OF POMPANO BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE (UNAUDITED) - BUDGETARY BASIS
NORTHWEST COMMUNITY REDEVELOPMENT DISTRICT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	<u>Budgeted Amounts</u>			Variance with Final Budget -
	<u>Original</u>	<u>Final</u>	<u>Actual (Budgetary Basis)</u>	<u>Positive (Negative)</u>
REVENUES				
Taxes	\$ 8,045,489	\$ 8,045,489	\$ 8,078,016	\$ 32,527
Intergovernmental	-	-	138,495	138,495
Charges for services	299,867	299,867	214,098	(85,769)
Investment earnings	30,000	30,000	78,824	48,824
Other revenue	10,000	10,000	138,796	128,796
Total revenues	<u>8,385,356</u>	<u>8,385,356</u>	<u>8,648,229</u>	<u>262,873</u>
EXPENDITURES				
Current:				
Economic environment	4,363,198	4,618,743	3,612,525	1,006,218
Capital outlay	6,121,203	6,069,115	396,347	5,672,768
Debt service:				
Principal	2,319,885	2,319,885	2,203,415	116,470
Interest & other charges	324,514	324,514	202,605	121,909
Total expenditures	<u>13,128,800</u>	<u>13,332,257</u>	<u>6,414,892</u>	<u>6,917,365</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,743,444)</u>	<u>(4,946,901)</u>	<u>2,233,337</u>	<u>7,180,238</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(20,000)	(20,000)	(20,000)	-
Donations	15,400	15,400	-	(15,400)
Total other financing sources (uses)	<u>(4,600)</u>	<u>(4,600)</u>	<u>(20,000)</u>	<u>(15,400)</u>
Net change in fund balance	<u>\$ (4,748,044)</u>	<u>\$ (4,951,501)</u>	2,213,337	\$ 7,164,838
FUND BALANCE - BEGINNING			38,290,787	
FUND BALANCE - ENDING			<u>\$ 40,504,124</u>	

The above schedule reflects certain adjustments to actual expenditures to present data on a basis comparable to the adopted budget. See notes to required supplementary information.

CITY OF POMPANO BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE (UNAUDITED) - BUDGETARY BASIS
EAST COMMUNITY REDEVELOPMENT DISTRICT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 3,047,575	\$ 3,047,575	\$ 3,068,346	\$ 20,771
Investment earnings	45,000	45,000	43,102	(1,898)
Charges for services	21,000	21,000	18,487	(2,513)
Other revenue	-	-	451	451
Total Revenues	<u>3,113,575</u>	<u>3,113,575</u>	<u>3,130,386</u>	<u>16,811</u>
EXPENDITURES				
Current:				
Economic environment	1,503,085	1,503,310	1,011,103	492,207
Debt service:				
Principal	710,000	710,000	710,000	-
Interest & other charges	387,498	387,498	387,498	-
Capital outlay	<u>9,583,556</u>	<u>9,583,556</u>	<u>4,482,416</u>	<u>5,101,140</u>
Total expenditures	<u>12,184,139</u>	<u>12,184,364</u>	<u>6,591,017</u>	<u>5,593,347</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,070,564)</u>	<u>(9,070,789)</u>	<u>(3,460,631)</u>	<u>5,610,158</u>
Net Change in Fund Balance	<u>\$ (9,070,564)</u>	<u>\$ (9,070,789)</u>	<u>(3,460,631)</u>	<u>\$ 5,610,158</u>
FUND BALANCE - BEGINNING			<u>11,024,936</u>	
FUND BALANCE - ENDING			<u>\$ 7,564,305</u>	

The above schedule reflects certain adjustments to actual expenditures to present data on a basis comparable to the adopted budget. See notes to required supplementary information.

CITY OF POMPANO BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE (UNAUDITED) - BUDGETARY BASIS
EMERGENCY MEDICAL SERVICES DISTRICT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 5,837,890	\$ 5,837,890	\$ 5,795,599	\$ (42,291)
Intergovernmental	434,573	434,573	562,675	128,102
Charges for services	3,500,000	3,500,000	3,474,395	(25,605)
Investment earnings	48,758	48,758	21,637	(27,121)
Other revenue	-	-	600	600
Total revenues	<u>9,821,221</u>	<u>9,821,221</u>	<u>9,854,906</u>	<u>33,685</u>
EXPENDITURES				
Current:				
Public safety	16,648,861	17,021,096	16,993,482	27,614
Capital outlay	<u>1,007,016</u>	<u>1,037,026</u>	<u>1,005,132</u>	<u>31,894</u>
Total expenditures	<u>17,655,877</u>	<u>18,058,122</u>	<u>17,998,614</u>	<u>59,508</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,834,656)</u>	<u>(8,236,901)</u>	<u>(8,143,708)</u>	<u>93,193</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>7,438,012</u>	<u>7,438,012</u>	<u>7,438,012</u>	<u>-</u>
Total other financing sources (uses)	<u>7,438,012</u>	<u>7,438,012</u>	<u>7,438,012</u>	<u>-</u>
Net change in fund balance	<u>\$ (396,644)</u>	<u>\$ (798,889)</u>	<u>(705,696)</u>	<u>\$ 93,193</u>
FUND BALANCE - BEGINNING			<u>1,425,793</u>	
FUND BALANCE - ENDING			<u>\$ 720,097</u>	

The above schedule reflects certain adjustments to actual expenditures to present data on a basis comparable to the adopted budget. See notes to required supplementary information.

CITY OF POMPANO BEACH, FLORIDA

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)**

SEPTEMBER 30, 2018

Budgetary Information

The City Commission adopted these procedures to establish the budgetary data reflected in the financial statements.

Prior to July 10, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing October 1. The operating budget includes proposed expenditures and the means of financing them.

The City Commission holds public workshops on the proposed budget. In September, formal public hearings are conducted to obtain taxpayers' comments. Prior to October 1, the budget is legally adopted.

Expenditures may not exceed the budget and are controlled at the departmental level. The City Manager can approve budget transfers within operating departments and divisions of the same fund. Individual transfers exceeding \$10,000 are reported to the City Commission on a quarterly basis. Unencumbered balances of appropriations lapse at year end. Purchase orders outstanding at year end are carried forward.

Budgets have been legally adopted for all governmental and proprietary fund types except for the Special Purpose, Law Enforcement Trust, Affordable Housing Trust, and Cultural Arts Foundation special revenue funds and the Capital Projects fund. Budgets are adopted for capital outlay expenditures on a project basis. Presentation of this information on an annual basis is not considered meaningful.

Budgets have been adopted on a basis consistent with accounting principles generally accepted in the United States of America, except for the inclusion of encumbrances as the equivalent of expenditures. Budgets for the general fund and major special revenue funds are disclosed as part of required supplementary information. The reported budgetary data represents the final approved budget after amendments adopted by the City Commission.

The City does not budget for revenue and expenditures related to State contributions to the Police and Firefighters Retirement Plan (the Plan), recorded in the General Fund, as these payments are on behalf of the City and are received by the Plan directly.

CITY OF POMPANO BEACH, FLORIDA

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)**

SEPTEMBER 30, 2018

Adjustments necessary to convert the general fund and the major special revenue fund results of operations and change in fund balances at September 30, 2018 from the accounting principles generally accepted in the United States of America basis of accounting to the budget basis are as follows:

	Revenues/ Other Financing Sources	Expenditures/ Other Financing Uses	Change in Fund Balances
<u>General Fund</u>			
GAAP Basis	\$ 138,770,133	\$ 142,694,778	\$ (3,924,645)
Encumbrances	-	1,547,096	(1,547,096)
	<u>\$ 138,770,133</u>	<u>\$ 144,241,874</u>	<u>\$ (5,471,741)</u>
<u>Northwest Community Redevelopment District</u>			
GAAP Basis	\$ 8,648,229	\$ 6,150,439	\$ 2,497,790
Encumbrances	-	284,453	(284,453)
	<u>\$ 8,648,229</u>	<u>\$ 6,434,892</u>	<u>\$ 2,213,337</u>
<u>East Community Redevelopment District</u>			
GAAP Basis	\$ 3,130,386	\$ 3,301,131	\$ (170,745)
Encumbrances	-	3,289,886	(3,289,886)
	<u>\$ 3,130,386</u>	<u>\$ 6,591,017</u>	<u>\$ (3,460,631)</u>
<u>EMS</u>			
GAAP Basis	\$ 17,292,918	\$ 17,887,631	\$ (594,713)
Encumbrances	-	110,983	(110,983)
	<u>\$ 17,292,918</u>	<u>\$ 17,998,614</u>	<u>\$ (705,696)</u>

Excess of Expenditures Over Appropriations

For the year ended September 30, 2018, expenditures did not exceed appropriations in any governmental fund departments (the legal level of budgetary control).

COMBINING AND INDIVIDUAL FUND STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS

Building Permit Fund - accounts for specific revenues that are restricted to particular purposes per Florida Statute, such as costs incurred to enforce the Florida Building Code.

Special Purpose Fund - accounts for specific revenues that are restricted to particular purposes per City Ordinance, such as tree canopy landscaping, beach area master parking, nautical flea market, disaster recovery, emergency medical service, tri-centennial celebration and building certification/education maintenance.

Law Enforcement Trust Fund (LETf) Fund - accounts for confiscated monies and property awarded to the City for law enforcement related expenditures in accordance with Florida Statutes and Federal guidelines.

SHIP Fund - accounts for the activities of the State Housing Initiative Partnership Grant Program.

Other Grants Fund - accounts for federal, state and local government program grants and other restricted sources.

Affordable Housing Fund - accounts for various fees and contributions for the preservation of the existing affordable housing neighborhoods.

Cultural Arts Foundation Fund - accounts for gifts and contributions to provide for the promotion of diverse cultural arts in the City.

Cemetery Perpetual Care Fund - accounts for the proceeds from the sale of certain cemetery plots and certain service charges. Capital improvements expenditures are not allowed.

Capital Project 2018 GO Bonds - accounts for the proceeds of the Series 2018 Bonds to be used for certain parks, recreation and leisure projects; streets, sidewalks, bridges and streetscaping projects; and public safety projects.

CITY OF POMPANO BEACH, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2018

	Special Revenue Funds			
	<u>Building Permit</u>	<u>Special Purpose</u>	<u>LETF</u>	<u>SHIP</u>
ASSETS				
Cash and cash equivalents	\$ 1,109,960	\$ 122,857	\$ 131,036	\$ 521,615
Restricted cash and cash equivalents	-	-	-	-
Restricted investments	-	88,849	-	-
Unrestricted investments	11,807,358	907,944	1,063,146	-
Interest receivable	50,672	-	4,750	-
Accounts receivables, net	-	-	-	-
Assets held for resale and redevelopment	-	-	-	-
Due from other governments	-	67,037	4,440	-
Other assets	-	-	-	-
Total assets	<u>\$ 12,967,990</u>	<u>\$ 1,186,687</u>	<u>\$ 1,203,372</u>	<u>\$ 521,615</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	66,523	36,365	-	13,832
Accrued expenditures	215,335	-	-	655
Due to other funds	-	-	-	-
Unearned revenue	-	-	1,203,372	507,128
Deposits	-	-	-	-
Total liabilities	<u>281,858</u>	<u>36,365</u>	<u>1,203,372</u>	<u>521,615</u>
Deferred inflows of resources:				
Unavailable revenue	-	-	-	-
Fund balances:				
Restricted	12,686,132	88,850	-	-
Committed	-	1,061,472	-	-
Unassigned	-	-	-	-
Total fund balances	<u>12,686,132</u>	<u>1,150,322</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 12,967,990</u>	<u>\$ 1,186,687</u>	<u>\$ 1,203,372</u>	<u>\$ 521,615</u>

Special Revenue Funds

<u>Other Grants</u>	<u>Affordable Housing</u>	<u>Cultural Arts Foundation</u>	<u>Cemetery</u>	<u>Capital Project 2018 GO Bonds</u>	<u>Total Non-major Governmental Funds</u>
\$ 1,307,327	\$ 538,785	\$ 532	\$ 150,320	\$ -	\$ 3,882,432
-	-	-	-	1,240,000	1,240,000
-	-	-	-	-	88,849
-	-	-	1,219,605	-	14,998,053
-	-	-	-	-	55,422
-	492,263	-	-	-	492,263
65,559	496,433	-	-	-	561,992
405,184	-	-	-	-	476,661
8,474	-	-	-	-	8,474
<u>\$ 1,786,544</u>	<u>\$ 1,527,481</u>	<u>\$ 532</u>	<u>\$ 1,369,925</u>	<u>\$ 1,240,000</u>	<u>\$ 21,804,146</u>
440,308	201,640	-	-	358,707	1,117,375
15,934	-	-	-	-	231,924
3,281,364	-	-	-	-	3,281,364
-	-	-	-	-	1,710,500
434	-	-	-	1,240,000	1,240,434
<u>3,738,040</u>	<u>201,640</u>	<u>-</u>	<u>-</u>	<u>1,598,707</u>	<u>7,581,597</u>
<u>199,693</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>199,693</u>
-	-	532	-	-	12,775,514
-	1,325,841	-	1,369,925	-	3,757,238
<u>(2,151,189)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(358,707)</u>	<u>(2,509,896)</u>
<u>(2,151,189)</u>	<u>1,325,841</u>	<u>532</u>	<u>1,369,925</u>	<u>(358,707)</u>	<u>14,022,856</u>
<u>\$ 1,786,544</u>	<u>\$ 1,527,481</u>	<u>\$ 532</u>	<u>\$ 1,369,925</u>	<u>\$ 1,240,000</u>	<u>\$ 21,804,146</u>

CITY OF POMPANO BEACH, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	Special Revenue Funds			
	Building Permit	Special Purpose	LETF	SHIP
REVENUES				
Taxes	\$ -	\$ 145,180	\$ -	\$ -
Permits, fees and special assessments	10,576,968	-	-	-
Intergovernmental	-	212,417	-	411,754
Charges for services	-	328,666	-	-
Donations	-	405	-	-
Program income	-	-	-	72,115
Investment earnings	90,617	(4,549)	1,113	1,580
Other revenue	-	-	-	-
Total revenues	<u>10,667,585</u>	<u>682,119</u>	<u>1,113</u>	<u>485,449</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	8,252,922	-	1,113	-
Transportation	-	343,272	-	-
Economic environment	-	-	-	485,449
Culture and recreation	-	118,558	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	143,432	-	-	-
Total expenditures	<u>8,396,354</u>	<u>461,830</u>	<u>1,113</u>	<u>485,449</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,271,231</u>	<u>220,289</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	-	-
Transfers in	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances (deficit)	2,271,231	220,289	-	-
Fund balances - beginning	10,414,901	930,033	-	-
Fund balances - ending	<u>\$ 12,686,132</u>	<u>\$ 1,150,322</u>	<u>\$ -</u>	<u>\$ -</u>

Special Revenue Funds

Other Grants	Affordable Housing	Cultural Arts Foundation	Cemetery	Capital Project 2018 GO Bonds	Total Non-major Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 145,180
-	661,379	-	-	-	11,238,347
1,532,471	-	-	-	-	2,156,642
-	-	-	4,325	-	332,991
-	10,500	-	-	-	10,905
684,176	129,853	-	-	-	886,144
15,639	1,036	2	-	-	105,438
781	-	-	-	-	781
<u>2,233,067</u>	<u>802,768</u>	<u>2</u>	<u>4,325</u>	<u>-</u>	<u>14,876,428</u>
-	-	-	-	290,454	290,454
115	-	-	-	-	8,254,150
-	-	-	-	-	343,272
4,534,268	172,261	-	-	-	5,191,978
-	-	-	-	-	118,558
231,000	-	-	-	-	231,000
4,035	-	-	-	-	4,035
453,769	-	-	15,928	68,253	681,382
<u>5,223,187</u>	<u>172,261</u>	<u>-</u>	<u>15,928</u>	<u>358,707</u>	<u>15,114,829</u>
<u>(2,990,120)</u>	<u>630,507</u>	<u>2</u>	<u>(11,603)</u>	<u>(358,707)</u>	<u>(238,401)</u>
-	-	-	(10,000)	-	(10,000)
27,799	-	-	-	-	27,799
<u>27,799</u>	<u>-</u>	<u>-</u>	<u>(10,000)</u>	<u>-</u>	<u>17,799</u>
(2,962,321)	630,507	2	(21,603)	(358,707)	(220,602)
811,132	695,334	530	1,391,528	-	14,243,458
<u>\$ (2,151,189)</u>	<u>\$ 1,325,841</u>	<u>\$ 532</u>	<u>\$ 1,369,925</u>	<u>\$ (358,707)</u>	<u>\$ 14,022,856</u>

CITY OF POMPANO BEACH, FLORIDA**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BUILDING PERMIT FUND - NONMAJOR
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Permits, fees and special assessments	\$ 7,568,000	\$ 7,568,000	\$ 10,576,968	\$ 3,008,968
Investment earnings	45,587	45,587	90,617	45,030
Total Revenues	<u>7,613,587</u>	<u>7,613,587</u>	<u>10,667,585</u>	<u>3,053,998</u>
EXPENDITURES				
Current:				
Development services	8,809,852	8,809,852	8,372,713	437,139
Capital outlay	147,120	147,120	143,432	3,688
Total expenditures	<u>8,956,972</u>	<u>8,956,972</u>	<u>8,516,145</u>	<u>440,827</u>
Excess (deficiency) of revenues over (under) expenditures	\$ (1,343,385)	\$ (1,343,385)	2,151,440	\$ 2,613,171
Net change in fund balance	<u>\$ (1,343,385)</u>	<u>\$ (1,343,385)</u>	2,151,440	<u>\$ 2,613,171</u>
FUND BALANCE - BEGINNING			10,414,901	
FUND BALANCE - ENDING			<u>\$ 12,566,341</u>	

The above schedule reflects certain adjustments to actual expenditures to present data on a basis comparable to the adopted budget. See notes to required supplementary information.

CITY OF POMPANO BEACH, FLORIDA**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SHIP FUND - NONMAJOR
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 896,968	\$ 1,065,618	\$ 411,754	\$ (653,864)
Program income	72,115	73,695	73,695	-
Total revenues	969,083	1,139,313	485,449	(653,864)
EXPENDITURES				
Current:				
Economic environment	969,083	1,139,313	485,449	653,864
Total expenditures	969,083	1,139,313	485,449	653,864
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	-	\$ -
FUND BALANCE - BEGINNING			-	
FUND BALANCE - ENDING			\$ -	

CITY OF POMPANO BEACH, FLORIDA**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
OTHER GRANTS FUND - NONMAJOR
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 8,631,400	\$ 8,499,203	\$ 1,532,471	\$ (6,966,732)
Program Income	1,167,709	1,325,299	684,176	(641,123)
Investment earnings	8,357	13,863	15,639	1,776
Other revenue	2,317	2,317	781	(1,536)
Total Revenues	<u>9,809,783</u>	<u>9,840,682</u>	<u>2,233,067</u>	<u>(7,607,615)</u>
EXPENDITURES				
Current:				
Economic environment	5,018,213	6,772,820	5,563,412	1,209,408
Debt service				
Principal	232,615	239,384	231,000	8,384
Interest & other charges	4,034	7,265	7,265	-
Capital outlay	6,285,223	6,367,124	3,905,189	2,461,935
Total expenditures	<u>11,540,085</u>	<u>13,386,593</u>	<u>9,706,866</u>	<u>3,679,727</u>
Excess of revenues over (under) expenditures	<u>\$ (1,730,302)</u>	<u>(3,545,911)</u>	<u>(7,473,799)</u>	<u>\$ (3,927,888)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>27,799</u>	<u>27,799</u>	<u>27,799</u>	<u>-</u>
Total other financing sources (uses)	<u>27,799</u>	<u>27,799</u>	<u>27,799</u>	<u>-</u>
Net change in fund balance	<u>\$ (1,702,503)</u>	<u>\$ (3,518,112)</u>	<u>(7,446,000)</u>	<u>\$ (3,927,888)</u>
FUND BALANCE - BEGINNING			811,132	
FUND BALANCE - ENDING			<u>\$ (6,634,868)</u>	

The above schedule reflects certain adjustments to actual expenditures to present data on a basis comparable to the adopted budget. See notes to required supplementary information.

CITY OF POMPANO BEACH, FLORIDA**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CEMETERY FUND - NONMAJOR
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ -	\$ -	\$ 4,325	\$ 4,325
Total revenues	-	-	4,325	4,325
EXPENDITURES				
Current:				
Capital outlay	103,000	118,928	115,080	3,848
Total expenditures	(103,000)	(118,928)	(115,080)	(3,848)
Excess of revenues over (under)				
expenditures	<u>\$ (103,000)</u>	<u>\$ (118,928)</u>	(110,755)	<u>\$ 477</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(10,000)	(10,000)	(10,000)	-
Total other financing sources (uses)	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
Net change in fund balance	<u>(113,000)</u>	<u>(128,928)</u>	<u>(120,755)</u>	<u>477</u>
FUND BALANCE - BEGINNING			1,391,528	
FUND BALANCE - ENDING			<u>\$ 1,270,773</u>	

NONMAJOR ENTERPRISE FUNDS

Pier Fund - accounts for the operation and maintenance of the City's pier.

Airpark Fund - accounts for administration, operation, and maintenance of the City's airpark.

Sanitation Fund - accounts for the provision of solid waste disposal services to City residents.

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

CITY OF POMPANO BEACH, FLORIDA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2018

	<u>Pier</u>	<u>Airpark</u>	<u>Sanitation</u>
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 639,236	\$ 1,729	\$ 130,011
Interest receivable	20,241	-	780
Accounts receivables, net	-	-	732,016
Due from other governments	-	1,054,797	252,639
Inventories	-	-	-
Total current assets	<u>659,477</u>	<u>1,056,526</u>	<u>1,115,446</u>
Noncurrent Assets			
Unrestricted investments	5,186,385	14,030	1,054,838
Capital assets:			
Land	60,058	934	-
Construction in progress	9,010,527	4,178,028	-
Buildings	-	1,656,670	-
Infrastructure	2,433,574	4,222,359	-
Improvements	-	16,745,470	-
Machinery and equipment	3,060	661,595	918,173
Less accumulated depreciation	<u>(1,674,560)</u>	<u>(11,600,195)</u>	<u>(342,158)</u>
Total capital assets (net of accumulated depreciation)	<u>9,832,659</u>	<u>15,864,861</u>	<u>576,015</u>
Total noncurrent assets	<u>15,019,044</u>	<u>15,878,891</u>	<u>1,630,853</u>
Total assets	<u>15,678,521</u>	<u>16,935,417</u>	<u>2,746,299</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	<u>5,966</u>	<u>214,515</u>	<u>420,983</u>
LIABILITIES			
Current liabilities:			
Accounts payable	1,370,048	286,782	735,512
Accrued expenses	-	19,825	56,850
Due to other funds	-	50,000	-
Total current liabilities	<u>1,370,048</u>	<u>356,607</u>	<u>792,362</u>
Noncurrent liabilities:			
Compensated absences	-	62,096	126,266
Total OPEB liability	-	64,370	144,834
Net pension liability	-	570,101	650,468
Total noncurrent liabilities	<u>-</u>	<u>696,567</u>	<u>921,568</u>
Total liabilities	<u>1,370,048</u>	<u>1,053,174</u>	<u>1,713,930</u>
Deferred inflows related to pensions	-	39,348	57,736
NET POSITION			
Net investment in capital assets	9,832,658	15,864,861	576,013
Unrestricted	4,481,781	192,549	819,603
Total net position	<u>\$ 14,314,439</u>	<u>\$ 16,057,410</u>	<u>\$ 1,395,616</u>

<u>Stormwater</u>	<u>Total</u>
\$ 1,054,427	\$ 1,825,403
33,954	54,975
261,598	993,614
424,714	1,732,150
9,985	9,985
<u>1,784,678</u>	<u>4,616,127</u>
8,555,005	14,810,258
-	60,992
3,541,774	16,730,329
-	1,656,670
8,645,296	15,301,229
9,827,001	26,572,471
1,832,071	3,414,899
<u>(9,701,315)</u>	<u>(23,318,228)</u>
14,144,827	40,418,362
<u>22,699,832</u>	<u>55,228,620</u>
<u>24,484,510</u>	<u>59,844,747</u>
190,857	832,321
601,859	2,994,201
25,994	102,669
-	50,000
<u>627,853</u>	<u>3,146,870</u>
36,126	224,488
96,556	305,760
597,308	1,817,877
<u>729,990</u>	<u>2,348,125</u>
<u>1,357,843</u>	<u>5,494,995</u>
30,670	127,754
14,144,826	40,418,358
9,142,028	14,635,961
<u>\$ 23,286,854</u>	<u>\$ 55,054,319</u>

CITY OF POMPANO BEACH, FLORIDA**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	<u>Pier</u>	<u>Airpark</u>	<u>Sanitation</u>
OPERATING REVENUES			
Charges for services	\$ -	\$ 1,374,695	\$ 8,362,125
Miscellaneous	-	-	50,000
Total operating revenues	<u>-</u>	<u>1,374,695</u>	<u>8,412,125</u>
OPERATING EXPENSES			
Personnel services	3,009	486,842	1,579,288
Other current expenses	133,445	664,466	6,559,951
Depreciation	55,979	1,108,667	94,210
Total operating expenses	<u>192,433</u>	<u>2,259,975</u>	<u>8,233,449</u>
Operating income (loss)	<u>(192,433)</u>	<u>(885,280)</u>	<u>178,676</u>
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	43,717	(4,234)	(8,645)
Operating grants and contributions	-	77,783	-
Gain or (loss) from disposition of capital assets	(4,007)	354	-
Total nonoperating revenues (expenses)	<u>39,710</u>	<u>73,903</u>	<u>(8,645)</u>
Income (loss) before contributions and transfers	(152,723)	(811,377)	170,031
Capital grants and contributions	-	2,811,107	-
Transfers out	-	-	-
Change in net position	(152,723)	1,999,730	170,031
Total net position - beginning	14,467,162	14,013,117	1,336,596
Restatement of net position for GASB 75 implementation	-	44,563	(111,011)
Total net position - beginning, as restated (Note (III)(H))	<u>14,467,162</u>	<u>14,057,680</u>	<u>1,225,585</u>
Total net position - ending	<u>\$ 14,314,439</u>	<u>\$ 16,057,410</u>	<u>\$ 1,395,616</u>

<u>Stormwater</u>	<u>Total</u>
\$ 3,474,493	\$ 13,211,313
-	50,000
<u>3,474,493</u>	<u>13,261,313</u>
487,166	2,556,305
820,972	8,178,834
<u>762,520</u>	<u>2,021,376</u>
<u>2,070,658</u>	<u>12,756,515</u>
1,403,835	504,798
66,185	97,023
-	77,783
<u>20,657</u>	<u>17,004</u>
<u>86,842</u>	<u>191,810</u>
1,490,677	696,608
377,000	3,188,107
<u>(218,123)</u>	<u>(218,123)</u>
1,649,554	3,666,592
21,635,276	51,452,151
<u>2,024</u>	<u>(64,424)</u>
<u>21,637,300</u>	<u>51,387,727</u>
<u>\$ 23,286,854</u>	<u>\$ 55,054,319</u>

CITY OF POMPANO BEACH, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	<u>Pier</u>	<u>Airpark</u>	<u>Sanitation</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ -	\$ 429,382	\$ 9,308,552
Payments to suppliers	625,763	(641,694)	(6,659,263)
Payments to employees	-	(457,938)	(1,428,571)
Net cash provided (used) by operating activities	<u>625,763</u>	<u>(670,250)</u>	<u>1,220,718</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Advances from (to) other funds	-	50,000	-
Operating grants and contributions	-	78,137	-
Transfers to other funds	-	-	-
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>128,137</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(5,373,023)	(3,663,392)	(459,689)
Capital grants and contributions	-	2,811,107	-
Proceeds from the sale of surplus materials/capital assets	-	-	-
Net cash provided (used) by capital and related financing activities	<u>(5,373,023)</u>	<u>(852,285)</u>	<u>(459,689)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Calls/maturities of investments	4,129,957	1,229,424	839,975
Purchase of investments	(42,771)	(1,172)	(1,513,339)
Interest income	40,763	(719)	(9,425)
Net cash provided (used) by investing activities	<u>4,127,949</u>	<u>1,227,533</u>	<u>(682,789)</u>
Net increase (decrease) in cash and cash equivalents	<u>(619,311)</u>	<u>(166,865)</u>	<u>78,240</u>
Cash and cash equivalents at beginning of the year	<u>1,258,547</u>	<u>168,594</u>	<u>51,771</u>
Cash and cash equivalents at end of the year	<u>\$ 639,236</u>	<u>\$ 1,729</u>	<u>\$ 130,011</u>
Non-cash transactions (Capital & Related Financing Activities):			
Contribution of capital assets from developers	-	-	-
Non-cash transactions (Investing Activities):			
Change in fair value of investments	(23,277)	130	(897)
	<u>\$ (23,277)</u>	<u>\$ 130</u>	<u>\$ (897)</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (192,433)	\$ (885,280)	\$ 178,676
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	55,979	1,108,667	94,210
Non-cash pension expense	3,009	18,484	83,681
Change in assets and liabilities:			
(Increase) decrease in assets:			
Accounts receivables	-	-	896,427
Inventories	-	-	-
Due from other governments	-	(945,313)	-
Increase (decrease) in liabilities			
Accounts and other payables	759,208	19,421	(106,853)
Accrued expenses	-	2,749	8,337
Other post employment benefits (OPEB)	-	3,351	7,541
Compensated absences	-	7,671	58,699
Net cash provided (used) by operating activities	<u>\$ 625,763</u>	<u>\$ (670,250)</u>	<u>\$ 1,220,718</u>

<u>Stormwater</u>	<u>Total</u>
\$ 3,074,747	\$ 12,812,681
(265,011)	(6,940,205)
<u>(458,352)</u>	<u>(2,344,861)</u>
<u>2,351,384</u>	<u>3,527,615</u>
-	50,000
-	78,137
<u>(218,123)</u>	<u>(218,123)</u>
<u>(218,123)</u>	<u>(89,986)</u>
(2,117,675)	(11,613,779)
300,000	3,111,107
<u>21,216</u>	<u>21,216</u>
<u>(1,796,459)</u>	<u>(8,481,456)</u>
6,812,414	13,011,770
(7,254,752)	(8,812,034)
<u>58,966</u>	<u>89,585</u>
<u>(383,372)</u>	<u>4,289,321</u>
<u>(46,570)</u>	<u>(754,506)</u>
<u>1,100,997</u>	<u>2,579,909</u>
<u>\$ 1,054,427</u>	<u>\$ 1,825,403</u>
77,000	77,000
<u>(39,046)</u>	<u>(63,090)</u>
<u>\$ 37,954</u>	<u>\$ 13,910</u>
\$ 1,403,835	\$ 504,798
762,520	2,021,376
19,108	124,282
(399,746)	496,681
(1,372)	(1,372)
-	(945,313)
552,306	1,224,082
6,726	17,812
5,027	15,919
<u>2,980</u>	<u>69,350</u>
<u>\$ 2,351,384</u>	<u>\$ 3,527,615</u>

INTERNAL SERVICE FUNDS

Central Stores Fund - accounts for the costs of providing a central inventory to other departments. The other departments are charged for inventory plus a fee to cover overhead.

Information Technology Fund - accounts for the costs of providing information processing services to other City departments. The other departments are charged a direct fee for the initial purchase of equipment and a usage fee to cover operating costs of the fund.

Central Services Fund - accounts for the costs of providing goods and services, primarily printing and duplicating, to other City departments. The other departments are billed based on their historical frequency of use.

Risk Management Fund (Health) - accounts for the City's share of health insurance premiums. Other funds are billed to cover actual costs of premiums and claims.

Risk Management Fund (General) - accounts for the costs of insuring the City for property damage, general liability, auto liability, and worker's compensation. Other funds are billed to cover actual costs of premiums and claims.

Vehicle Services Fund - accounts for the costs of operating a maintenance facility for City vehicles. Other City departments are billed to cover operating costs, fuel consumption, and vehicle repairs.

CITY OF POMPANO BEACH, FLORIDA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2018

	<u>Central Stores</u>	<u>Information Technology</u>	<u>Central Services</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 49,950	\$ 87,819	\$ 7,325
Interest receivable	(1,951)	2,794	1,621
Due from other governments	-	-	-
Inventories	650,221	-	36,382
Total current assets:	<u>698,220</u>	<u>90,613</u>	<u>45,328</u>
Noncurrent assets			
Investments	-	712,510	425,727
Capital assets:			
Buildings	247,163	-	7,373
Improvements	-	-	-
Machinery and equipment	82,914	4,826,123	106,162
Less accumulated depreciation	<u>(285,709)</u>	<u>(3,945,848)</u>	<u>(73,089)</u>
Total capital assets (net of accumulated depreciation)	<u>44,368</u>	<u>880,275</u>	<u>40,446</u>
Total noncurrent assets	<u>44,368</u>	<u>1,592,785</u>	<u>466,173</u>
Total assets	<u>742,588</u>	<u>1,683,398</u>	<u>511,501</u>
LIABILITIES			
Current liabilities:			
Accounts payable	52,772	189,027	23,970
Accrued expenses	8,235	48,518	26,388
Due to other funds	611,868	-	-
Claims and judgments	-	-	-
Compensated absences	-	-	-
Total current liabilities:	<u>672,875</u>	<u>237,545</u>	<u>50,358</u>
Noncurrent liabilities			
Compensated absences	31,766	186,733	46,628
Total OPEB liability	32,185	160,926	128,741
Claims and judgments	-	-	-
Total noncurrent liabilities	<u>63,951</u>	<u>347,659</u>	<u>175,369</u>
Total liabilities	<u>736,826</u>	<u>585,204</u>	<u>225,727</u>
NET POSITION			
Net investment in capital assets	44,368	880,275	40,446
Unrestricted	<u>(38,606)</u>	<u>217,919</u>	<u>245,328</u>
Total net position	<u>\$ 5,762</u>	<u>\$ 1,098,194</u>	<u>\$ 285,774</u>

Risk Management Health	Risk Management General	Vehicle Services	Total
\$ 305,749	\$ 1,772,474	\$ 40,754	\$ 2,264,071
11,463	56,690	1,299	71,916
-	-	11,585	11,585
-	-	108,755	795,358
<u>317,212</u>	<u>1,829,164</u>	<u>162,393</u>	<u>3,142,930</u>
2,932,867	14,529,247	330,654	18,931,005
-	-	-	254,536
-	-	423,838	423,838
-	11,250	896,867	5,923,316
-	(4,464)	(1,136,955)	(5,446,065)
-	6,786	183,750	1,155,625
<u>2,932,867</u>	<u>14,536,033</u>	<u>514,404</u>	<u>20,086,630</u>
<u>3,250,079</u>	<u>16,365,197</u>	<u>676,797</u>	<u>23,229,560</u>
39,065	108,313	68,770	481,917
-	13,845	27,789	124,775
-	-	-	611,868
-	3,275,659	-	3,275,659
-	18,090	-	18,090
<u>39,065</u>	<u>3,415,907</u>	<u>96,559</u>	<u>4,512,309</u>
-	15,137	81,752	362,016
-	64,370	144,834	531,056
-	8,052,341	-	8,052,341
-	8,131,848	226,586	8,945,413
<u>39,065</u>	<u>11,547,755</u>	<u>323,145</u>	<u>13,457,722</u>
-	6,786	183,750	1,155,625
<u>3,211,014</u>	<u>4,810,656</u>	<u>169,902</u>	<u>8,616,213</u>
<u>\$ 3,211,014</u>	<u>\$ 4,817,442</u>	<u>\$ 353,652</u>	<u>\$ 9,771,838</u>

CITY OF POMPANO BEACH, FLORIDA**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION****INTERNAL SERVICE FUNDS****FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	Central Stores	Information Technology	Central Services
OPERATING REVENUES			
Charges for services - internal	\$ 272,452	\$ 2,184,037	\$ 1,250,097
Charges for services - other	-	-	55
Miscellaneous	-	-	-
Total operating revenues	<u>272,452</u>	<u>2,184,037</u>	<u>1,250,152</u>
OPERATING EXPENSES			
Personnel services	189,972	1,329,623	677,906
Other current expenses	140,912	915,793	514,262
Depreciation	13,696	100,588	10,177
Total operating expenses	<u>344,580</u>	<u>2,346,004</u>	<u>1,202,345</u>
Operating income (loss)	<u>(72,128)</u>	<u>(161,967)</u>	<u>47,807</u>
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	(4,474)	3,275	3,039
Miscellaneous revenue	99	-	-
Capital grants and contributions	-	202,581	-
Gain or (loss) from disposition of capital assets	-	(6,799)	(1,383)
Total nonoperating revenues (expenses)	<u>(4,375)</u>	<u>199,057</u>	<u>1,656</u>
Income (loss)	(76,503)	37,090	49,463
Net position - beginning	97,076	1,072,092	279,227
Restatement of net position for GASB 75 implementation	<u>(14,811)</u>	<u>(10,988)</u>	<u>(42,916)</u>
Total net position - beginning, as restated (Note (III)(H))	<u>82,265</u>	<u>1,061,104</u>	<u>236,311</u>
Net position - ending	<u>\$ 5,762</u>	<u>\$ 1,098,194</u>	<u>\$ 285,774</u>

Risk Management Health	Risk Management General	Vehicle Services	Total
\$ 8,905,330	\$ 5,024,843	\$ 2,951,653	\$ 20,588,412
3,274,709	-	-	3,274,764
101,725	196,530	27,012	325,267
<u>12,281,764</u>	<u>5,221,373</u>	<u>2,978,665</u>	<u>24,188,443</u>
-	394,648	696,058	3,288,207
12,300,008	4,240,138	2,312,914	20,424,027
-	672	63,614	188,747
<u>12,300,008</u>	<u>4,635,458</u>	<u>3,072,586</u>	<u>23,900,981</u>
<u>(18,244)</u>	<u>585,915</u>	<u>(93,921)</u>	<u>287,462</u>
19,238	106,064	2,809	129,951
-	-	5	104
-	6,995	-	209,576
-	-	-	(8,182)
<u>19,238</u>	<u>113,059</u>	<u>2,814</u>	<u>331,449</u>
994	698,974	(91,107)	618,911
3,210,020	4,144,918	471,244	9,274,577
-	(26,450)	(26,485)	(121,650)
<u>3,210,020</u>	<u>4,118,468</u>	<u>444,759</u>	<u>9,152,927</u>
<u>\$ 3,211,014</u>	<u>\$ 4,817,442</u>	<u>\$ 353,652</u>	<u>\$ 9,771,838</u>

CITY OF POMPANO BEACH, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	Central Stores	Information Technology	Central Services
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from other funds	\$ 272,452	\$ 2,184,037	\$ 1,250,097
Receipts from customers	-	-	55
Payments to suppliers	(232,242)	(735,775)	(522,950)
Payments to employees	(188,856)	(1,325,506)	(669,515)
Claims paid	-	-	-
Net cash provided (used) by operating activities	<u>(148,646)</u>	<u>122,756</u>	<u>57,687</u>
Advances from (to) other funds	<u>149,223</u>	<u>-</u>	<u>-</u>
Net cash provided (used) by noncapital financing activities	<u>149,223</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from sale of surplus materials/capital assets	99	-	-
Acquisition of capital assets	<u>-</u>	<u>(724,313)</u>	<u>(30,817)</u>
Net cash provided (used) by capital and related financing activities	<u>99</u>	<u>(724,313)</u>	<u>(30,817)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Calls/maturities of investments	-	567,377	339,010
Purchase of investments	-	(49,765)	(409,300)
Interest income (loss)	<u>(2,523)</u>	<u>4,820</u>	<u>2,508</u>
Net cash provided (used) by investing activities	<u>(2,523)</u>	<u>522,432</u>	<u>(67,782)</u>
Net increase (decrease) in cash and cash equivalents	(1,847)	(79,125)	(40,912)
Cash and cash equivalents at beginning of the year	<u>51,797</u>	<u>166,944</u>	<u>48,237</u>
Cash and cash equivalents at end of the year	<u>\$ 49,950</u>	<u>\$ 87,819</u>	<u>\$ 7,325</u>
Non-cash transactions (Investing Activities):			
Change in fair value of investments	<u>\$ 2,243</u>	<u>\$ 3,213</u>	<u>\$ (1,864)</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (72,128)	\$ (161,967)	\$ 47,807
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Cash flows reported in other categories:			
Depreciation expense	13,696	100,588	10,177
Changes in assets and liabilities			
Due from other governments	-	-	-
Inventories	(111,605)	-	(6,161)
Estimated claims payable	-	-	-
Accounts and other payables	18,600	171,640	(9,230)
Accrued expenses	242	8,249	2,952
Other post employment benefits (OPEB)	1,675	8,378	6,703
Compensated absences	874	(4,132)	5,439
Net cash provided (used) by operating activities	<u>\$ (148,646)</u>	<u>\$ 122,756</u>	<u>\$ 57,687</u>

Risk Management Health	Risk Management General	Vehicle Services	Total
\$ 8,905,330	\$ 5,024,843	\$ 2,951,653	\$ 20,588,412
3,376,434	196,530	28,125	3,601,144
(12,298,921)	(718,034)	(2,361,855)	(16,869,777)
-	(407,887)	(732,299)	(3,324,063)
-	(4,662,099)	-	(4,662,099)
(17,157)	(566,647)	(114,376)	(666,383)
-	-	-	149,223
-	-	-	149,223
-	-	5	104
-	-	(59,547)	(814,677)
-	-	(59,542)	(814,573)
2,335,464	11,569,748	263,302	15,074,901
(2,417,170)	(11,335,917)	(116,970)	(14,329,122)
17,672	101,744	3,607	127,828
(64,034)	335,575	149,939	873,607
(81,191)	(231,073)	(23,979)	(458,126)
386,940	2,003,546	64,733	2,722,197
\$ 305,749	\$ 1,772,474	\$ 40,754	\$ 2,264,071
\$ (13,183)	\$ (65,192)	\$ (1,494)	\$ (76,277)
\$ (18,244)	\$ 585,915	\$ (93,921)	\$ 287,462
-	672	63,614	188,747
-	-	1,113	1,113
-	-	(16,584)	(134,350)
-	(1,164,000)	-	(1,164,000)
1,087	20,654	(39,898)	162,853
-	(3,670)	(5,914)	1,859
-	3,351	7,541	27,648
-	(9,569)	(30,327)	(37,715)
\$ (17,157)	\$ (566,647)	\$ (114,376)	\$ (666,383)

FIDUCIARY FUNDS

Fiduciary funds are used to account for resources held for the benefits of parties outside the City.

General Employees' Retirement System Fund - accounts for the accumulation of resources to be used for retirement benefit payments to the majority of City employees. Resources are contributed by employees at rates fixed by law and by the City at amounts determined by an annual actuarial valuation.

Police and Firefighters' Retirement System Fund - accounts for the accumulation of resources to be used for retirement benefit payments to City police officers and firefighters. Resources are contributed by employees at rates fixed by law and by the City at amounts determined by an annual actuarial valuation.

General Agency Fund - accounts for the receipt of monies from various funds for gross payroll, disbursement of net payroll and related employee liabilities, and to account for deferred compensation liabilities, refundable deposits, and unclaimed checks.

CITY OF POMPANO BEACH, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
SEPTEMBER 30, 2018

	General Employees' Retirement System	Police and Firefighters' Retirement System	Total
ASSETS			
Cash	\$ 15,104	\$ 35,773	\$ 50,877
Receivables:			
Accrued interest and dividends	206,750	384,179	590,929
Due from brokers	49,000	586,097	635,097
Other	-	186,494	186,494
Total receivables	<u>255,750</u>	<u>1,156,770</u>	<u>1,412,520</u>
Other assets	<u>2,978</u>	<u>-</u>	<u>2,978</u>
Investments:			
US Government obligations	11,865,270	17,583,991	29,449,261
Mortgage backed securities	-	17,855,373	17,855,373
Municipal obligations	-	410,022	410,022
Corporate obligations	11,665,257	16,317,467	27,982,724
Equity securities	37,208,352	133,349,238	170,557,590
Mutual funds and collective trusts	86,058,935	-	86,058,935
Hedge funds & private equity funds	14,531,768	49,106,322	63,638,090
Real estate funds	25,692,099	-	25,692,099
Money market funds	4,094,474	6,554,212	10,648,686
Pompano Beach Investors LLC	-	3,000,000	3,000,000
Total investments	<u>191,116,155</u>	<u>244,176,625</u>	<u>435,292,780</u>
Prepayments and other assets	-	1,685,508	1,685,508
Property & equipment, net of accumulated depreciation	-	224,587	224,587
Total assets	<u>191,389,987</u>	<u>247,279,263</u>	<u>438,669,250</u>
LIABILITIES			
Accounts payable and accrued expenses	131,318	265,525	396,843
Due to brokers	39,012	662,112	701,124
Total liabilities	<u>170,330</u>	<u>927,637</u>	<u>1,097,967</u>
NET POSITION			
Restricted for pension benefits	<u>\$ 191,219,657</u>	<u>\$ 246,351,626</u>	<u>\$ 437,571,283</u>

CITY OF POMPANO BEACH, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	General Employees' Retirement System	Police and Firefighters' Retirement System	Total
ADDITIONS			
Contributions:			
Employer	\$ 7,953,196	\$ 5,770,377	\$ 13,723,573
Broward County Sheriff's Office	333,548	5,004,644	5,338,192
Broward County - Library	15,225	-	15,225
Members	2,663,296	1,708,166	4,371,462
State	-	2,501,946	2,501,946
Total contributions	<u>10,965,265</u>	<u>14,985,133</u>	<u>25,950,398</u>
Investment income:			
Net appreciation in fair value of investments	14,416,454	15,816,895	30,233,349
Interest and dividends	3,330,918	5,492,691	8,823,609
Other	2,798	18,569	21,367
Total investment income	<u>17,750,170</u>	<u>21,328,155</u>	<u>39,078,325</u>
Less: investment expenses	<u>714,972</u>	<u>1,423,132</u>	<u>2,138,104</u>
Net investment income	<u>17,035,198</u>	<u>19,905,023</u>	<u>36,940,221</u>
Total	<u>28,000,463</u>	<u>34,890,156</u>	<u>62,890,619</u>
DEDUCTIONS			
Participant benefit payments	11,829,407	25,767,121	37,596,528
Benefits paid from DROP	1,512,706	-	1,512,706
Refunds of participant contributions	224,969	82,403	307,372
Administrative expenses	539,529	626,768	1,166,297
Total	<u>14,106,611</u>	<u>26,476,292</u>	<u>40,582,903</u>
Net increase (decrease)	<u>13,893,852</u>	<u>8,413,864</u>	<u>22,307,716</u>
Net position held in trust for pension benefits			
Beginning of the year	177,325,805	237,937,762	415,263,567
End of the year	<u>\$ 191,219,657</u>	<u>\$ 246,351,626</u>	<u>\$ 437,571,283</u>

CITY OF POMPANO BEACH, FLORIDA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
GENERAL AGENCY FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	BALANCE OCTOBER 1, 2017	ADDITIONS	DELETIONS	Balance September 30, 2018
Assets:				
Cash and cash equivalents	\$ 609,691	\$ 28,690,971	\$ 28,639,693	\$ 660,969
Accounts receivable	<u>255</u>	<u>-</u>	<u>255</u>	<u>-</u>
Total assets	<u>\$ 609,946</u>	<u>\$ 28,690,971</u>	<u>\$ 28,639,948</u>	<u>\$ 660,969</u>
Liabilities:				
Deposit, sales tax & payroll payable	<u>\$ 609,946</u>	<u>\$ 33,637,607</u>	<u>\$ 33,586,584</u>	<u>\$ 660,969</u>
Total liabilities	<u>\$ 609,946</u>	<u>\$ 33,637,607</u>	<u>\$ 33,586,584</u>	<u>\$ 660,969</u>

STATISTICAL SECTION

STATISTICAL SECTION SUMMARY

This part of the City of Pompano Beach, Florida's comprehensive annual financial report presents additional information to assist users in understanding how the information provided in the financial statements, note disclosures, and required supplementary information impacts the City's overall financial health.

Schedules	<u>Page</u>
<u>Financial Trends</u> These schedules provide financial trend information, which shows how the City's financial performance has changed over time.	154
<u>Revenue Capacity</u> These schedules provide additional information about Property Tax, the City's most significant local revenue source	160
<u>Debt Capacity</u> These schedules provide detailed information about the City's current levels of outstanding debt, and can help the financial statement user assess the City's ability to issue additional debt in the future.	167
<u>Demographic and Economic Information</u> These schedules present demographic and economic indicators to assist the financial statement user in understanding the environment in which the City's financial activities occur.	172
<u>Operating Information</u> These schedules contain service and infrastructure data to help the financial statement user understand how the information in the City's financial statements relates to the services the City provides	174

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

CITY OF POMPANO BEACH, FLORIDA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental activities					
Net investment in capital assets	\$ 205,458,533	\$ 212,893,367	\$ 218,753,518	\$ 221,483,539	\$ 207,256,104
Restricted	91,297,882	80,138,395	64,179,337	52,668,454	48,000,383
Unrestricted	<u>73,578,264</u>	<u>99,545,328</u>	<u>100,532,438</u>	<u>108,003,793</u>	<u>124,388,694</u>
Total governmental-type activities net position	<u>\$ 370,334,679</u>	<u>\$ 392,577,090</u>	<u>\$ 383,465,293</u>	<u>\$ 382,155,786</u>	<u>\$ 379,645,181</u>
 Business-type activities					
Net investment in capital assets	\$ 99,197,519	\$ 102,762,337	\$ 117,815,651	\$ 119,425,239	\$ 117,178,114
Restricted	4,476,707	9,897,046	8,506,787	6,465,995	4,660,462
Unrestricted	<u>53,626,361</u>	<u>44,225,710</u>	<u>38,536,872</u>	<u>42,778,697</u>	<u>48,877,564</u>
Total business-type activities net position	<u>\$ 157,300,587</u>	<u>\$ 156,885,093</u>	<u>\$ 164,859,310</u>	<u>\$ 168,669,931</u>	<u>\$ 170,716,140</u>
 Primary Government					
Net investment in capital assets	\$ 304,656,052	\$ 315,655,704	\$ 336,569,169	\$ 340,908,778	\$ 324,434,218
Restricted	95,774,589	90,035,441	72,686,124	59,134,449	52,660,845
Unrestricted	<u>127,204,625</u>	<u>143,771,038</u>	<u>139,069,310</u>	<u>150,782,490</u>	<u>173,266,258</u>
Total primary government net position	<u>\$ 527,635,266</u>	<u>\$ 549,462,183</u>	<u>\$ 548,324,603</u>	<u>\$ 550,825,717</u>	<u>\$ 550,361,321</u>

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Governmental activities					
Net investment in capital assets	\$ 215,941,575	\$ 225,969,080	\$ 270,890,727	\$ 287,768,399	\$ 296,451,107
Restricted	39,320,526	40,980,733	42,731,241	49,064,248	54,222,664
Unrestricted	128,134,327	25,217,951	5,078,645	(33,588,535)	(58,192,514)
Total governmental-type activities net position	<u>\$ 383,396,428</u>	<u>\$ 292,167,764</u>	<u>\$ 318,700,613</u>	<u>\$ 303,244,112</u>	<u>\$ 292,481,257</u>
 Business-type activities					
Net investment in capital assets	\$ 114,647,356	\$ 113,532,397	\$ 113,914,818	\$ 113,231,147	\$ 127,840,934
Restricted	3,871,104	3,843,804	4,943,714	5,740,804	4,187,391
Unrestricted	52,140,506	47,700,594	47,852,883	58,853,706	51,444,887
Total business-type activities net position	<u>\$ 170,658,966</u>	<u>\$ 165,076,795</u>	<u>\$ 166,711,415</u>	<u>\$ 177,825,657</u>	<u>\$ 183,473,212</u>
 Primary Government					
Net investment in capital assets	\$ 330,588,931	\$ 339,501,477	\$ 384,805,545	\$ 400,999,546	\$ 424,292,041
Restricted	43,191,630	44,824,537	47,674,955	54,805,052	58,410,055
Unrestricted	180,274,833	72,918,545	52,931,528	25,265,171	(6,747,627)
Total primary government net position	<u>\$ 554,055,394</u>	<u>\$ 457,244,559</u>	<u>\$ 485,412,028</u>	<u>\$ 481,069,769</u>	<u>\$ 475,954,469</u>

CITY OF POMPANO BEACH, FLORIDA

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS (accrual basis of accounting)

Schedule 2

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities:										
General government	\$ 30,976,218	\$ 22,614,054	\$ 31,870,782	\$ 33,337,008	\$ 33,052,054	\$ 32,924,493	\$ 29,660,009	\$ 33,406,774	\$ 33,740,533	\$ 31,953,414
Public safety	72,982,320	75,248,897	76,787,154	72,981,195	76,932,640	79,092,062	81,641,409	96,143,601	103,714,272	106,755,628
Physical environment	13,122,352	13,945,306	15,550,874	16,514,775	17,508,638	19,107,230	15,385,811	16,674,345	18,460,060	21,206,645
Transportation	3,837,107	3,742,998	3,996,841	3,205,628	3,328,609	3,682,005	3,876,869	3,935,837	4,129,271	4,469,527
Economic environment	-	-	-	-	-	-	6,076,489	7,442,683	8,709,265	9,949,169
Culture and recreation	8,632,761	7,669,285	7,964,422	7,830,956	8,202,728	8,996,206	9,378,496	9,772,473	13,743,089	14,715,289
Interest on long-term debt	932,515	1,236,656	1,307,248	924,518	1,090,325	989,882	908,278	866,593	758,984	633,223
Total governmental activities expenses	<u>130,483,273</u>	<u>124,457,196</u>	<u>137,477,321</u>	<u>134,794,080</u>	<u>140,114,994</u>	<u>144,791,878</u>	<u>146,927,361</u>	<u>168,242,306</u>	<u>183,255,474</u>	<u>189,682,895</u>
Business-type activities:										
Utility	36,050,530	36,710,226	37,906,357	39,006,357	38,967,528	40,065,154	39,253,188	41,282,490	38,092,853	41,733,935
Sanitation	3,605,435	3,338,231	3,815,493	4,161,979	4,225,019	4,315,686	4,225,411	4,645,492	5,863,604	8,214,578
Stormwater	1,891,753	1,955,262	2,008,840	1,887,886	1,904,435	1,879,494	2,108,833	2,305,273	1,858,645	2,062,874
Pier	139,979	230,969	267,233	246,386	349,096	260,103	273,574	238,055	110,149	191,798
Airpark	1,399,077	1,461,977	1,417,254	1,383,706	1,430,544	2,167,927	2,211,600	2,206,241	2,217,302	2,254,140
Golf course	3,469,586	3,464,818	3,643,143	3,616,352	4,239,802	4,732,472	4,750,326	4,030,947	-	-
Parking	-	-	-	-	-	735,163	1,640,739	1,958,910	3,087,170	3,239,261
Total business-type activities expenses	<u>46,556,360</u>	<u>47,161,483</u>	<u>49,058,320</u>	<u>50,302,666</u>	<u>51,116,424</u>	<u>54,155,999</u>	<u>54,463,671</u>	<u>56,667,408</u>	<u>51,229,723</u>	<u>57,696,586</u>
Total primary government expenses	<u>\$ 177,039,633</u>	<u>\$ 171,618,679</u>	<u>\$ 186,535,641</u>	<u>\$ 185,096,746</u>	<u>\$ 191,231,418</u>	<u>\$ 198,947,877</u>	<u>\$ 201,391,032</u>	<u>\$ 224,909,714</u>	<u>\$ 234,485,197</u>	<u>\$ 247,379,481</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General Government	\$ 11,584,971	\$ 12,007,347	\$ 10,249,276	\$ 10,043,560	\$ 9,939,823	\$ 10,269,011	\$ 10,850,914	\$ 12,933,022	\$ 13,341,101	\$ 15,049,463
Public Safety	20,623,910	19,978,399	20,800,209	22,086,284	23,469,809	25,504,703	27,233,712	27,441,872	25,943,671	32,187,477
Physical Environment	38,491	70,676	74,417	92,024	106,076	81,640	102,780	126,380	139,948	174,051
Transportation	352,597	452,867	611,102	519,767	813,641	-	-	-	-	-
Economic Environment	-	-	-	-	-	-	128,319	116,975	108,172	184,987
Culture and Recreation	1,689,470	1,683,521	1,736,482	1,919,986	1,584,673	1,849,242	1,744,145	1,832,901	4,044,516	4,292,310
Operating grants and contributions	3,384,796	3,021,158	3,551,981	3,487,028	3,374,362	3,981,238	3,699,270	2,950,496	3,740,302	3,925,657
Capital grants and contributions	3,736,634	8,016,883	3,763,722	3,886,738	4,107,045	5,508,176	6,046,134	40,830,735	12,396,198	3,719,870
Total governmental activities program revenues	<u>41,410,869</u>	<u>45,230,851</u>	<u>40,787,189</u>	<u>42,035,387</u>	<u>43,395,429</u>	<u>47,194,010</u>	<u>49,805,274</u>	<u>86,232,381</u>	<u>59,713,908</u>	<u>59,533,815</u>
Business-type activities:										
Charges for services:										
Utility	35,633,508	34,324,271	40,663,118	41,457,871	40,113,717	39,795,045	42,673,872	41,695,146	42,425,662	43,239,985
Sanitation	5,026,680	5,287,117	5,419,414	5,734,397	5,708,478	5,797,028	5,899,635	6,956,161	7,912,850	8,362,125
Stormwater	2,529,879	2,468,001	2,457,922	2,440,888	2,399,107	2,621,597	2,843,950	2,973,219	3,153,355	3,474,493
Pier	-	29,552	105,340	124,299	134,660	99,231	17,869	-	-	-
Airpark	800,461	946,942	979,402	1,021,156	977,911	1,032,154	1,052,145	1,090,762	1,116,171	1,374,695
Golf course	2,893,132	2,571,980	2,475,617	2,137,538	2,746,380	2,638,276	2,865,570	2,569,108	-	-
Parking	-	-	-	-	-	1,641,003	2,067,899	1,983,567	1,928,136	2,361,774
Operating grants and contributions	-	-	-	-	-	-	-	27,639	112,724	77,783
Capital grants and contributions	796,775	732,036	1,643,613	575,691	2,019,095	1,102,648	1,139,355	256,261	1,912,263	4,386,011
Total business-type activities program revenues	<u>47,680,435</u>	<u>46,359,899</u>	<u>53,744,426</u>	<u>53,491,840</u>	<u>54,099,348</u>	<u>54,726,982</u>	<u>58,560,295</u>	<u>57,551,863</u>	<u>58,561,161</u>	<u>63,276,866</u>
Total primary government program revenues	<u>\$ 89,091,304</u>	<u>\$ 91,590,750</u>	<u>\$ 94,531,615</u>	<u>\$ 95,527,227</u>	<u>\$ 97,494,777</u>	<u>\$ 101,920,992</u>	<u>\$ 108,365,569</u>	<u>\$ 143,784,244</u>	<u>\$ 118,275,069</u>	<u>\$ 122,810,681</u>

Note: Certain amounts have been reclassified in prior years due to changes in classification guidelines mandated by the Florida Department of Financial Services, for comparative purposes.

CITY OF POMPANO BEACH, FLORIDA

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS (accrual basis of accounting)

Schedule 2 (continued)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net (Expense) Revenue										
Governmental activities	\$ (89,072,404)	\$ (79,226,345)	\$ (96,690,132)	\$ (92,758,693)	\$ (96,719,565)	\$ (97,597,868)	\$ (97,122,087)	\$ (82,009,925)	\$ (123,541,566)	\$ (130,149,080)
Business-type activities	1,124,075	(801,584)	4,686,106	3,189,174	2,982,924	570,983	4,096,624	884,455	7,331,438	5,580,280
Total Primary Government Net Expense	<u>\$ (87,948,329)</u>	<u>\$ (80,027,929)</u>	<u>\$ (92,004,026)</u>	<u>\$ (89,569,519)</u>	<u>\$ (93,736,641)</u>	<u>\$ (97,026,885)</u>	<u>\$ (93,025,463)</u>	<u>\$ (81,125,470)</u>	<u>\$ (116,210,128)</u>	<u>\$ (124,568,800)</u>
General revenues and other changes in net position										
Governmental activities										
Taxes										
Property taxes, levied for general purposes	\$ 46,139,749	\$ 49,080,745	\$ 43,120,938	\$ 43,713,354	\$ 46,061,223	\$ 46,147,415	\$ 47,922,298	\$ 53,776,846	\$ 57,018,570	\$ 63,589,738
Sales and use taxes	1,942,087	1,868,720	1,867,765	1,847,983	1,870,051	1,958,903	2,016,087	2,050,699	1,963,183	1,964,359
Business tax receipts	1,852,958	1,883,460	1,900,445	1,962,253	2,092,722	2,151,110	2,134,279	2,184,088	2,167,235	2,232,173
Utility taxes	8,940,920	9,366,079	9,603,801	9,830,191	10,371,991	11,209,858	11,487,684	11,987,773	12,317,208	12,773,367
Communication service taxes	5,349,898	5,711,305	5,775,772	5,694,717	5,378,539	9,732,176	4,999,534	5,222,681	4,671,936	4,436,062
Pari Mutuel	1,795,128	1,881,081	1,897,796	2,067,263	2,171,040	2,267,089	2,520,242	2,428,142	2,310,138	2,148,790
Tax increment fees - Community Redevelopment Agency	9,527,042	10,405,002	8,069,453	7,351,557	7,218,355	7,542,276	8,114,172	8,968,096	9,827,906	11,146,362
Franchise fees	9,097,345	8,316,234	7,410,674	7,597,790	7,402,812	8,005,447	8,164,658	8,112,380	8,403,793	8,226,917
State revenue sharing	7,417,427	7,341,044	7,664,439	7,985,879	8,549,198	9,215,154	9,852,996	10,504,444	10,528,661	11,108,883
Investment earnings	3,518,665	3,584,734	1,607,688	1,495,590	426,002	826,960	1,339,969	1,660,595	918,763	744,672
Gain on sale of capital assets	3,626	3,001	3,062	115,058	36,906	49,006	107,077	164,726	129,159	1,764,202
Miscellaneous revenue	835,460	850,783	988,393	1,288,255	1,096,266	1,099,493	800,707	800,824	946,223	817,412
Transfers	1,205,288	1,176,568	(2,331,891)	499,296	1,533,855	1,162,173	(42,796)	681,480	(3,117,710)	218,123
Total Governmental activities	<u>97,625,593</u>	<u>101,468,756</u>	<u>87,578,335</u>	<u>91,449,186</u>	<u>94,208,960</u>	<u>101,367,060</u>	<u>99,416,907</u>	<u>108,542,774</u>	<u>108,085,065</u>	<u>121,171,060</u>
Business-type activities:										
Gain on sale of capital assets	6,800	15,295	120,761	84,125	73,659	(145,266)	54,796	133,890	106,380	77,647
Investment earnings	1,099,783	1,129,631	407,549	425,541	92,380	296,748	530,059	767,787	485,291	448,343
Miscellaneous revenue	417,233	417,732	427,910	611,077	431,101	446,197	37,307	529,968	73,423	54,469
Transfers	(1,205,288)	(1,176,568)	2,331,891	(499,296)	(1,533,855)	(1,162,173)	42,796	(681,480)	3,117,710	(218,123)
Total Business-type activities:	<u>318,528</u>	<u>386,090</u>	<u>3,288,111</u>	<u>621,447</u>	<u>(936,715)</u>	<u>(564,494)</u>	<u>664,958</u>	<u>750,165</u>	<u>3,782,804</u>	<u>362,336</u>
Total Primary Government	<u>\$ 97,944,121</u>	<u>\$ 101,854,846</u>	<u>\$ 90,866,446</u>	<u>\$ 92,070,633</u>	<u>\$ 93,272,245</u>	<u>\$ 100,802,566</u>	<u>\$ 100,081,865</u>	<u>\$ 109,292,939</u>	<u>\$ 111,867,869</u>	<u>\$ 121,533,396</u>
Change in Net Position										
Governmental activities	8,553,189	22,242,411	(9,111,797)	(1,309,507)	(2,510,605)	3,769,192	2,294,820	26,532,849	(15,456,501)	(8,978,020)
Business-type activities:	1,442,603	(415,494)	7,974,217	3,810,621	2,046,209	6,489	4,761,582	1,634,620	11,114,242	5,942,616
Total Primary Government	<u>\$ 9,995,792</u>	<u>\$ 21,826,917</u>	<u>\$ (1,137,580)</u>	<u>\$ 2,501,114</u>	<u>\$ (464,396)</u>	<u>\$ 3,775,681</u>	<u>\$ 7,056,402</u>	<u>\$ 28,167,469</u>	<u>\$ (4,342,259)</u>	<u>\$ (3,035,404)</u>

Note: Certain amounts have been reclassified in prior years due to changes in classification guidelines mandated by the Florida Department of Financial Services, for comparative purposes.

CITY OF POMPANO BEACH, FLORIDA
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

Schedule 3

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 30,732,081	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	65,678,740	-	-	-	-	-	-	-	-	-
Nonspendable	-	284,411	245,514	1,380,183	328,490	194,404	2,725,821	2,747,561	3,049,485	3,502,685
Restricted	-	29,886,617	8,190,183	8,175,752	6,682,395	8,129,626	7,906,567	7,345	7,500	-
Committed	-	12,382,653	-	-	-	-	-	-	-	-
Assigned	-	5,655,377	3,367,131	3,131,562	1,427,818	2,933,852	1,404,213	2,619,233	7,654,999	3,508,214
Unassigned	-	49,431,868	55,359,991	53,823,339	56,647,635	50,801,700	49,817,419	49,735,754	28,647,748	28,424,188
Total General Fund	<u>\$ 96,410,821</u>	<u>\$ 97,640,926</u>	<u>\$ 67,162,819</u>	<u>\$ 66,510,836</u>	<u>\$ 65,086,338</u>	<u>\$ 62,059,582</u>	<u>\$ 61,854,020</u>	<u>\$ 55,109,893</u>	<u>\$ 39,359,732</u>	<u>\$ 35,435,087</u>
All Other Governmental Funds										
Reserved	\$ 33,949,258	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Northwest CRA District Funds	25,870,780	-	-	-	-	-	-	-	-	-
Capital Projects Funds	16,287,994	-	-	-	-	-	-	-	-	-
Emergency Medical Services	1,136,142	-	-	-	-	-	-	-	-	-
Cultural Arts	21,601	-	-	-	-	-	-	-	-	-
East CRA	5,238,264	-	-	-	-	-	-	-	-	-
Cemetery	748,036	-	-	-	-	-	-	-	-	-
Nonspendable	-	367,410	1,089,593	1,797,162	311,520	1,375,605	1,169,430	508,810	848,999	314,917
Restricted	-	79,152,172	81,364,830	68,910,375	68,627,168	60,073,486	52,933,586	62,928,794	61,731,777	64,934,445
Committed	-	23,873,993	3,810,928	3,622,905	3,638,917	3,607,864	3,958,008	2,750,561	2,942,003	3,757,238
Assigned	-	-	34,564,650	31,258,659	30,766,597	33,363,539	33,441,396	27,167,689	25,238,277	26,589,229
Unassigned	-	773,761	(209,951)	(10,674)	(176,494)	-	-	-	-	(2,509,896)
Total - All Other Governmental Funds	<u>\$ 83,252,075</u>	<u>\$ 104,167,336</u>	<u>\$ 120,620,050</u>	<u>\$ 105,578,427</u>	<u>\$ 103,167,708</u>	<u>\$ 98,420,494</u>	<u>\$ 91,502,420</u>	<u>\$ 93,355,854</u>	<u>\$ 90,761,056</u>	<u>\$ 93,085,933</u>

Note: The City implemented GASB 54 beginning with the fiscal year ended September 30, 2010

CITY OF POMPANO BEACH, FLORIDA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

Schedule 4

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Taxes	\$ 74,292,736	\$ 78,637,580	\$ 70,255,567	\$ 70,494,487	\$ 73,182,138	\$ 74,245,212	\$ 77,169,918	\$ 84,964,417	\$ 88,681,421	\$ 96,894,056
Judgments, fines and forfeitures	1,466,766	1,353,607	1,204,590	1,085,139	1,200,681	983,420	1,055,782	967,783	833,271	827,619
Permits, fees and special assessments	22,436,894	22,018,532	23,283,619	24,686,920	24,855,651	27,540,501	31,500,484	29,405,962	28,531,878	35,348,219
Intergovernmental	16,435,158	19,581,276	14,182,824	15,100,874	15,288,736	17,355,904	15,786,752	21,228,057	23,197,460	20,581,371
Charges for services	16,243,058	15,764,204	16,172,851	16,043,017	16,986,200	16,128,244	16,953,246	18,966,483	22,159,041	23,891,583
Pari-Mutuel	1,795,128	1,881,081	1,897,796	2,067,263	2,171,040	2,267,089	2,520,242	2,428,142	2,310,138	2,148,790
Donations	44,730	23,315	59,539	43,533	49,880	42,705	99,446	9,376	503,602	26,504
Investment earnings	3,032,720	3,011,628	1,364,809	1,249,307	365,238	683,361	1,131,172	1,407,957	918,764	744,673
Cemetery lot sales	3,050	21,775	42,975	52,332	47,288	2,641	760	167,348	135,968	-
Recaptured funds	-	-	23,571	1,270	14,523	1,581	27,677	522	-	-
Program income	-	-	790,129	847,408	488,589	1,647,617	1,206,314	845,008	371,729	886,144
Other revenue	458,782	683,291	768,841	916,330	1,062,012	559,355	671,666	651,627	946,225	817,411
Total revenues	<u>136,209,022</u>	<u>142,976,289</u>	<u>130,047,111</u>	<u>132,587,880</u>	<u>135,711,976</u>	<u>141,457,630</u>	<u>148,123,459</u>	<u>161,042,682</u>	<u>168,589,497</u>	<u>182,166,370</u>
Expenditures										
Current										
General government	18,962,681	21,786,373	22,249,998	23,068,801	24,023,015	23,613,044	24,445,400	23,171,303	24,218,567	22,493,184
Public safety	72,671,842	74,708,661	74,794,319	71,529,455	74,361,660	75,218,105	76,913,019	82,736,275	88,228,536	93,596,219
Physical environment	12,569,704	14,114,654	14,822,990	15,965,683	16,508,394	17,233,486	16,641,857	15,227,179	15,342,560	19,917,457
Transportation	3,242,550	3,145,210	3,353,568	2,552,176	2,644,438	2,667,389	2,831,914	2,844,640	2,913,704	3,189,245
Economic environment	-	-	-	-	-	-	-	7,442,686	8,720,541	9,625,650
Culture and recreation	7,493,244	6,819,634	6,927,009	6,711,263	6,507,050	6,987,124	7,505,320	7,630,233	11,413,322	12,188,833
Debt service:										
Principal	20,000	3,257,162	2,462,162	2,690,293	11,766,150	3,007,167	3,058,871	3,427,966	3,804,900	3,845,102
Interest	889,628	1,179,245	1,252,726	1,220,909	1,106,701	1,009,691	928,222	882,005	780,368	653,880
Capital outlay	9,968,462	7,078,998	18,929,429	25,150,062	18,363,850	20,712,118	24,425,999	26,063,169	22,529,749	20,108,893
Total expenditures	<u>125,818,111</u>	<u>132,089,937</u>	<u>144,792,201</u>	<u>148,888,642</u>	<u>155,281,258</u>	<u>150,448,124</u>	<u>156,750,602</u>	<u>169,425,456</u>	<u>177,952,247</u>	<u>185,618,463</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>10,390,911</u>	<u>10,886,352</u>	<u>(14,745,090)</u>	<u>(16,300,762)</u>	<u>(19,569,282)</u>	<u>(8,990,494)</u>	<u>(8,627,143)</u>	<u>(8,382,774)</u>	<u>(9,362,750)</u>	<u>(3,452,093)</u>
Other Financing Sources (Uses)										
Debt proceeds	-	10,000,000	53,150	-	14,100,000	-	-	388,000	-	-
Proceeds from capital lease	-	-	2,998,438	-	-	-	1,428,088	2,257,875	-	-
Proceeds from sale of capital assets	457,567	82,446	-	107,860	100,210	54,351	118,221	164,726	129,159	1,634,202
Transfers in	6,623,660	11,834,055	35,052,824	25,960,746	24,133,274	27,448,016	22,726,691	22,388,163	18,832,131	9,729,676
Transfers out	(5,312,307)	(10,657,487)	(37,384,715)	(25,461,450)	(22,599,419)	(26,285,843)	(22,769,487)	(21,706,683)	(27,943,499)	(9,511,553)
Total	<u>1,768,920</u>	<u>11,259,014</u>	<u>719,697</u>	<u>607,156</u>	<u>15,734,065</u>	<u>1,216,524</u>	<u>1,503,513</u>	<u>3,492,081</u>	<u>(8,982,209)</u>	<u>1,852,325</u>
Net Changes in Fund Balances	<u>\$ 12,159,831</u>	<u>\$ 22,145,366</u>	<u>\$ (14,025,393)</u>	<u>\$ (15,693,606)</u>	<u>\$ (3,835,217)</u>	<u>\$ (7,773,970)</u>	<u>\$ (7,123,630)</u>	<u>\$ (4,890,693)</u>	<u>\$ (18,344,959)</u>	<u>\$ (1,599,768)</u>
Debt Service as a Percentage of Non-Capital Expenditures										
	0.8%	3.5%	3.0%	3.2%	9.4%	3.1%	3.0%	3.0%	3.0%	2.7%

Note: Certain amounts have been reclassified in prior years due to changes in classification guidelines mandated by the Florida Department of Financial Services, for comparative purposes.

CITY OF POMPANO BEACH, FLORIDA
ASSESS VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

FISCAL YEAR	TAX ROLL *	REAL PROPERTY **	PERSONAL PROPERTY **
2009	2008	\$ 16,075,321,648	\$ 733,624,321
2010	2009	14,088,383,450	699,411,335
2011	2010	10,890,774,507	659,397,108
2012	2011	10,431,372,238	608,684,957
2013	2012	10,369,667,015	584,836,613
2014	2013	10,583,449,362	605,640,437
2015	2014	11,071,856,244	624,292,615
2016	2015	11,705,297,867	647,982,593
2017	2016	12,671,325,306	719,966,161
2018	2017	\$ 13,608,731,216	\$ 789,632,653

Source: Broward County Property Appraiser

* Assessed values as certified on October 23, 2017.

** Florida Statutes require assessments at just valuation.

Note: The basis of assessed value is approximately 84% of actual value.
Tax rates are per \$1,000 of assessed value.

TOTAL ASSESSED VALUE		ALLOWABLE EXEMPTIONS	TAXABLE VALUE FOR OPERATIONS AND DEBT	TOTAL DIRECT TAX RATE
\$	16,808,945,969	\$ 4,671,593,954	\$ 12,137,352,015	3.9602
	14,787,794,785	4,900,944,575	9,886,850,210	4.6663
	11,550,171,615	2,301,421,085	9,248,750,530	4.9077
	11,040,057,195	2,272,132,460	8,767,924,735	5.2027
	10,954,503,628	2,233,639,420	8,720,864,208	5.4700
	11,189,089,799	2,195,810,716	8,993,279,083	5.3712
	11,696,148,859	2,199,203,025	9,496,945,834	5.2470
	12,353,280,460	2,221,119,655	10,132,160,805	5.4865
	13,391,291,467	2,261,846,480	11,129,444,987	5.3252
\$	14,398,363,869	\$ 2,342,845,048	\$ 12,055,518,821	5.4865

CITY OF POMPANO BEACH, FLORIDA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(RATE PER \$1,000 OF ASSESSED VALUE)

Fiscal Year Ended Sept. 30	City of Pompano Beach				Overlapping Rates		
	Tax Roll	General Fund	Special Tax District	Debt Service	Direct Total	Broward County	School Board
2009	2008	3.4861	0.4718	0.0023	3.9602	5.3145	7.4170
2010	2009	4.0652	0.5000	0.1011	4.6663	5.3889	7.4310
2011	2010	4.4077	0.5000	-	4.9077	5.5530	7.6310
2012	2011	4.7027	0.5000	-	5.2027	5.5530	7.4180
2013	2012	4.9700	0.5000	-	5.4700	5.5530	7.4560
2014	2013	4.8712	0.5000	-	5.3712	5.7230	7.4800
2015	2014	4.7470	0.5000	-	5.2470	5.7230	7.4380
2016	2015	4.9865	0.5000	-	5.4865	5.7230	7.2740
2017	2016	4.8252	0.5000	-	5.3252	5.6690	6.9063
2018	2017	4.9865	0.5000	-	5.4865	5.6690	4.9740

Source: Broward County Revenue Collection Division
 *Pompano Tax District Code 1521 only
 (all property located east of Federal Highway)

Note: Overlapping rates are those of local and County governments that apply to property owners within the City of Pompano Beach.

Overlapping Rates					
South Florida Water Management District	North Broward Hospital District	Children SVS Council	Hillsboro Inlet Improvement District *	Florida Inland Navigation District	Direct and Overlapping Total
0.6240	1.7059	0.3754	0.0860	0.0345	19.4697
0.6240	1.7059	0.4243	0.0860	0.0345	19.5175
0.6240	1.8750	0.4696	0.0860	0.0345	20.3609
0.4363	1.8750	0.4789	0.0860	0.0345	21.1808
0.4289	1.8564	0.4902	0.0860	0.0345	21.0844
0.4110	1.7554	0.4882	0.1624	0.0345	21.3750
0.3842	1.5939	0.4882	0.0860	0.0345	21.4257
0.3551	1.4425	0.4882	0.0860	0.0320	20.9948
0.3307	1.3462	0.4882	0.0860	0.0320	20.1836
0.3100	1.2483	0.4882	0.0860	0.0320	18.2940

CITY OF POMPANO BEACH, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

Schedule 7

TAXPAYER (Local Exposure Recognition)	2018			TAXPAYER (Local Exposure Recognition)	2009		
	TAXABLE ASSESSED VALUE	Rank	PERCENT OF TOTAL CITY TAXABLE ASSESSED VALUATION		TAXABLE ASSESSED VALUE	Rank	PERCENT OF TOTAL CITY TAXABLE ASSESSED VALUATION
John Knox Village of Florida	\$ 92,097,060	1	0.77%	Preserve at Palm-Aire LLC	\$ 25,436,580	1	0.21%
West Atlantic Boulevard Owner LLC	80,991,570	2	0.68%	416 LLC	23,311,310	2	0.19%
Jefferson Lighthouse Gardens	56,892,840	3	0.47%	Palm Vacation Group	19,743,099	3	0.16%
Pompano Beach Apartments	54,616,170	4	0.46%	Associated Grocers LLC (Winn Dixie)	18,608,170	4	0.15%
EQR-Bayview LLC	53,246,460	5	0.44%	Cobblestone Apt. Assoc. LLC	16,489,970	5	0.14%
Pompano Hotel 1 LLC etal	52,441,990	6	0.44%	Winward Lakes Homeowner Assoc	15,645,700	6	0.13%
Palm Vacation Group	50,899,860	7	0.42%	Faison-Pompano Citi Centre LLC	15,320,500	7	0.13%
PPI	47,504,860	8	0.40%	SNH/LTA Properties Trust	15,300,080	8	0.13%
Pompano MZL LLC	40,788,550	9	0.34%	Regency 288 LLC	15,056,510	9	0.13%
Centerpoint Properties Trust	<u>35,000,000</u>	10	0.29%	St Andrews Palm Aire Assoc	<u>13,981,500</u>	10	0.12%
Total taxable assessed value of principal taxpayers	564,479,360		4.71%	Total taxable assessed value of principal taxpayers	178,893,419		1.49%
Total taxable assessed value of other taxpayers	<u>11,422,121,735</u>		95.29%	Total taxable assessed value of other taxpayers	<u>11,837,221,765</u>		98.51%
Total taxable assessed valuation of all taxpayers	<u>\$ 11,986,601,095</u>		100.00%	Total taxable assessed valuation of all taxpayers	<u>\$ 12,016,115,184</u>		100.00%

Source: Broward County Property Appraiser
2017 Tax roll

CITY OF POMPANO BEACH, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	TAX ROLL		TOTAL AMENDED TAX LEVY		CURRENT GROSS TAX COLLECTIONS *	PERCENT OF LEVY COLLECTED
2009	2008	\$	47,586,219	\$	47,091,073	98.96
2010	2009		50,653,057		47,481,268	93.74
2011	2010		45,005,797		42,489,007	94.41
2012	2011		45,616,882		43,005,085	94.27
2013	2012		47,703,127		45,859,390	96.13
2014	2013		48,304,700		46,666,879	96.61
2015	2014		49,830,475		47,831,733	95.99
2016	2015		55,590,100		54,146,028	97.40
2017	2016		59,266,520		57,614,616	97.21
2018	2017	\$	65,764,486	\$	64,441,410	97.99

Source: City Finance Department

* Gross taxes exclusive of discounts, penalties and interest.

SUBSEQUENT DELINQUENT TAX COLLECTIONS		TOTAL TAX COLLECTIONS	PERCENT OF TOTAL TAX COLLECTIONS TO TAX LEVY
\$	79,932	\$ 47,171,005	99.13
	1,749,556	49,230,824	97.19
	1,445,843	43,934,850	97.62
	1,553,222	44,558,307	97.68
	891,130	46,750,520	98.00
	909,236	47,576,115	98.49
	1,409,084	49,240,817	95.99
	1,277,836	55,423,864	97.40
	1,318,479	58,933,095	99.44
\$	-	\$ 64,441,410	97.99

CITY OF POMPANO BEACH, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Schedule 9

Fiscal Year Ended	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income **	Per Capita **
	General Obligation Bonds	Tax Increment Bonds	Capital Lease	Notes Payable	Water and Sewer Bonds	Certificates of Participation	Notes Payable	Capital Lease			
2009	\$ 1,095,000	\$ 20,000,000	\$ -	\$ -	\$ 33,229,506	\$ -	\$ -	- \$	54,324,506	0.01	548.56
2010	-	27,837,838	-	-	30,239,506	-	-	-	58,077,344	0.01	588.36
2011	-	25,375,676	-	3,060,164	27,129,506	-	10,717,747	-	66,283,093	0.02	660.72
2012	-	22,898,514	-	2,768,670	23,905,000	-	10,024,432	-	59,596,616	0.01	582.91
2013	-	25,451,352	-	2,549,682	20,535,000	-	9,231,550	-	57,767,584	0.01	559.82
2014	-	22,669,190	-	2,324,677	17,355,000	-	8,416,881	-	50,988,011	-	487.17
2015	-	19,867,028	1,402,567	2,093,489	14,440,000	23,875,000	7,579,826	-	69,407,171	*	653.18
2016	-	17,039,866	3,297,179	2,243,948	11,650,000	23,875,000	6,719,769	75,179	64,900,941	*	604.15
2017	-	14,192,704	2,815,688	1,842,880	8,815,000	23,875,000	5,836,080	-	57,377,352	31.51	524.28
2018	\$ -	\$ 11,320,542	\$ 2,324,523	\$ 1,361,105	\$ 5,925,000	\$ 23,875,000	\$ 4,928,107	- \$	49,734,277	25.94	451.20

Notes:

* Indicates information is not available

** See Schedule 14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

CITY OF POMPANO BEACH, FLORIDA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Schedule 10

Fiscal Year	<u>General Bonded Debt Outstanding</u>				
	General Obligations Bonds	Amounts Available in Fund Balance	Total	Percentage of Actual Taxable Value of Property *	Per Capita **
2009	1,095,000	1,125,572	(30,572)	0.00%	-0.31
2010	-	1,062,556	(1,062,556)	-0.01%	-10.76
2011	-	-	-	0.00%	0.00
2012	-	-	-	0.00%	0.00
2013	-	-	-	0.00%	0.00
2014	-	-	-	0.00%	0.00
2015	-	-	-	0.00%	0.00
2016	-	-	-	0.00%	0.00
2017	-	-	-	0.00%	0.00
2018	-	-	-	0.00	0.00

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

* See schedule 5 for property value data

** See schedule 14 for population data

CITY OF POMPANO BEACH, FLORIDA**Schedule 11****DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (IN THOUSANDS)**

AS OF SEPTEMBER 30, 2018

Government Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
City of Pompano Beach, Florida	\$ -	-	\$ -
Broward County	181,970	6.82%	12,410
Broward County School Board	151,991	6.82%	10,366
Subtotal, overlapping debt			<u>22,776</u>
City direct debt (non ad valorem security)			<u>15,006</u>
Total direct and overlapping debt			<u>\$ 37,782</u>

Sources: City Finance Department
Broward County Accounting Division

* Percentage of overlap debt determined by dividing the assessed value of property in the City of Pompano Beach by the assessed value of property for Broward County.

CITY OF POMPANO BEACH, FLORIDA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Schedule 12

Fiscal Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	\$ 1,802,417,278	\$ 1,628,261,915	\$ 1,375,566,885	\$ 1,315,188,710	\$ 1,308,129,631	\$ 1,348,991,862	\$ 1,424,541,875	\$ 1,519,824,121	\$ 1,669,416,748	\$ 1,797,990,164
Total net debt applicable to limit	(30,572)	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 1,802,447,850</u>	<u>\$ 1,628,261,915</u>	<u>\$ 1,375,566,885</u>	<u>\$ 1,315,188,710</u>	<u>\$ 1,308,129,631</u>	<u>\$ 1,348,991,862</u>	<u>\$ 1,424,541,875</u>	<u>\$ 1,519,824,121</u>	<u>\$ 1,669,416,748</u>	<u>\$ 1,797,990,164</u>
Total net debt applicable to the limit as a percentage of debt limit	0.05%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Legal Debt Margin Calculation for Fiscal Year 2015										
Assessed Value	11,986,601,095									
Debt Limit (15% of assessed value)	1,797,990,164									
Debt applicable to limit										
General obligation bonds										
Less Amount set aside for repayment of general obligation debt										
Total net debt applicable to limit										
Legal debt margin	<u>1,797,990,164</u>									

Source: Broward County Property Appraiser
City Finance Department

Note: Article XVIII, Section 158 of the City Charter provides authorization to issue bonds not exceeding fifteen percent (15%) of assessed valuation of the taxable property in the City at the time of issue. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

CITY OF POMPANO BEACH, FLORIDA
UTILITY PLEDGED REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS

Schedule 13

FISCAL YEAR ENDED			(3) NET REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE CASH REQUIREMENTS			COVERAGE (3):(4)
	(1) GROSS REVENUES	(2) OPERATING EXPENSES	(1)-(2)	PRINCIPAL	INTEREST	(4) TOTAL	
2009	\$ 35,891,722	\$ 23,092,648	\$ 12,799,074	\$ 2,875,494	\$ 1,493,306	\$ 4,368,800	2.93%
2010	34,840,149	24,074,825	10,765,324	2,990,000	1,380,169	4,370,169	2.46%
2011	40,662,838	24,135,671	16,527,167	3,110,000	1,262,506	4,372,506	3.78%
2012	41,308,536	24,236,123	17,072,413	3,225,000	1,140,118	4,365,118	3.91%
2013	40,073,305	23,882,921	16,190,384	3,370,000	1,013,206	4,383,206	3.69%
2014	39,365,370	23,951,731	15,413,639	2,590,000	876,218	3,466,218	4.45%
2015	42,343,075	23,764,781	18,578,294	2,915,000	222,723	3,137,723	5.92%
2016	42,137,548	25,251,052	16,886,496	2,790,000	242,592	3,032,592	5.57%
2017	42,287,977	25,702,146	16,585,831	2,835,000	195,720	3,030,720	5.47%
2018	\$ 43,268,774	\$ 28,408,312	\$ 14,860,462	\$ 2,890,000	\$ 148,092	\$ 3,038,092	4.89%

Source: City Finance Department

(1) Gross revenues include operating revenues and interest income. Excludes impact fees per City Ordinance 92-74

(2) Operating expenses include personal services and current expenses. Excludes depreciation and administrative service charges per City Ordinance 92-74

Year	<u>Broward County</u>						
	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	Education Level in Years of Schooling (High School or Higher)	School Enrollment (K-12)	Unemployment Rate Broward County
2009	99,031	3,828,340	38,658	39.2	87.2	11,629	9.1
2010	98,711	4,019,117	40,716	42.7	79.2	11,576	10.7
2011	100,319	4,186,111	41,728	40.1	83.4	11,754	9.5
2012	102,239	4,266,536	41,731	42.7	81.0	12,029	7.1
2013	103,189	4,229,614	40,989	42.4	82.8	11,974	7.0
2014	104,662	4,514,491	43,134	44.2	83.6	11,150	5.0
2015	106,260	4,899,224	46,106	40.2	88.2	11,821	4.7
2016	107,425	5,038,877	46,906	39.4	82.8	11,611	4.8
2017	109,441	5,327,588	48,680	41.7	83.2	11,259	3.3
2018	110,227	*	*	42.0	83.2	11,256	2.8

Sources: City of Pompano Development Services Department via:
 US Census, American Fact Finder
 Bureau of Economic Analysis
 Broward County School Board, School Enrollment Counts, Historic Benchmark Day Figures
 Florida Dept. Economic Opportunity, US Dept Labor, Bureau Labor Statistics
 Data USA

Note: * Indicates information not available

CITY OF POMPANO BEACH, FLORIDA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Schedule 15

Employer	2018			Employer	2009		
	Employees	Rank	Percentage of Total City Employment		Employees	Rank	Percentage of Total Employment
City of Pompano Beach	1,179	1	1.56%	Pompano Beach Racino	1250	1	2.41%
Point Blank Enterprises	1,103	2	1.46%	Broward County School Board	1130	2	1.50%
John Knox Village	905	3	1.20%	Broward County Correctional	927	3	1.23%
PPI, Inc. (Isle Capri)	750	4	0.99%	Gold Coast Distributing	743	4	0.98%
Walmart	749	5	0.99%	City of Pompano Beach	715	5	0.95%
Broward County Correctional	686	6	0.91%	John Knox Village	630	6	0.84%
Publix	589	7	0.78%	Publix	612	7	0.81%
American Medical Response	532	8	0.71%	Pet Med Express	589	8	0.78%
Freshpoint Produce & Dairy	500	9	0.66%	Latite Roofing & Sheet Metal	535	9	0.71%
FedEx Ground	452	10	0.60%	Comcast Cable Holdings	500	10	0.66%

Source: City of Pompano Beach BTR Division:
Listed Companies

CITY OF POMPANO BEACH, FLORIDA
Schedule 16
**FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION / PROGRAM
LAST TEN FISCAL YEARS**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<u>Function/Program</u>										
General Government										
City Commissioners	6	6	6	6	6	6	6	6	6	6
City Manager	5	5	5	5	4	4	4	5	5	7
Public Information Office	4	3	3	3	4	4	4	4	4	4
City Attorney	6	6	6	6	6	6	6	6	6	6
City Clerk	4	4	4	4	4	4	4	4	4	4
Human Resources	5	5	5	5	5	5	5	5	5	5
Internal Audit	3	3	3	3	3	3	3	3	3	3
Cultural Affairs	-	-	-	-	-	-	-	-	-	1
Economic Development	-	-	-	-	-	-	-	1	1	1
Northwest CRA	-	-	2	1	2	2	2	2	4	5
East CRA	-	-	2	1	1	1	1	1	1	1
CDBG	-	-	-	-	-	-	-	-	-	2
Tourism	-	-	-	-	-	-	-	2	2	2
Program Compliance Manager	-	-	-	-	-	-	-	1	1	1
Finance	20	22	22	22	22	22	22	24	24	26
Fire & EMS\	199	217	217	217	217	217	217	217	232	232
Development Services	62	62	62	66	67	70	73	74	77	79
Advisory Board	2	2	2	2	2	1	1	1	1	1
Office of Housing & Urban										
Improvement	7	5	5	6	7	6	6	7	11	6
Public Works	136	136	136	136	136	141	143	142	141	135
Parks & Recreation	81	56	56	56	53	52	50	50	50	50
Administrative Capital Fund	-	-	-	-	-	-	-	-	-	5
Utilities	118	118	118	115	114	114	115	116	117	118
Stormwater	8	8	8	8	8	8	11	11	11	10
Airpark	6	5	5	5	5	5	5	5	5	5
Golf	9	9	9	9	9	10	10	10	10	10
Solid Waste	2	3	3	3	3	3	3	3	14	21
Internal Services	33	33	33	33	33	31	31	32	33	34
Total	716	708	712	712	711	715	722	732	768	780

Source: City Budget Office

CITY OF POMPANO BEACH, FLORIDA
OPERATING INDICATORS BY FUNCTION / PROGRAM
LAST TEN FISCAL YEARS

Schedule 17

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<u>Function/Program</u>										
Public Safety										
Fire										
Emergency responses	17,505	17,746	18,015	17,753	17,753	18,541	20,430	19,987	21,262	20,645
Fires Extinguished	371	346	355	333	354	332	328	360	363	345
Inspections	5,151	5,284	6,118	5,213	6,551	6,113	4,209	6,868	10,640	7,707
Uniformed Employees	185	185	184	185	185	185	186	182	197	198
Non-Uniformed Employees	8	8	8	8	8	8	7	7	7	7
Building Permits										
Permits Issued	12,473	13,715	11,864	15,827	12,323	13,213	14,283	12,599	12,434	19,665
Estimated Value	107,274,620	87,718,162	123,406,754	164,631,190	148,673,496	241,292,153	255,772,560	280,308,330	159,808,992	459,493,609
City Clerk										
No. of Registered Voters	55,621	55,829	57,043	58,284	61,263	61,496	55,964	55,964	62,449	61,143
No. of Ballots Cast	768	1,225	977	7,672	6,346	-	26,171	-	44,323	-
Districts Voting	4	5	-	12,345	24	-	12,345	-	5	-
Recreation Centers-Attendance										
Emma Lou Olson	68,042	69,564	75,387	91,902	88,696	61,811	61,775	60,428	53,099	66,675
McNair	104,243	116,317	97,194	44,364	40,338	42,464	44,364	40,421	40,199	48,926
Mitchell/Moore	54,149	63,070	69,717	69,622	41,449	26,698	34,252	36,147	43,952	45,580
Skolnick	71,018	63,033	62,496	54,775	38,225	32,728	38,975	41,127	39,203	48,192
Pompano Highlands	26,258	21,636	21,611	21,070	20,057	24,489	21,130	11,862	13,193	18,695
North Pompano	93,286	94,484	115,797	31,316	60,629	28,347	32,000	25,277	30,169	32,287
E. Pat Larkins	31,661	26,905	33,440	33,954	47,011	19,874	39,411	44,532	53,863	45,910
Utility										
Municipal Water System										
Active Water Accounts	18,094	17,983	18,062	18,200	18,312	18,489	18,721	18,802	18,870	18,977
New Active Accounts	123	47	35	130	112	165	154	113	53	57
Active Reclaimed Water Accounts	117	142	310	579	671	782	882	1,016	1,096	1,187
Metered Sales (Billion Gallons)	5	5	5	5	4	4	5	5	5	5
Average Gallons (1,000) Billed Per Day	13,010	13,228	13,167	12,841	12,841	12,219	12,823	12,967	13,158	12,677
Reclaimed Water (Million Gals.)	558	511	572	558	720	794	877	764	751	747
Water Main Breaks	130	134	95	213	229	107	64	64	59	-
Plant Capacity Million Gals./Day	50	50	50	50	50	50	50	50	50	50
Municipal Sewer System										
Active Accounts	15,805	15,945	16,044	16,158	16,312	16,434	16,637	16,713	16,798	16,892
General Government										
Tax Rates										
Utility Services:										
Electric	10	10	10	10	10	10	10	10	10	10
Water	6	6	6	6	6	6	6	6	6	6
Communication Service	5	5	5	5	5	5	5	5	5	7
Gas	10	10	10	10	10	10	10	10	10	10
Franchises:										
Electric	6	6	6	6	6	6	6	6	6	6
Gas	6	6	6	6	6	6	6	6	6	6

CITY OF POMPANO BEACH, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION / PROGRAM
LAST TEN FISCAL YEARS

Schedule 18

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<u>Function / Program</u>										
Area										
Land excluding airport (sq miles)	23.570	23.570	23.570	23.570	23.570	23.570	23.570	23.570	23.570	23.570
Airport land (sq.miles)	1.016	1.016	1.016	1.016	1.016	1.016	1.016	1.016	1.016	1.016
Water (sq.miles)	0.924	0.924	0.924	0.924	0.924	0.924	0.924	0.924	0.924	0.924
Infrastructure										
Paved streets	271	271	271	271	271	271	271	267	279	279
Unpaved streets	2.5	2.5	2.5	-	-	-	-	2.5	2.5	2.5
Sidewalks	155	155	156	171	171	171	173	200	200	200
Canals & waterways	32	32	32	32	32	32	32	32	32	32
Storm drainage	70	79	83	111	100	102	103	117	119	120
City-owned streetlights	1,199	1,199	1,199	1,100	1,176	1,058	1,248	1,398	1,398	1,398
FP&L owned streetlights	5,364	5,376	5,375	5,375	5,399	5,392	5,376	5,377	5,355	5,355
Fire										
Stations	6	6	6	6	6	6	6	6	6	6
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Recreation										
Public beach (miles)	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51
Municipal parks	46	48	48	49	49	49	49	49	49	50
Municipal swimming pool	2	2	2	2	2	2	2	2	2	2
36-hole municipal golf course	1	1	1	1	1	1	1	1	1	1
977 foot municipal pier	1	1	1	1	1	1	1	1	1	1
Recreational areas (acres)	258.17	258.17	258.17	263.17	263.17	263.17	263.17	263.17	270.16	270.17
Golf course (acres)	307	307	307	307	307	340	340	340	340	340
Recreation centers	7	7	7	7	7	7	7	7	7	7
Municipal water system										
Water mains (miles)	304	304	280	281	281	275	280	279	274	274
Reuse water mains (miles)	22.0	23.0	24.0	27.1	24.0	29.0	29.6	29.6	29.6	27.6
Fire hydrants	1,879	1,943	1,968	2,039	2,025	2,025	2,018	2,045	2,033	2,034
Fire hydrants (reuse water)	4	5	5	5	5	5	5	5	5	5
Municipal sewer systems										
Gravity sewer (miles)	199	194	194	181	195	195	195	195	195	195
Wastewater force main (miles)	76	63	69	69	69	69	69	69	69	61
Wastewater lift stations	75	75	75	78	77	77	77	77	78	77