

Comprehensive Annual Financial Report

**City Of**  
**Pompano Beach,**  
**Florida**

Fiscal Year Ended September 30, 2014

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**CITY OF POMPANO BEACH, FLORIDA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2014**

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## **INTRODUCTORY SECTION**

# CITY OF POMPANO BEACH, FLORIDA

Commission-Manager Form of Government

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## CITY COMMISSION

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Lamar Fisher  
Charlotte Burrie  
Barry Dockswell  
Rex Hardin  
Ed Phillips  
Barry Moss

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

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## APPOINTED OFFICIALS

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Dennis Beach  
Gordon B. Linn  
Asceleta Hammond  
Barbara DeLeon

City Manager  
City Attorney  
City Clerk  
Internal Auditor

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, 2014. 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, McGladrey 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.

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 to help ensure 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 Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* 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' Opinion, 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, and is the year round home to approximately 105,000 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-sixth 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 30 million square feet of industrial/warehouse/distribution space, which includes regional headquarters for companies such as Aetna, Aquathin, Associated Grocers, FedEx Ground, Point Blank Enterprises and Stimpson Co. 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). The criterion used for including component units consists of identification of legally separate organizations for which elected officials of the City are financially accountable. The criterion also includes identification of organizations for which the nature and significance of their relationships with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete and as such, these entities are presented on a blended basis.

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.

## **FACTORS IMPACTING ECONOMIC AND FINANCIAL CONDITION**

Broward County has continued to lead South Florida and the State of Florida in employment over the past 24 months. Broward County's year ending unemployment rate of 4.5% is among the lowest in the State of Florida and lowest among counties with labor forces over 400,000. It continues to best neighboring counties of Palm Beach and Miami-Dade at 4.8% and 6.9% respectively, as well as, both the State and national rates of 5.6%.

By all indications, there was little not to like about the progress of the economy in 2014, and 2015 is looking like another strong year, if not the strongest in quite some time.

### **Industrial & Aviation Market(s)**

The Pompano Beach industrial submarket includes approximately 827 buildings totaling 32 million+ square feet, which constitutes over 23% of the entire Broward County industrial market. According to CBRE's Broward County Industrial MarketView report, the submarkets vacancy rate dropped from 8.0% to 5.8% from the beginning of 2014 through the end of the year.

The drop in vacancy can be attributed to a number of factors including: lack of available land due to increased competition for prime locations throughout the county, increased prices for labor and materials that directly led to increased construction costs, increases in domestic spending helped strengthen the retail sector, as well as, increases in e-commerce and domestic manufacturing.

The primary factor being that the Broward's industrial market "is experiencing a shortage of land zoned for industrial use," according to CBRE's MarketView report and this has forced tenants "to compete for limited existing space." The 2014 Q4 report states: "... multifamily and retail developers seeking well-positioned properties have driven up the price for developable land in Broward County, and thereby priced some industrial developers out of the market." The Q4 Industrial MarketView report explains "A strengthening retail sector coupled with a remarkable rise in domestic manufacturing has contributed to strong velocity in the Broward County industrial market."

This is further evidenced by, warehouse space accounting for the largest amount of leasing activity. The MarketView report explains, "Most activity in the Broward industrial market came from renewals of tenants who did not want to relocate or were unwilling to pay higher rents." Further, "The demand for cold storage is higher than ever as increasing amounts of perishable commodities are imported and exported to the area." All of these factors lead to a tightening of the market.

The CBRE MarketView Q3 report also offered a different perspective, stating, "Landlords cut down larger spaces to capture the leasing activity of tenants pursuing smaller space. Despite an active leasing market, a large amount of big-block space is available throughout the county;" however, not for sale apparently. "The inventory of owner-user buildings available for sale is extremely low." The Q4 MarketView report does offer, "There was healthy demand for income-producing assets in Broward County during Q4 2014." All of these factors make it difficult, if not impossible, to find bargains or deals in the market for purchasing property.

The two primary negatives being rising construction costs, (15%-20% over the past two years, according to market professionals) and diminishing available land for industrial development.

The CoStar webinar presenters; Rene Circ, Director of Research, Industrial and Shaw Lupton, Senior Real Estate Economist, both stated on multiple occasions "it's hard to imagine a better market than

today for industrial investors (nationally).”

This was localized by Tony Villamil, Founder and Principal of the Washington Economics Group, and presenter at the South Florida NAIOP chapters Economic Outlook event, agreed, stating that “strong fundamentals strengthen the outlook for a strong 2015 economic year for Broward County.” He pointed to a number of factors including: housing starts rising (not at recession levels, but positive), the increase in perception of the County’s global brand, corporate relocations, a growing tech hub climate, the area’s higher education cluster, growth at Miami and Ft. Lauderdale/ Hollywood international airports, as well as, the expected growth at the local ports from the Panama Canals expansion, which is expected to be completed in 2015.

North Andrews Extension continuation: The missing segment of N. Andrews Ave. Extension between NW 18<sup>th</sup> Street and Atlantic Boulevard was completed and opened for traffic in December 2008. This new road has improved transportation options for hundreds of acres of industrial property, west of I-95. The final two phases of the project are underway.

The widening to four (4) lanes from N.W. 18<sup>th</sup> Street to Copans Road is well underway. Numerous businesses, like Dometic Marine Air, have been processed and approved by the City for the redevelopment & reconfiguration of their properties.

Acquisition for the widening of Andrews Avenue from Atlantic Boulevard to S.W. 3<sup>rd</sup> Street to four lanes is complete. Construction is supposed to start soon and is scheduled for completion in 2016.

Aviation. The Pompano Beach Air Park had more development activity in the past year with more to come in 2015:

- Pompano Aviation, LLC constructed a 68,578 sf Fixed Base Operation (FBO) on 8.41 acres that includes aviation fuel sales. SOCATA, a French plane manufacturer, is relocating to the facility from North Perry Airport in southern Broward County.
- Sheltair Aviation broke ground on their taxiway for a planned future 49,500 sf hangar development on 7.2 acres at the eastern edge of the Air Park.

Other industrial development projects include:

- Weeks Robinson is developing *Pompano Distribution Center 2* on a 7.53 acre property north of Sample Road for another 128,342 sf distribution facility.
- ProLogis is developing *Phase 2* of its project, finishing construction of 357,888 sf on 26.2 acres as at N.W. 33<sup>rd</sup> Street.
- Alsco Laundry is redeveloping a 59,387 sf facility on 2.14 acres at 2631 N.W. 17<sup>th</sup> Lane.
- Dometic Marine Air completed a 32,000 sf addition to their existing 66,893 sf facility on 5.34 acres at 2000 N. Andrews Avenue.
- Morrow Equipment is developing a 6.55 acre storage yard and a 26,933 sf building at 1550 N. Powerline Road.
- Duke recently gained approvals to complete development at their *Premier Turnpike Park*. The final phase of the development consists of 2 buildings totaling 178,992 sf at 3021 N.W. 27<sup>th</sup> Avenue.

### **Residential Market**

The Sun Sentinel reported “It was a modest year for growth in housing starts across South Florida as lack of land continues to hamstring homebuilders. The two counties, particularly Broward, face a shortage of available land for development that’s keeping a lid on production.”

Pompano Beach has seen very little development on the single family product front; however, multi-family development seems to be relatively steady with projects such as Vintage Park on the 4600 block of North Federal Highway, the Jefferson on the 4400 block of North Federal Highway and KOI on the 500 block of East Atlantic Boulevard underway or just coming online. The three projects offer a combined total of 839 units along the City's primary transit corridors. More recently a number of oceanfront condominium projects have submitted plans for development.

Metrostudy News reported "Constraints in land availability, labor supply, and the cumulative effect of price increases are all factors in dampening the growth of the starts rate. Restrictive mortgage qualifying standards are also crimping demand." David Cobb, Director of Metrostudy's South Florida region notes, "The supply of vacant developed lots varies across the six-county region. Lots are plentiful and relatively cheap (by South Florida standards) in St. Lucie and Indian River counties. Lot supply is not keeping up with demand in Palm Beach, Broward and Dade counties."

Residential projects in the City include:

- Vintage Park is close to being completed. The project includes 249 units on 5.328 acres at 4661 North Federal Highway.
- The Jefferson, a 240 apartment complex on 9.11 acres at 4411 N. Federal Hwy. is underway.
- The Myelin Group has started construction on *KOI*, a 350 unit mixed use development on 8.8 acres along East Atlantic Blvd. The project is to include 7,500 square feet of commercial space, a community center and a 48 slip marina.
- The *New Covenant Homes* development at 3311 N. Andrews Avenue has been granted approval for 108 townhome units on 6.87 acres.
- John Knox Village has submitted plans to construct a 7 story, 144 bed "Green House" development on 3.33 acres of the 68+ acre complex. The \$34 million development project will be a state-of-the-art skilled nursing care center and includes a spa and bistro.
- Palm Aire Associates LP obtained approvals to construct 907 dwelling units on 84.881 acres on a vacant golf course on the north side of Atlantic Blvd. Phase 1 of this development, the *Residences at Palm Aire*, is for 404 multifamily units on 26.77 acres at 3491 W. Atlantic Blvd.
- WH Pompano, LLC obtained a land use plan amendment on 6.4 acres at 1350 S. Ocean Blvd. in order to construct a 303 unit condominium development.
- The Pompano Beach Community Redevelopment Agency (CRA) obtained site plan approval for 33 single family homes on 10.5 acres at NW 8<sup>th</sup> Street and NW 20<sup>th</sup> Avenue in the Hunter's Manor neighborhood.
- 1380 S. Ocean Blvd. FL, LLC obtained site plan approval to construct 134 residential units and 98 apartment/hotel units on 4.3228 acres at 1380 S. Ocean Blvd.

### **Commercial – Office & Retail Markets**

**Office** – According to CBRE MarketView reports, the Pompano Beach office market includes approximately 915,388 sf of space. Unlike the magnitude of Pompano Beach's industrial product, this constitutes merely 3% of the Broward County office market and includes no Class A space.

The CBRE MarketView report for the 3<sup>rd</sup> Quarter 2013 states: "Since 2011, 27 tenants... have relocated to the CBD (meaning downtown Ft. Lauderdale) from the suburbs, leading the way to improved market fundamentals. The momentum in the urban area is driven by a diverse base of business and employment opportunities, apartments and condominiums for a number of different lifestyles and a blend of retail stores and restaurants." It continues, "Total vacancy in the CBD decreased for the 9<sup>th</sup> consecutive quarter to 13.2% during Q3 2014 from 21.7% during Q3 2012." The MarketView report for the 4<sup>th</sup> Quarter 2014 concludes: "Companies seeking prime office space to attract top talent are absorbing space within the CBD... As demand continues to grow with little new product coming online,

the suburban market will continue to experience lower vacancy and higher rental rates.”

These factors more than substantiate Pompano Beach’s investment in its ‘downtown’ area, the area identified as the “Downtown Pompano Beach Overlay District (DPOD)”; Pompano Beach’s once and future downtown. Currently, the City does not have the Class A product to offer potential headquarter operations that Ft. Lauderdale does; however, recent efforts by the City, its Northwest CRA and its redevelopment team have been setting the stage for such future investment and development. The painstaking tasks of assembling land and obtaining the appropriate land use and zoning for the area, as well as, tearing up roadways, diverting traffic and upgrading the infrastructure to support such development is where Pompano Beach is at today. This is clearly the difficult part of redevelopment, but it must be done. As evidenced elsewhere in this Economic Conditions report, you have seen mentioned repeatedly that the availability of land is what has constrained development throughout the tri-county region.

Today, Pompano Beach continues to act like a suburban community; however, people keep moving to south Florida and Pompano Beach is strategically positioned in the center of South Florida. 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. Transit oriented development(s) and development along the City’s primary corridors makes complete sense and is encouraged by City leaders. There are not very many places in America that have the constraints of the South Florida peninsula. These aforementioned strategies will help to guide our growth and allow us to choose how and where that development occurs.

The old downtown area of the Old Pompano neighborhood has been a major redevelopment focus for the NWCRA and upgrades there have been significant and at the same time trying for the local business owners in the area. Those trying times are coming to an end as there are a number of investors looking at the area and its building stock, infrastructure and streetscapes are in place and what the area can become is now evident.

When the time comes for a full service passenger rail line on the Florida East Coast railroad (Henry Flagler’s railroad that connects all of Florida’s east coast municipalities), that area will be the primary welcoming point for the City just as it was when the City was founded over one hundred years ago. Recently, the All Aboard Florida project has begun development on its few South Florida stations, of which Pompano Beach is not included; however, the City will be positioned properly for a station location when that time occurs. This project is a significant initial step in the need to link South Florida to the rest of the State via passenger rail.

The CBRE MarketView report for the 3<sup>rd</sup> Quarter 2013 states: “The Broward County office market is expected to experience continued improvement in market conditions... The adaptation of efficient new workplace strategies that include consolidation and densification is expected to continue.”

**Retail** – The CBRE MarketView report for the 4<sup>th</sup> Quarter 2014 states: “Plummeting oil prices, low unemployment, record tourism, and low interest rates are fueling consumer spending, which translated into a robust holiday season for retailers.” It continued, “The Broward County retail sector continued to post strong growth through Q4 2014. An improving economy has prompted retailers to invest in new spaces. The most sought-after spaces were located in shopping centers, as tenant activity increased for specialty grocers and luxury brands seeking Broward County’s reasonable lease rates and low unemployment.”

The forecast looks optimistic as well, “Sales activity in Broward County is expected to remain healthy into 2015, with more significant sales activity and development anticipated in well-positioned areas. Increasing confidence in the U.S. and local economies and low-interest-rate debt financing continue to have a positive effect on rising sales prices.”

Record tourism figures reported by the Greater Ft. Lauderdale Convention and Visitors Bureau continue to identify support for local retail, restaurant and hospitality establishments “with an economic impact of over \$11 billion.” These figures are expected to remain strong.

Other commercial development projects include:

- Taco Bell obtained approvals to construct a 2,084 sf restaurant at 2801 W. Atlantic Blvd.
- SPIH Pompano Beach, LLC obtained approvals to construct a 112 unit *Residence Inn* hotel at 2880 Centerport Circle.
- WholeFoods (along with Sports Authority) has almost completed construction at 2341 N. Federal Hwy on a new store, both stores totaling 79,476 sf on 7.81 acres.
- Racetrac has been approved to construct a 2,822 sf gas station on 1.17 acres at 2851 W. Atlantic Blvd. Racetrac also has plans to redevelop its existing gas station on 2.58 acres at 599 W. Atlantic Blvd with a 5,928 sf convenience store.
- McDonalds developed a new 5,176 sf store on 1.86 acres at 1490 N.W. 31<sup>st</sup> Avenue.
- Lester’s Diner opened at 1924 E. Atlantic Blvd.

### 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 ended September 30, 2014 were:

- The City is ready to break ground on a new library and cultural center in its Civic Campus location. The project includes 47,816 sf on 4.58 acres.
- The City has developed a new 5,400 sf beach library at 3250 N.E. 2<sup>nd</sup> Street.
- A new beach fire station (#11) is being constructed on the northern portion of the Oceanside Parking lot.
- A new fire station (#103) to serve the annexed areas is under construction in the Highlands at 3721 N.E. 12th Ave. The 13,204 sf project has an estimated cost of \$4.6 million on 0.964 acres.
- The Renaissance Planning Group (RPG) has completed three Corridor Studies for: Atlantic Blvd, US1 (Federal Highway) and Dixie Highway.

The City will continue 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 our drinking water supplies for household use. In July of 2011, the City launched the IcanWater program. This program has already been successful in adding 600+ residential reuse water customers.

## 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 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 asset 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 year ended September 30, 2013. The City has received the GFOA's

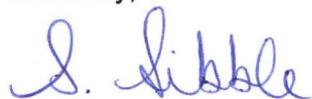
prestigious Certificate of Achievement for Excellence in Financial Reporting award for thirty-two years. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted 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 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.

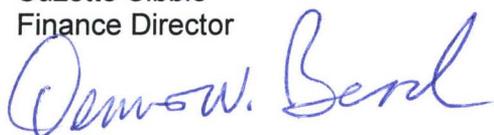
This report, which conforms to all the latest effective standards of local government financial reporting, could not have been prepared without the extraordinary devotion of the Finance Department team. Their dedication merits special attention. Sincere appreciation is extended to them for their efforts in the preparation of this report. Special thanks to the City's Planner, 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 for providing insight into economic factors likely to have an impact on the City's fiscal year 2015 budget.

For further information, please refer to the Management's Discussion and Analysis section (Page 4) of this report.

Sincerely,

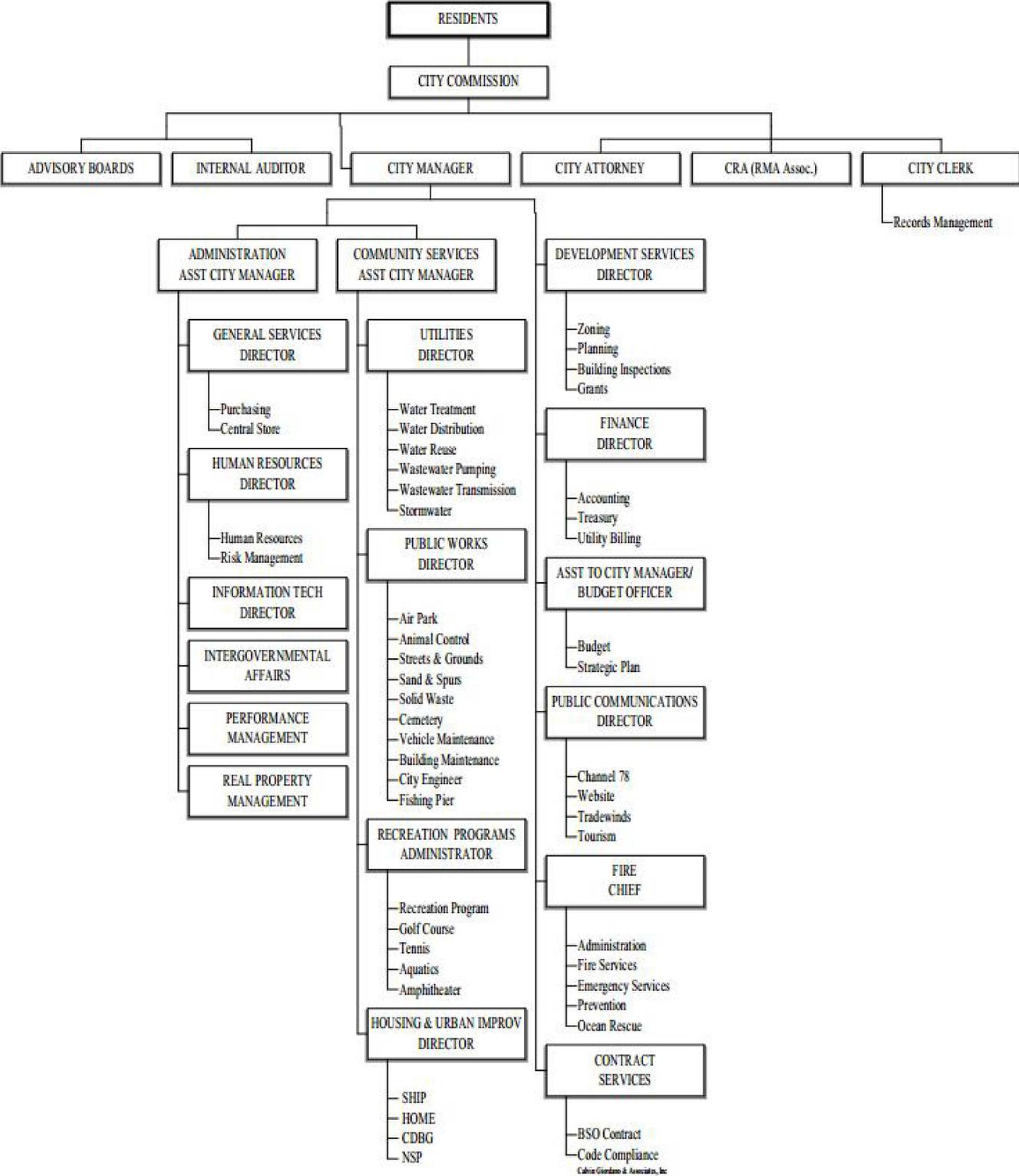


Suzette Sible  
Finance Director



Dennis Beach  
City Manager

# City of Pompano Beach Organizational Chart



Calvin Giordano & Associates, Inc.



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Pompano Beach  
Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2013**

Executive Director/CEO

## **FINANCIAL SECTION**



## Independent Auditor's Report

Honorable Mayor and Members of the City Commission  
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 year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Pompano Beach Police and Firefighters' Retirement System and the City of Pompano Beach General Employees' Retirement System, which represent 82%, 86%, and 46%, respectively of the assets, net position, and revenues/additions of the aggregate remaining fund information. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Pompano Beach Police and Firefighters' Retirement System and the City of Pompano Beach General Employees' Retirement System, is based solely on the reports 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note III (H) to the financial statements, the City adopted the recognition and disclosure requirements of Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*, effective October 1, 2013. The net position balance of the City as of October 1, 2013 has been restated. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis, the police and firefighters' retirement system, the general employees' retirement system, the other post employment benefits schedules of funding progress, the budgetary comparison schedules for the general fund, the northwest community redevelopment district fund, the east community redevelopment district fund, and the emergency medical services fund*, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2015 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*McGladrey LLP*

Fort Lauderdale, Florida  
March 25, 2015

**City of Pompano Beach, Florida**  
**Management Discussion and Analysis for the Fiscal Year Ended September 30, 2014**  
**(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, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages v through xiii of this report.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

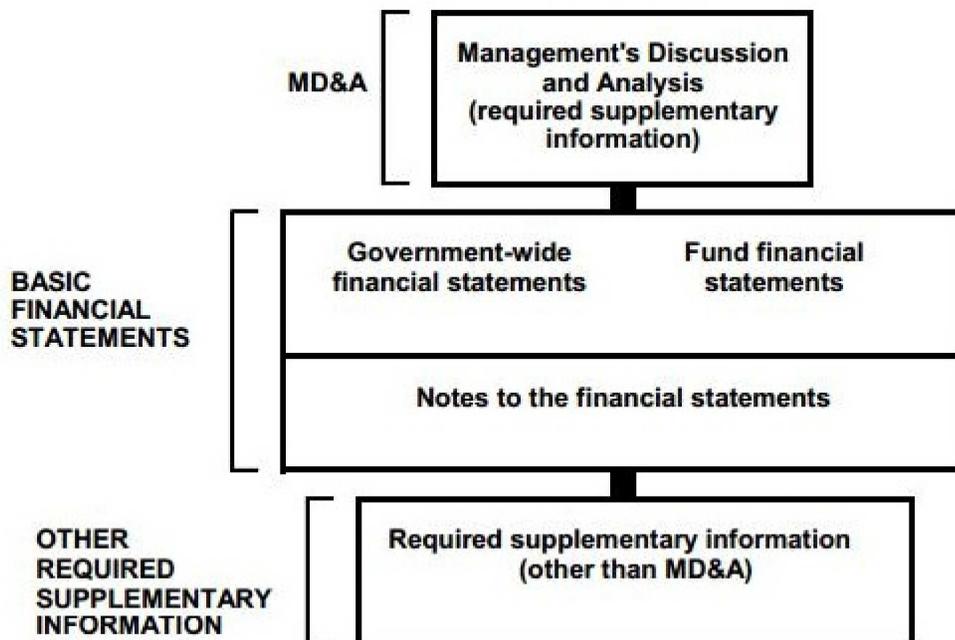
This annual report follows a format consisting of four parts – Management’s Discussion and Analysis (this section), the Basic Financial Statements, Required Supplementary Information, and an additional section that presents combining statements for non-major governmental funds, non-major enterprise funds, 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, 2014**  
**(Unaudited)**

**FIGURE 1**



**FINANCIAL HIGHLIGHTS**

1. The assets and deferred outflows of the City exceeded its liabilities at the close of the fiscal year by \$554.1 million. Of this amount, \$180.3 million (unrestricted net position) may be used to meet the government's on-going obligations to citizens and creditors in accordance with the City's fiscal policies. The City's total net position increased by \$3.8 million.
2. At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$160.5 million, representing a decrease of \$7.8 million from the previous fiscal year. The following activity in governmental funds primarily accounted for the net decrease noted:
  - A decrease of \$3.0 million in the General Fund balance is primarily due to lower than anticipated receipts for communication service taxes and electric franchise fees and the transfer of unassigned funds to the Capital Projects Fund for the construction of the Public Library/Cultural Center.
  - A decrease of \$7.8 million in the Pompano Beach Community Redevelopment Agency's Northwest District Fund (NW CRA District Fund) balance is the result of increased project capital outlays during the fiscal year, from funds previously committed for those purposes, primarily related to Downtown Pompano, 731 Hammondville Road (MLK), the Bailey Hotel, the Ali Building and the Public Library/Cultural Center Projects.
  - A decrease of \$0.8 million in the Pompano Beach Community Redevelopment Agency's East

**City of Pompano Beach, Florida**  
**Management Discussion and Analysis for the Fiscal Year Ended September 30, 2014**  
**(Unaudited)**

District Fund balance is due to outlays for project activity, from funds previously committed for those purposes, primarily related to the Beach Library Relocation Project.

- A decrease of \$0.3 million in the Emergency Medical Service District fund balance is primarily the result of expenses associated with increased staffing of one rescue unit twelve (12) hours a day and increased staffing of two rescue units with a third full time paramedic in the current fiscal year.
- An increase of \$3.7 million in the Capital Project's fund balance primarily due to the net effect of the spend down of various project funds (such as City Park Amenities, Bridge Replacement & Repairs, General Government Building Improvements, Road Resurfacing, Public Safety Building Improvements, Emergency Power Enhancements, Fire Station 103, Tennis Center Resurfacing, Downtown Pompano Streetscape, the Ali Building, the Bailey Hotel and the Beach Library) and the transfer of funds from the General Fund to finance various capital projects (such as the Public Library/Cultural Center, the Undergrounding of Overhead Utilities and the Restoration and Expansion of Kester Park Restrooms).

**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 pension plans are reported as fiduciary funds in the fund financial statements of this report, but are not included in the government-wide statements. The government-wide financial statements can be found on pages 18 through 20 of this report.

**FUND FINANCIAL STATEMENTS**

The Fund Financial Statements include statements for each of the three fund types- governmental,

**City of Pompano Beach, Florida**  
**Management Discussion and Analysis for the Fiscal Year Ended September 30, 2014**  
**(Unaudited)**

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 (pages 23 and 26) to explain the differences between the governmental fund financial statements and the government-wide financial statements.

**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 \$554.1 million at September 30, 2014. The City's net position increased by \$3.8 million during the current fiscal year. The largest portion of the City's net position, 59.7%, 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 uses these capital assets to provide service 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, 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 7.8% or \$43.2 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, 2014 and 2013**

	Governmental Activities		Business-Type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 205,405,775	\$ 207,326,646	\$ 62,994,324	\$ 61,288,002	\$ 268,400,099	\$ 268,614,648
Capital assets	240,935,442	235,257,138	140,641,500	146,536,794	381,576,942	381,793,932
Total assets	446,341,217	442,583,784	203,635,824	207,824,796	649,977,041	650,408,580
Deferred outflows of resources	-	-	340,613	-	340,613	-
Long-term liabilities	52,038,626	54,427,308	28,561,421	31,250,977	80,600,047	85,678,285
Other liabilities	10,906,163	8,511,294	4,756,050	5,857,679	15,662,213	14,368,973
Total liabilities	62,944,789	62,938,602	33,317,471	37,108,656	96,262,260	100,047,258
Net position:						
Net investment in capital assets	215,941,575	207,256,104	114,647,356	117,178,114	330,588,931	324,434,218
Restricted	39,320,526	48,000,383	3,871,104	4,660,462	43,191,630	52,660,845
Unrestricted	128,134,327	124,388,694	52,140,506	48,877,564	180,274,833	173,266,258
Total net position	\$ 383,396,428	\$ 379,645,181	\$ 170,658,966	\$ 170,716,140	\$ 554,055,394	\$ 550,361,321

Note: net position for 2013 has been restated for the effects of adopting GASB Statement No. 65. See note (III)(H).

**City of Pompano Beach, Florida**  
**Management Discussion and Analysis for the Fiscal Year Ended September 30, 2014**  
**(Unaudited)**

At September 30, 2014, the City is able to report positive balances in all three categories of net position, for the government as a whole, as well as for its separate categories-governmental and business-type activities.

**Governmental Activities** – There was a decrease of \$1.9 million in current and other assets for governmental activities, primarily as a result of current year operations, as discussed in detail on pages 8 and 9. There was an increase of \$5.7 million in capital assets. The increase noted was primarily due to the net effect of the purchase and disposal of equipment and vehicles for the EMS, Fire, Police and Public Works Departments, as well as the net effect of current fiscal year construction activity (as discussed in more detail on page 15) and the recognition of current fiscal year depreciation expense.

The decrease of \$2.4 million in long-term liabilities is primarily the result of the satisfaction of annual debt service related to the CRA's Northwest and East District Bonds.

The increase of \$2.4 million in other liabilities is primarily the result of the combination of the timing of vendor payments accrued at fiscal year end compared to prior fiscal year end and increased project activity in the Northwest CRA District and Capital Project Funds in the current fiscal year.

**Business-type Activities** – The increase of \$1.7 million in current and other assets is primarily a result of the change in internal balances activity from the prior year as discussed in Note II(E).

The decrease of \$5.9 million in net capital assets is primarily due to current fiscal year construction activity, (as discussed in more detail on page 15) and the net effect of machinery and equipment acquisitions and recognition of current fiscal year depreciation expense. The increase of \$0.3 in deferred outflows of resources resulted from the first time reporting of these items as required by Government Accounting Standards Statement 65, as discussed in more detail at Note (III)(G). The decrease of \$2.7 million in long-term liabilities is primarily the result of the satisfaction of debt service requirements for the 2006 Water and Sewer Bonds and the satisfaction of the annual rent requirement related to the energy performance equipment lease in the current fiscal year. The decrease of \$1.1 million in other liabilities is primarily the result of the net effect of a decrease in deferred revenue amounts related to a lump sum payment received from a contractor in a prior fiscal year, an increase in accruals for vendor payments at fiscal year end compared to the prior fiscal year end and a decrease in debt service payable from restricted assets.

**City of Pompano Beach, Florida**  
**Management Discussion and Analysis for the Fiscal Year Ended September 30, 2014**  
**(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, 2014.

**TABLE 2**  
**CHANGES IN NET POSITION**  
**FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2014 and 2013**

	Governmental Activities		Business-Type Activities		Totals	
	2014	2013	2014	2013	2014	2013
<b>Revenues</b>						
Program Revenues:						
Charges for services	\$ 37,704,596	\$ 35,914,022	\$ 53,624,334	\$ 52,080,253	\$ 91,328,930	\$ 87,994,275
Operating grants & contribs.	3,981,238	3,374,362	-	-	3,981,238	3,374,362
Capital grants and contribs.	5,508,176	4,107,045	1,102,648	2,019,095	6,610,824	6,126,140
General Revenues						
Taxes	78,741,738	72,992,881	-	-	78,741,738	72,992,881
Pari mutuel	2,267,089	2,171,040	-	-	2,267,089	2,171,040
Franchise fees	8,005,447	7,402,812	-	-	8,005,447	7,402,812
State revenue sharing	9,215,154	8,549,198	-	-	9,215,154	8,549,198
Gain from sale of capital assets	49,006	36,906	(145,266)	73,659	(96,260)	110,565
Investment earnings	826,960	426,002	296,748	92,380	1,123,708	518,382
Miscellaneous	1,099,493	1,096,266	446,197	431,101	1,545,690	1,527,367
Total revenues	<u>147,398,897</u>	<u>136,070,534</u>	<u>55,324,661</u>	<u>54,696,488</u>	<u>202,723,558</u>	<u>190,767,022</u>
<b>Expenses</b>						
General government	32,924,493	33,052,054	-	-	32,924,493	33,052,054
Public safety	79,092,062	76,932,640	-	-	79,092,062	76,932,640
Physical environment	19,107,230	17,508,638	-	-	19,107,230	17,508,638
Transportation	3,682,005	3,328,609	-	-	3,682,005	3,328,609
Culture and recreation	8,996,206	8,202,728	-	-	8,996,206	8,202,728
Interest costs	989,882	1,090,325	-	-	989,882	1,090,325
Utility	-	-	40,065,154	38,967,528	40,065,154	38,967,528
Sanitation	-	-	4,315,686	4,225,019	4,315,686	4,225,019
Stormwater	-	-	1,879,494	1,904,435	1,879,494	1,904,435
Pier	-	-	260,103	349,096	260,103	349,096
Airpark	-	-	2,167,927	1,430,544	2,167,927	1,430,544
Golf course	-	-	4,732,472	4,239,802	4,732,472	4,239,802
Parking	-	-	735,163	-	735,163	-
Total expenses	<u>144,791,878</u>	<u>140,114,994</u>	<u>54,155,999</u>	<u>51,116,424</u>	<u>198,947,877</u>	<u>191,231,418</u>
Increase (decrease) in net position before special item and transfers	2,607,019	(4,044,460)	1,168,662	3,580,064	3,775,681	(464,396)
Transfers	1,162,173	1,533,855	(1,162,173)	(1,533,855)	-	-
Increase (decrease) in net position	3,769,192	(2,510,605)	6,489	2,046,209	3,775,681	(464,396)
Net position - beginning, as restated (Note III)(H)	379,627,236	382,155,786	170,652,477	168,669,931	550,279,713	550,825,717
Net position - ending	<u>\$ 383,396,428</u>	<u>\$ 379,645,181</u>	<u>\$ 170,658,966</u>	<u>\$ 170,716,140</u>	<u>\$ 554,055,394</u>	<u>\$ 550,361,321</u>

**Governmental Activities** – Governmental activities increased the City's net position by \$3.8 million.

Charges for services increased by \$1.8 million primarily due to the net effect of an increase in building permit revenues of approximately \$2.0 million due to an increase in construction activity from prior fiscal year, an increase in zoning fees collected, an increase in administrative service charges to enterprise

**City of Pompano Beach, Florida**  
**Management Discussion and Analysis for the Fiscal Year Ended September 30, 2014**  
**(Unaudited)**

funds by the General Fund and a decrease of approximately \$.8 million in parking fee revenues due to the creation of a separate Parking Enterprise Fund in fiscal year 2014. All parking related activity (revenues and expenses) were transferred to this new fund.

Operating grants and contributions increased by approximately \$0.6 million, primarily due to an increase in U.S. Department of Justice COPs grant funds received and the sale by the City of a voluntary cleanup tax credit certificate received from the Florida Department of Environmental Protection, as a result of remediation work performed at the Library/Civic Campus site across from City Hall.

Capital Grants and Contributions increased by approximately \$1.4 million, primarily due to the net effect of an increase in grant funds recognized related to the Law Enforcement Trust Fund (LETF) Forfeiture Program and grant funds received related to the Assistance to Firefighters Grant (AFG) Program, a decrease in Home Funds activity from the U.S. Department of Housing and Urban Development (HUD) and an increase in activity under the Neighborhood Stabilization Program (NSP), also administered by HUD.

Taxes revenue increased by \$5.7 million primarily due to an increase in communications service taxes (CST) of approximately \$4.7 million. The City received notice in fiscal year 2014 from the Florida Department of Revenue (FDOR) that as a result of a jurisdictional audit of CST provider remittances to FDOR, it was determined that the City was entitled to an additional \$4.6 million in CST distributions, which had been erroneously credited to a neighboring jurisdiction based on direction from a provider. The City will receive this distribution over a six year period (to coincide with the number of years covered by the FDOR audit) as an adjustment to its normal monthly distribution, commencing in March 2015. Additional increases are primarily attributable to an increase in utility taxes received by the City compared to prior fiscal year.

State Revenue Sharing revenue increased by approximately \$0.7 million. This revenue source is primarily a factor of municipal population and municipal sales tax collections.

Public safety expenses increased by \$2.2 million primarily due to the recognition of current fiscal year depreciation expense, an increase in internal service fund charges and an increase in LETF Program expenditures for the current fiscal year.

Physical environment expenses increased by \$1.6 million primarily as a result of an increase in depreciation expense, an increase in internal service fund charges and in NSP activity related to the acquisition, rehabilitation and sale of homes under the program.

Culture and recreation expenses increased by \$0.8 million primarily as a result of an increase in depreciation expense and an increase in professional services expenditures for the Amphitheater Division as the City contracted with an entity to provide programming assistance for the division to expand its cultural activities.

Business-type Activities - The impact on the City's net position attributable to Business-type activities was minimal, with less than a \$.1 million change in net position.

## **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

**City of Pompano Beach, Florida**  
**Management Discussion and Analysis for the Fiscal Year Ended September 30, 2014**  
**(Unaudited)**

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**

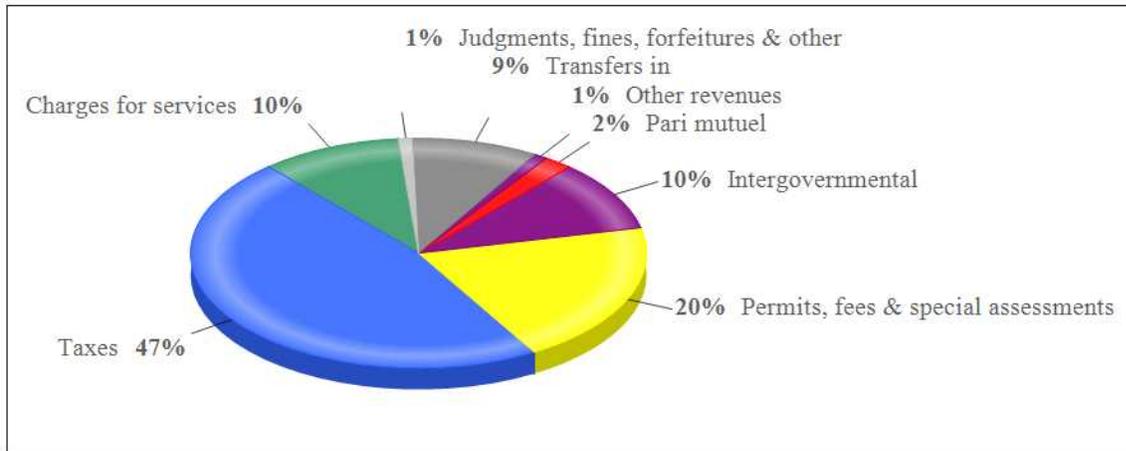
Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash 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**  
**Management Discussion and Analysis for the Fiscal Year Ended September 30, 2014**  
**(Unaudited)**

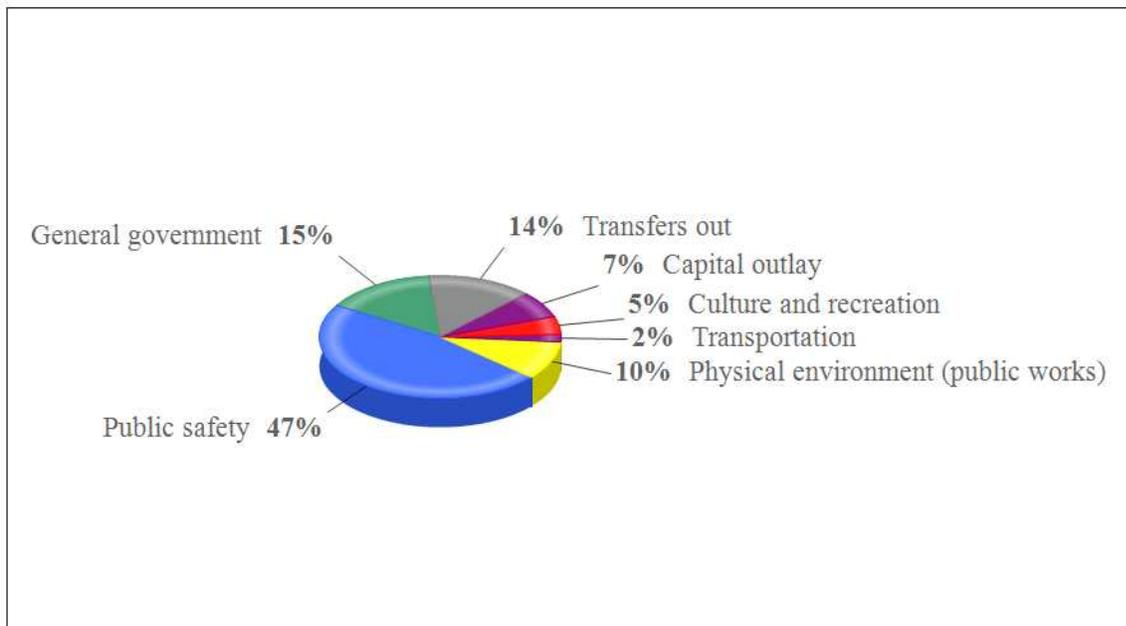
**The General Fund**

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, 2014:

**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 \$50.8 million, while total fund balance was \$62.1 million. The fund balance for the City's General Fund decreased by \$3.0 million during the current fiscal year.

Compared to the prior fiscal year, there was an increase of \$0.4 million in taxes revenue, primarily as a result of the net effect of an increase in electric utility taxes and a decrease in communication service taxes and electric franchise fees received compared to prior fiscal year.

The increase of \$1.9 million in permits, fees and special assessments is primarily due to an increase in building permit fee receipts due to increased construction and build out activity.

The increase of \$1.6 million in intergovernmental revenue is primarily due to an increase in half cent sales tax and state revenue sharing revenue from the State of Florida and an increase in COPs grant program revenue. The half cent sales tax is a function of the City's population compared to Broward County's population and multiplying this factor by total half cent sales taxes collected by the State of Florida within Broward County. State revenue sharing is primarily a function of municipal population and municipal sales tax receipts.

The increase of \$1.1 million in transfers-in is primarily due to an increase in expenditures from the Pompano Beach Community Redevelopment Agency related to improvements made to City owned infrastructure in the current fiscal year.

The increase of \$3.8 million in transfers out is primarily due to the net effect of a decrease in transfers from the General Fund to the Pompano Beach Community Redevelopment Agency East District (funds were transferred in prior fiscal year related to the Beach Library Relocation Project) and an increase in transfers to the Capital Projects Fund, primarily related to the Library/Civic Campus Project.

**The Northwest Community Redevelopment Agency Northwest District Fund**

The fund balance of the Northwest CRA District Fund decreased by \$7.8 million during the current fiscal year. This is primarily the result of increased project outlays during the fiscal year from funds previously committed for these purposes, primarily related to Downtown Pompano, 731 Hammondville Road (MLK), the Bailey Hotel, the Ali Building and the Public Library/Cultural Center Projects.

**The East Community Redevelopment Agency East District Fund**

The fund balance of the East CRA District Fund decreased by \$0.8 million primarily due to project outlays from funds previously committed for these purposes, primarily related to the Beach Library Relocation Project.

**Emergency Management Service Fund**

The fund balance for the EMS Fund decreased by \$0.3 million. This was primarily the result of expenses associated with the staffing of one rescue unit twelve (12) hours a day and the staffing of two rescue units with a third full time paramedic in the current fiscal year.

**Capital Projects Fund**

The fund balance of the Capital Projects Fund increased by \$3.7 million during the current fiscal year primarily due to the net effect of project activity during the current fiscal year and transfers from the

**City of Pompano Beach, Florida**  
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**(Unaudited)**

General Fund, committed for future projects, described in detail on page 5.

**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.

The approximately \$1.5 million increase in operating revenue for proprietary funds, is primarily the result of the creation of a separate Parking Enterprise Fund in fiscal year 2014. In the prior fiscal year parking related revenues and expenses were accounted for within the General Fund.

The approximately \$2.5 million increase in operating expenses in proprietary funds was primarily as a result of an increase in water and sewer charges in the Golf Fund and the transition of parking related activity from the General Fund to a separate Parking Enterprise Fund in fiscal year 2014.

Capital grants and contributions decreased by approximately \$0.9 million, primarily as a result of the recognition of less grant funds from the Federal Aviation Administration and the Florida Department of Transportation in the current fiscal year for the Taxiway Project at the City's Airpark and a decrease in contribution of capital assets from developers from prior fiscal year.

**General Fund Budgetary Highlights**

**Original budget compared to final budget** – The City made revisions to the original appropriations approved by the City Commission. Overall these changes resulted in an increase from the original budget of \$12.7 million.

The increase of approximately \$1.0 million in the Police expenditure budget was primarily the result of the rollover of grant funds from the prior fiscal year to cover the costs for additional officers under the City's police services contract with the Broward Sheriff's Office (BSO), funded with a COPs Grant. The funds supported the School Resource Officers Program.

The transfers-out budget increased by approximately \$9.7 million primarily related to transfers from the General Fund unassigned fund balance to the Capital Projects Fund to commit funds for various projects, inclusive of the Public Library/Civic Campus, Undergrounding of Overhead Utilities and the Expansion and Restoration of Kester Park Restrooms.

**Final budget compared to actual** – Permits, fees and special assessments revenue was approximately \$2.3 million higher than the final budget primarily as a result of the net effect of greater than anticipated collections for building permit revenues due to an increase in construction and build out activity, an increase in electric utility taxes and a decrease in electric franchise fees receipts.

Non-departmental expenditures were approximately \$0.9 million lower than the final budget primarily due to the budgeting for amortization expense in the General Fund as an offset to record a transfer from the Sanitation Fund related to the pay down of an advance between the funds.

**City of Pompano Beach, Florida**  
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**(Unaudited)**

**Capital Assets**

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2014, amounts to \$381.6 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, 2014**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Totals</b>	
	2014	2013	2014	2013	2014	2013
Land	\$ 61,363,386	\$ 61,116,654	\$ 277,365	\$ 277,365	\$ 61,640,751	\$ 61,394,019
Construction in Progress	24,595,705	14,013,066	1,166,346	7,197,281	25,762,051	21,210,347
Buildings	12,593,676	12,137,106	28,090,715	29,594,685	40,684,391	41,731,791
Infrastructure	71,085,864	75,777,322	58,141,517	58,261,815	129,227,381	134,039,137
Improvements	65,165,434	65,203,485	45,235,500	44,608,695	110,400,934	109,812,180
Machinery & Equipment	6,131,377	7,009,505	7,730,057	6,596,953	13,861,434	13,606,458
<b>TOTALS</b>	<b>\$ 240,935,442</b>	<b>\$ 235,257,138</b>	<b>\$ 140,641,500</b>	<b>\$ 146,536,794</b>	<b>\$ 381,576,942</b>	<b>\$ 381,793,932</b>

Major capital assets events during the fiscal year included:

- Capital projects under construction in governmental activities had a net increase of approximately \$10.6 million, primarily as a result of the net effect of activity related to several projects in the current fiscal year, such as Bridge Replacement and Maintenance, City Park Amenities, General Government Buildings, Road Resurfacing, Fire Station #103, Emergency Power Enhancements, Traffic Signal Mastarm, Tennis Center Resurfacing, Downtown Pompano Streetscape, 731 Hammondville Road (MLK), the Bailey Hotel, the Ali Building and the Beach Library.
- Buildings for governmental activities increased by approximately \$0.5 million primarily as a result of the net effect of the capitalization of costs associated with the Bailey and Ali Buildings acquired by the Northwest CRA District and the recognition of current year depreciation expense.
- Infrastructure for governmental activities decreased by approximately \$4.7 million, primarily due to the recognition of current fiscal year depreciation expense.
- Machinery and Equipment decreased by approximately \$0.9 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.
- Capital projects in business-type activities decreased by approximately \$6.0 million due to the net effect of activity for several projects, to include Airpark Taxiway Replacement, Stormwater Master Plan, Replacement of Utilities Field Operations Building, Lift Station Rehab. 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, 2014**  
**(Unaudited)**

- Buildings for business-type activities decreased by approximately \$1.5 million. This is the result of the recognition of current fiscal year depreciation expense.
- Improvements increased by approximately \$0.6 million due to the net effect of the recognition of current fiscal year depreciation expense and the capitalization of costs related to several projects during the fiscal year, as discussed above.
- The increase of approximately \$1.1 million in machinery and equipment is 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 equipment and vehicles for the Utility, Stormwater and Golf Funds (golf carts).

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 \$50,988,011 outstanding compared to \$57,359,714 last year, an 11% decrease.

**TABLE 4 - OUTSTANDING DEBT**  
**September 30, 2014**

	Governmental Activities		Business-Type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Revenue Bonds	\$ -	\$ -	\$ 17,355,000	\$ 20,127,130	\$ 17,355,000	\$ 20,127,130
Tax increment bonds	22,669,190	25,451,352	-	-	22,669,190	25,451,352
Notes	2,324,677	2,549,682	8,416,881	9,231,550	10,741,558	11,781,232
Capital lease payable	-	-	222,263	-	222,263	-
Total	<u>\$ 24,993,867</u>	<u>\$ 28,001,034</u>	<u>\$ 25,994,144</u>	<u>\$ 29,358,680</u>	<u>\$ 50,988,011</u>	<u>\$ 57,359,714</u>

The City's outstanding debt obligations do not carry a credit rating directly from any of the nationally recognized rating agencies (i.e. Standard and Poor's, Moody's). In addition, none of the City's obligations outstanding were required to carry an insured rating as of 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 both 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 1<sup>st</sup> to September 30<sup>th</sup>. The City begins its budget cycle in January. From January to May, workshops and meetings are held with department heads to determine the upcoming fiscal needs of the City while ensuring adherence to City policies. Upon establishing a

**City of Pompano Beach, Florida**  
**Management Discussion and Analysis for the Fiscal Year Ended September 30, 2014**  
**(Unaudited)**

fiscal blueprint for the upcoming fiscal year, the City Manager presents the recommended budget to the City Commission and public in May as required by the City Charter and then a second workshop is held in July. If necessary, resources and/or policies are modified by the Commission, and subsequently adopted in September.

Property values are one of the key economic factors that affect local government's finances. Since January 2<sup>nd</sup>, 2013 to January 2<sup>nd</sup>, 2014, the City experienced a 7.1% increase in its assessed taxable value, its second increase since the 2007 assessment. Florida's construction and real estate activity is continuing its path to recovery. However, during the first six months of 2014 the State of Florida remained the leader in number of filings and foreclosure rates (Office of Economic and Demographic Research, 2014). As reported by realtytrac.com, there are currently 6,590 properties in Pompano Beach that are in some stage of foreclosure (default, auction or bank owned). Similar to the State of Florida, the foreclosure rates for the City of Pompano Beach remain high. In October 2014, 1 in every 425 housing units received foreclosure filings.

Located in the Miami-Fort Lauderdale-Pompano Beach Metropolitan area, the City of Pompano Beach has a significant impact on South Florida's economic growth, which during 2013 remained in a positive territory matching the state's revised 2012 growth rate. As for construction and real estate activity, Florida's economic growth rates trends are returning to more typical levels. They continue to show progress and contribute to the rate of growth of Florida's gross domestic product (Office of Economic and Demographic Research, September 2014).

The adopted budget for FY 2015 is \$224 million, which represents a 1.59% or \$3.5 million increase over the FY 2014 adopted budget of \$221 million. The General Fund budget accounts for \$115.5 million of the FY 2015 budget, which represents a 2.47% or \$2.78 million increase compared to the FY 2014 adopted budget of \$112.7 million. The adopted millage rate for Fiscal Year 2015 decreased by 2.31% from the previous fiscal year to 5.2470. Also, the operating millage rate of 4.7470 decreased by 2.55% compared to last fiscal year's rate of 4.8712. This represents a 4.08% increase in property taxes, when compared to the rolled back millage rate of 4.5611.

**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, 2014**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 10,343,769	\$ 4,735,418	\$ 15,079,187
Unrestricted investments	124,635,285	48,397,869	173,033,154
Restricted cash and cash equivalents	4,451,404	1,519,493	5,970,897
Restricted investments	11,590,105	3,477,470	15,067,575
Interest receivable	273,486	96,665	370,151
Accounts receivables (net)	6,320,154	4,249,434	10,569,588
Notes Receivable	-	422,605	422,605
Internal balances	1,509,107	(1,509,107)	-
Due from other governments	7,771,370	1,130,275	8,901,645
Inventories	1,310,311	420,536	1,730,847
Prepays	1,164,559	53,666	1,218,225
Other assets	98,908	-	98,908
Assets held for resale and redevelopment	34,694,991	-	34,694,991
Net pension asset	1,242,326	-	1,242,326
Capital assets:			
Land and construction in progress	85,959,091	1,443,711	87,402,802
Other capital assets net of accumulated depreciation	154,976,351	139,197,789	294,174,140
Total capital assets net of accumulated depreciation	<u>240,935,442</u>	<u>140,641,500</u>	<u>381,576,942</u>
Total assets	<u>446,341,217</u>	<u>203,635,824</u>	<u>649,977,041</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	-	340,613	340,613
<b>LIABILITIES</b>			
Accounts payable	6,024,862	2,795,696	8,820,558
Accrued expenses	1,607,759	292,313	1,900,072
Accrued interest payable	150,676	33,723	184,399
Due to other governments	-	122,542	122,542
Customer deposits payable	11,552	-	11,552
Unearned revenue	3,077,919	7,071	3,084,990
Liabilities payable from restricted assets:			
Customer deposits payable	-	1,503,144	1,503,144
Accounts payable	33,395	1,561	34,956
Noncurrent liabilities:			
Due within one year:			
Long term obligations	2,802,162	2,915,000	5,717,162
Notes Payable	231,188	837,055	1,068,243
Claims and judgments	3,545,583	-	3,545,583
Compensated absences	359,059	25,044	384,103
Capital lease payable	-	73,002	73,002
Due in more than one year:			
Long term obligations	19,867,028	14,440,000	34,307,028
Notes Payable	2,093,489	7,579,826	9,673,315
Claims and judgments	11,241,417	-	11,241,417
Compensated absences	5,254,715	1,013,203	6,267,918
Net OPEB obligation	6,643,985	1,529,030	8,173,015
Capital lease payable	-	149,261	149,261
Total liabilities	<u>62,944,789</u>	<u>33,317,471</u>	<u>96,262,260</u>
<b>NET POSITION</b>			
Net investment in capital assets	215,941,575	114,647,356	330,588,931
Restricted for:			
Renewal and replacement/rate stabilization	-	3,516,873	3,516,873
Capital projects	-	354,231	354,231
Building permit function	10,778,824	-	10,778,824
Community Redevelopment	27,714,806	-	27,714,806
Cultural Arts	15,615	-	15,615
Transportation	811,281	-	811,281
Unrestricted	128,134,327	52,140,506	180,274,833
Total net position	<u>\$ 383,396,428</u>	<u>\$ 170,658,966</u>	<u>\$ 554,055,394</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, 2014**

<b>Functions/Programs</b>	<b>Program Revenues</b>			
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>Governmental Activities:</b>				
General government	\$ 32,924,493	\$ 10,269,011	\$ 264,469	\$ 282,556
Public safety	79,092,062	25,504,703	3,380,344	1,064,430
Physical environment	19,107,230	81,640	308,325	4,109,732
Transportation	3,682,005	-	-	25,000
Culture and recreation	8,996,206	1,849,242	28,100	26,458
Interest on long-term debt	989,882	-	-	-
<b>Total governmental activities</b>	<b>144,791,878</b>	<b>37,704,596</b>	<b>3,981,238</b>	<b>5,508,176</b>
<b>Business-Type Activities:</b>				
Utility	40,065,154	39,795,045	-	13,708
Sanitation	4,315,686	5,797,028	-	-
Stormwater	1,879,494	2,621,597	-	5,591
Pier	260,103	99,231	-	-
Airpark	2,167,927	1,032,154	-	1,083,349
Golf course	4,732,472	2,638,276	-	-
Parking	735,163	1,641,003	-	-
<b>Total business-type activities</b>	<b>54,155,999</b>	<b>53,624,334</b>	<b>-</b>	<b>1,102,648</b>
<b>Total government</b>	<b>\$ 198,947,877</b>	<b>\$ 91,328,930</b>	<b>\$ 3,981,238</b>	<b>\$ 6,610,824</b>

**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 taxes
- Franchise fees
- State revenue sharing
- Gain (loss) 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.

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

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<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (22,108,457)	\$ -	\$ (22,108,457)
(49,142,585)	-	(49,142,585)
(14,607,533)	-	(14,607,533)
(3,657,005)	-	(3,657,005)
(7,092,406)	-	(7,092,406)
(989,882)	-	(989,882)
<u>(97,597,868)</u>	<u>-</u>	<u>(97,597,868)</u>
-	(256,401)	(256,401)
-	1,481,342	1,481,342
-	747,694	747,694
-	(160,872)	(160,872)
-	(52,424)	(52,424)
-	(2,094,196)	(2,094,196)
-	905,840	905,840
<u>-</u>	<u>570,983</u>	<u>570,983</u>
<u>(97,597,868)</u>	<u>570,983</u>	<u>(97,026,885)</u>
46,147,415	-	46,147,415
1,958,903	-	1,958,903
2,151,110	-	2,151,110
11,209,858	-	11,209,858
9,732,176	-	9,732,176
7,542,276	-	7,542,276
2,267,089	-	2,267,089
8,005,447	-	8,005,447
9,215,154	-	9,215,154
49,006	(145,266)	(96,260)
826,960	296,748	1,123,708
1,099,493	446,197	1,545,690
1,162,173	(1,162,173)	-
<u>101,367,060</u>	<u>(564,494)</u>	<u>100,802,566</u>
3,769,192	6,489	3,775,681
379,627,236	170,652,477	550,279,713
<u>\$ 383,396,428</u>	<u>\$ 170,658,966</u>	<u>\$ 554,055,394</u>

**CITY OF POMPANO BEACH, FLORIDA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2014**

	<u>General</u>	<u>Northwest Community Redevelopment District</u>	<u>East Community Redevelopment District</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,164,762	\$ 1,911,351	\$ 2,082,356
Restricted cash and cash equivalents	-	-	4,451,404
Restricted investments	8,129,626	-	-
Unrestricted investments	48,998,385	10,675,741	3,813,576
Interest receivable	149,278	6,909	3,908
Accounts receivables, net	2,740,428	-	-
Assets held for resale and redevelopment	-	33,238,565	-
Due from other funds	2,151,896	-	-
Due from other governments	6,339,754	-	-
Inventories	167,054	-	-
Prepays	27,350	5,304	-
Other assets	89,982	-	-
Total assets	<u>\$ 70,958,515</u>	<u>\$ 45,837,870</u>	<u>\$ 10,351,244</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 904,987	\$ 1,143,674	\$ 222,129
Accrued expenditures	1,200,192	-	-
Due to other funds	-	-	-
Deposits	-	11,505	-
Unearned revenue	1,169,140	4,500	-
Total liabilities:	<u>3,274,319</u>	<u>1,159,679</u>	<u>222,129</u>
Deferred inflows of resources:			
Unavailable revenue	<u>5,624,614</u>	-	-
Fund balances:			
Nonspendable	194,404	5,304	-
Restricted	8,129,626	44,672,887	10,129,115
Committed	-	-	-
Assigned	2,933,852	-	-
Unassigned	50,801,700	-	-
Total fund balances	<u>62,059,582</u>	<u>44,678,191</u>	<u>10,129,115</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 70,958,515</u>	<u>\$ 45,837,870</u>	<u>\$ 10,351,244</u>

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

<u>Emergency Medical Svc. District</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 55,327	\$ 1,824,534	\$ 1,050,995	\$ 9,089,325
-	-	-	4,451,404
-	-	3,460,479	11,590,105
1,125,188	33,190,813	3,835,163	101,638,866
4,090	56,937	4,364	225,486
3,381,993	197,733	-	6,320,154
-	-	1,456,426	34,694,991
-	-	-	2,151,896
-	300,636	1,119,973	7,760,363
238,396	-	-	405,450
-	1,131,905	-	1,164,559
-	-	8,926	98,908
<u>\$ 4,804,994</u>	<u>\$ 36,702,558</u>	<u>\$ 10,936,326</u>	<u>\$ 179,591,507</u>
\$ 90,549	\$ 2,207,114	\$ 327,784	\$ 4,896,237
314,200	-	14,296	1,528,688
-	-	1,110,628	1,110,628
-	-	47	11,552
-	-	1,904,279	3,077,919
<u>404,749</u>	<u>2,207,114</u>	<u>3,357,034</u>	<u>10,625,024</u>
<u>2,861,793</u>	<u>-</u>	<u>-</u>	<u>8,486,407</u>
238,396	1,131,905	-	1,570,009
-	-	5,271,484	68,203,112
1,300,056	-	2,307,808	3,607,864
-	33,363,539	-	36,297,391
-	-	-	50,801,700
<u>1,538,452</u>	<u>34,495,444</u>	<u>7,579,292</u>	<u>160,480,076</u>
<u>\$ 4,804,994</u>	<u>\$ 36,702,558</u>	<u>\$ 10,936,326</u>	<u>\$ 179,591,507</u>

**CITY OF POMPANO BEACH, FLORIDA**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2014**

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Fund Balances - total governmental funds		\$ 160,480,076
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	\$ 374,379,886	
Less accumulated depreciation	<u>(133,839,132)</u>	240,540,754
Net pension asset is not a financial resource and therefore is not reported in the governmental funds.		1,242,326
Net other post employment benefits obligation (OPEB) is not expected to be liquidated with expendable available resources and therefore is not reported in the governmental funds.		(6,315,811)
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		2,861,793
FEMA-Hurricane Wilma		242,438
Franchise Taxes		830,109
Communication service taxes		4,552,067
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	(22,669,190)	
Notes payable	(2,324,677)	
Accrued interest payable	(150,676)	
Compensated absences	<u>(5,303,559)</u>	(30,448,102)
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:		
	25,609,419	
	<u>(17,166,480)</u>	8,442,939
Adjustment for Internal Service Funds look-back		<u>967,839</u>
Net position of governmental activities		<u>\$ 383,396,428</u>

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, 2014**

	<u>General</u>	<u>Northwest Community Redevelopment District</u>	<u>East Community Redevelopment District</u>
<b>Revenues</b>			
Taxes	\$ 59,482,200	\$ 5,556,429	\$ 1,985,847
Judgments, fines and forfeitures	983,420	-	-
Permits, fees and special assessments	26,596,373	-	-
Intergovernmental	12,912,177	267,098	-
Charges for services	12,579,999	119,850	-
Pari-Mutuel	2,267,089	-	-
Donations	12,617	1,300	-
Program income	-	-	-
Recaptured funds	-	-	-
Investment earnings	439,620	25,926	13,230
Cemetary lot sales	-	-	-
Other revenue	465,368	88,953	300
Total revenues	<u>115,738,863</u>	<u>6,059,556</u>	<u>1,999,377</u>
<b>EXPENDITURES</b>			
Current:			
General government	19,188,232	3,804,769	461,122
Public safety	61,285,587	-	-
Physical environment	12,904,547	-	-
Transportation	2,354,189	-	-
Culture and recreation	6,831,557	-	-
Debt Service:			
Principal	225,005	2,162,162	620,000
Interest	67,069	462,730	479,892
Capital outlay	8,587,099	1,114,326	-
Total expenditures	<u>111,443,285</u>	<u>7,543,987</u>	<u>1,561,014</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,295,578</u>	<u>(1,484,431)</u>	<u>438,363</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of capital assets	54,351	-	-
Transfers in	10,776,753	313,057	179,688
Transfers out	(18,153,438)	(6,623,559)	(1,442,846)
Total other financing sources (uses)	<u>(7,322,334)</u>	<u>(6,310,502)</u>	<u>(1,263,158)</u>
Net change in fund balances	(3,026,756)	(7,794,933)	(824,795)
Fund balances - beginning	<u>65,086,338</u>	<u>52,473,124</u>	<u>10,953,910</u>
Fund Balances - ending	<u>\$ 62,059,582</u>	<u>\$ 44,678,191</u>	<u>\$ 10,129,115</u>

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

<u>Emergency Medical Svc. District</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 4,289,597	\$ 2,622,476	\$ 308,663	\$ 74,245,212
-	-	-	983,420
-	598,168	345,960	27,540,501
90,179	275,067	3,811,383	17,355,904
3,201,815	-	226,580	16,128,244
-	-	-	2,267,089
203	-	28,585	42,705
-	-	1,647,617	1,647,617
-	-	1,581	1,581
3,236	174,764	26,585	683,361
-	-	2,641	2,641
-	3,899	835	559,355
<u>7,585,030</u>	<u>3,674,374</u>	<u>6,400,430</u>	<u>141,457,630</u>
-	128,186	30,735	23,613,044
13,334,072	-	598,446	75,218,105
-	-	4,328,939	17,233,486
-	-	313,200	2,667,389
-	61,111	94,456	6,987,124
-	-	-	3,007,167
-	-	-	1,009,691
<u>356,903</u>	<u>10,165,677</u>	<u>488,113</u>	<u>20,712,118</u>
<u>13,690,975</u>	<u>10,354,974</u>	<u>5,853,889</u>	<u>150,448,124</u>
<u>(6,105,945)</u>	<u>(6,680,600)</u>	<u>546,541</u>	<u>(8,990,494)</u>
-	-	-	54,351
5,829,537	10,348,981	-	27,448,016
-	-	(66,000)	(26,285,843)
<u>5,829,537</u>	<u>10,348,981</u>	<u>(66,000)</u>	<u>1,216,524</u>
(276,408)	3,668,381	480,541	(7,773,970)
<u>1,814,860</u>	<u>30,827,063</u>	<u>7,098,751</u>	<u>168,254,046</u>
<u>\$ 1,538,452</u>	<u>\$ 34,495,444</u>	<u>\$ 7,579,292</u>	<u>\$ 160,480,076</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, 2014**

Net change in fund balances - total governmental funds \$ (7,773,970)

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	\$ 20,712,118	
Less depreciation	<u>(15,288,392)</u>	5,423,726

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-EMS transport fees	129,502	
Change in unavailable revenue-communication service tax	4,496,526	
Change in unavailable revenue-Neighborhood Stabilization Program Grant	(86,583)	
Change in unavailable revenue-Electric franchise tax	830,109	
Change in unavailable revenue-FEMA-Hurricane Wilma Grant	122,872	
Change in unavailable revenue-Waterway Assistance Program Grant	(43,945)	
Change in unavailable revenue- Broward Boating Improvement Grant	(43,945)	
Change in unavailable revenue-Community Oriented Police Grant	(328,174)	
Change in net pension asset	39,032	
Change in net OPEB Obligation	(180,993)	
Loss on sale of capital assets	(5,776)	
Donation of capital assets	241,357	
Change in compensated absences liability	(227,089)	
Change in accrued interest	19,809	
Broward County Contract Reimbursement - Public Library	<u>(152,750)</u>	4,809,952

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		3,007,167
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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 governmentwide statement of activities.		(2,535,636)
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Adjustment for Internal Service Funds look-back		837,953
Change in Net Position - Governmental Activities		<u>\$ 3,769,192</u>

**CITY OF POMPANO BEACH, FLORIDA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2014**

	<b>Business-type Activities -Enterprise Funds</b>			<b>Governmental</b>
	<b>Utility</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Funds</b>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 4,177,544	\$ 557,874	\$ 4,735,418	\$ 1,254,444
Restricted cash and cash equivalents	1,503,144	16,349	1,519,493	-
Interest receivable	77,915	18,750	96,665	48,000
Accounts receivables, net	3,318,472	930,962	4,249,434	-
Due from other governments	225,466	904,809	1,130,275	11,007
Notes receivable	-	422,605	422,605	-
Inventories	359,758	60,778	420,536	904,861
Prepays	53,666	-	53,666	-
<b>Total current assets:</b>	<b>9,715,965</b>	<b>2,912,127</b>	<b>12,628,092</b>	<b>2,218,312</b>
Noncurrent assets:				
Unrestricted investments	37,910,207	10,487,662	48,397,869	22,996,419
Restricted investments	3,149,916	327,554	3,477,470	-
Capital assets:				
Land	216,373	60,992	277,365	-
Construction in progress	679,923	486,423	1,166,346	-
Buildings	47,635,353	4,380,273	52,015,626	254,536
Infrastructure	105,908,548	19,418,236	125,326,784	-
Improvements	52,781,415	30,438,242	83,219,657	423,838
Machinery and equipment	21,214,467	2,942,437	24,156,904	5,745,563
Less accumulated depreciation	(123,965,902)	(21,555,280)	(145,521,182)	(6,029,249)
<b>Total capital assets (net of accumulated depreciation)</b>	<b>104,470,177</b>	<b>36,171,323</b>	<b>140,641,500</b>	<b>394,688</b>
<b>Total noncurrent assets:</b>	<b>145,530,300</b>	<b>46,986,539</b>	<b>192,516,839</b>	<b>23,391,107</b>
<b>Total assets</b>	<b>155,246,265</b>	<b>\$ 49,898,666</b>	<b>\$ 205,144,931</b>	<b>\$ 25,609,419</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charge on refunding	340,613	-	340,613	-
<b>LIABILITIES</b>				
Current liabilities, unrestricted:				
Accounts payable	2,020,463	775,233	2,795,696	1,162,020
Accrued expenses	233,328	58,985	292,313	79,071
Accrued interest payable	33,723	-	33,723	-
Due to other funds	-	541,268	541,268	500,000
Unearned revenue	-	7,071	7,071	-
Due to other governments	-	122,542	122,542	-
Compensated absences	18,769	6,275	25,044	42,805
Claims and judgments	-	-	-	3,545,583
Current portion of long-term debt	2,915,000	-	2,915,000	-
Notes payable	837,055	-	837,055	-
Capital lease payable	-	73,002	73,002	-
<b>Total current liabilities, unrestricted</b>	<b>6,058,338</b>	<b>1,584,376</b>	<b>7,642,714</b>	<b>5,329,479</b>
Current liabilities payable from restricted assets:				
Accounts payable	-	1,561	1,561	-
Customer deposits payable	1,503,144	-	1,503,144	-
<b>Total current liabilities payable from restricted assets</b>	<b>1,503,144</b>	<b>1,561</b>	<b>1,504,705</b>	<b>-</b>
<b>Total current liabilities</b>	<b>7,561,482</b>	<b>1,585,937</b>	<b>9,147,419</b>	<b>5,329,479</b>
Noncurrent liabilities:				
Compensated absences	823,819	189,384	1,013,203	267,410
Net OPEB obligation	1,239,008	290,022	1,529,030	328,174
Claims and judgments	-	-	-	11,241,417
Notes payable	7,579,826	-	7,579,826	-
Revenue bonds payable	14,440,000	-	14,440,000	-
Capital lease payable	-	149,261	149,261	-
<b>Total noncurrent liabilities</b>	<b>24,082,653</b>	<b>628,667</b>	<b>24,711,320</b>	<b>11,837,001</b>
<b>Total liabilities</b>	<b>31,644,135</b>	<b>2,214,604</b>	<b>33,858,739</b>	<b>17,166,480</b>
<b>NET POSITION</b>				
Net investment in capital assets	78,698,296	35,949,060	114,647,356	394,688
Restricted:				
Renewal & replacement/rate stabilization	3,516,873	-	3,516,873	-
Capital Projects	-	354,231	354,231	-
Unrestricted	41,727,574	11,380,771	53,108,345	8,048,251
<b>Total net position</b>	<b>\$ 123,942,743</b>	<b>\$ 47,684,062</b>	<b>\$ 171,626,805</b>	<b>\$ 8,442,939</b>

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, 2014

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Net Position - Enterprise Funds	\$ 171,626,805
Adjustment to Enterprise Funds for Internal Service Funds look-back	<u>(967,839)</u>
Net Position - Business-type Activities	<u>\$ 170,658,966</u>

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

**CITY OF POMPANO BEACH, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014**

	<b>Business-type Activities - Enterprise Funds</b>			<b>Governmental</b>
	<b>Nonmajor</b>		<b>Total</b>	<b>Activities</b>
	<b>Utility</b>	<b>Enterprise Funds</b>		<b>Internal</b>
				<b>Service Funds</b>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 39,795,045	\$ 13,517,666	\$ 53,312,711	\$ 18,722,998
Contract fee extension	-	416,666	416,666	-
Fines and forfeitures	-	311,623	311,623	-
Miscellaneous	-	1,150	1,150	536,423
Total operating revenues	<u>39,795,045</u>	<u>14,247,105</u>	<u>54,042,150</u>	<u>19,259,421</u>
<b>OPERATING EXPENSES</b>				
Personal services	8,068,019	1,812,274	9,880,293	2,552,720
Other current expenses	20,855,187	9,562,975	30,418,162	19,315,843
Depreciation and amortization	9,371,028	2,535,833	11,906,861	115,453
Total operating expenses	<u>38,294,234</u>	<u>13,911,082</u>	<u>52,205,316</u>	<u>21,984,016</u>
Operating income (loss)	<u>1,500,811</u>	<u>336,023</u>	<u>1,836,834</u>	<u>(2,724,595)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment earnings	230,714	66,034	296,748	143,599
Miscellaneous revenue	25,710	2,671	28,381	3,730
Interest expense and fiscal agent fees	(1,108,889)	(3,841)	(1,112,730)	-
Gain or (loss) from disposition of capital assets	15,267	(160,533)	(145,266)	431
Total nonoperating revenue (expenses)	<u>(837,198)</u>	<u>(95,669)</u>	<u>(932,867)</u>	<u>147,760</u>
Income (loss) before contributions and transfers	663,613	240,354	903,967	(2,576,835)
Capital grants and contributions	13,708	1,088,940	1,102,648	41,199
Transfers in	-	1,621,065	1,621,065	-
Transfers out	(68,890)	(2,714,348)	(2,783,238)	-
Change in net position	<u>608,431</u>	<u>236,011</u>	<u>844,442</u>	<u>(2,535,636)</u>
Total net position - beginning	123,397,975	47,448,051	170,846,026	10,978,575
Restatement of net position for GASB 65 implementation	(63,663)	-	(63,663)	-
Total net position - beginning, as restated (Note (III)(H))	<u>123,334,312</u>	<u>47,448,051</u>	<u>170,782,363</u>	<u>10,978,575</u>
Total net position - ending	<u>\$ 123,942,743</u>	<u>\$ 47,684,062</u>	<u>\$ 171,626,805</u>	<u>\$ 8,442,939</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 FUND NET POSITION OF ENTERPRISE FUNDS TO THE  
STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014**

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Net change in Net Position - Enterprise Funds	\$ 844,442
Adjustment to Enterprise Funds for Internal Service Funds look-back	<u>(837,953)</u>
Change in Net Position - Business-type Activities	<u>\$ 6,489</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, 2014**

	<b>Business-type Activities - Enterprise Funds</b>			<b>Governmental Activities</b>
	<b>Utility</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total</b>	<b>Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from other funds for charges for services	\$ -	\$ -	\$ -	\$ 16,078,939
Receipts from customers	40,373,599	13,727,236	54,100,835	3,185,166
Payments to suppliers/Insurer	(20,043,195)	(10,373,521)	(30,416,716)	(13,984,694)
Payments to employees	(8,075,520)	(1,808,571)	(9,884,091)	(2,553,306)
Claims paid	-	-	-	(4,371,010)
Net cash provided (used) by operating activities	<u>12,254,884</u>	<u>1,545,144</u>	<u>13,800,028</u>	<u>(1,644,905)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Advances from other funds	-	831,946	831,946	50,000
Transfers to other funds	(68,890)	(2,714,348)	(2,783,238)	-
Transfers from other funds	-	1,621,065	1,621,065	-
Interest paid on utility deposits	(1,034)	-	(1,034)	-
Net cash provided (used) by noncapital financing activities	<u>(69,924)</u>	<u>(261,337)</u>	<u>(331,261)</u>	<u>50,000</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	(3,161,111)	(2,954,810)	(6,115,921)	(134,450)
Capital grants and contributions	4,428	1,902,879	1,907,307	-
Proceeds from capital lease	-	294,200	294,200	-
Proceeds from the sale of capital assets	47,017	5,553	52,570	45,354
Principal paid on bonds/notes/capital lease	(3,404,669)	(71,937)	(3,476,606)	-
Payments to fiscal agents	(863)	-	(863)	-
Interest paid on bonds/notes/capital lease	(1,069,535)	(3,841)	(1,073,376)	-
Payment to escrow agent-bond refunding	(802,470)	-	(802,470)	-
Net cash provided (used) by capital and related financing activities	<u>(8,387,203)</u>	<u>(827,956)</u>	<u>(9,215,159)</u>	<u>(89,096)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Calls/maturities of investments	13,846,680	5,285,126	19,131,806	12,231,796
Purchase of investments	(20,119,991)	(6,084,312)	(26,204,303)	(11,307,521)
Interest earnings	222,746	68,209	290,955	147,478
Proceeds from notes receivable	-	96,921	96,921	-
Net cash provided (used) by investing activities	<u>(6,050,565)</u>	<u>(634,056)</u>	<u>(6,684,621)</u>	<u>1,071,753</u>
Net increase (decrease) in cash and cash equivalents	(2,252,808)	(178,205)	(2,431,013)	(612,248)
Cash and cash equivalents, beginning of the year	<u>7,933,496</u>	<u>752,428</u>	<u>8,685,924</u>	<u>1,866,692</u>
Cash and cash equivalents, end of the year	<u>\$ 5,680,688</u>	<u>\$ 574,223</u>	<u>\$ 6,254,911</u>	<u>\$ 1,254,444</u>
Cash and cash equivalents, unrestricted	\$ 4,177,544	\$ 557,874	\$ 4,735,418	\$ 1,254,444
Cash and cash equivalents, restricted	<u>1,503,144</u>	<u>16,349</u>	<u>1,519,493</u>	<u>-</u>
Cash and cash equivalents, end of the year	<u>\$ 5,680,688</u>	<u>\$ 574,223</u>	<u>\$ 6,254,911</u>	<u>\$ 1,254,444</u>
Non-cash transactions (Capital & Related Financing Activities):				
Donation of equipment	\$ 1,029	\$ 5,591	\$ 6,620	\$ 41,199
Acquisition price of old debt (Bond Refunding)	17,945,000	-	17,945,000	-
Less value of old debt	<u>(17,915,353)</u>	<u>-</u>	<u>(17,915,353)</u>	<u>-</u>
Difference	<u>29,647</u>	<u>-</u>	<u>29,647</u>	<u>-</u>
Non-cash transactions (Investing Activities):				
Changes in fair value of investments	<u>6,401</u>	<u>532</u>	<u>6,933</u>	<u>19,214</u>
	<u>\$ 37,077</u>	<u>\$ 6,123</u>	<u>\$ 43,200</u>	<u>\$ 60,413</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, 2014**

	<b>Business-type Activities - Enterprise Funds</b>			<b>Governmental Activities</b>
	<b>Utility</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total</b>	<b>Internal Service Funds</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ 1,500,811	\$ 336,023	\$ 1,836,834	\$ (2,724,595)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization expense	9,371,028	2,535,833	11,906,861	115,453
<b>Changes in assets and liabilities:</b>				
<b>(Increase) decrease in assets:</b>				
Accounts receivables	494,502	(107,063)	387,439	-
Due from other governments	(5,466)	-	(5,466)	4,684
Inventories	(22,482)	(42,347)	(64,829)	(76,607)
Other assets and prepaids	(52,925)	-	(52,925)	-
<b>Increase (decrease) in liabilities:</b>				
Accounts and other payables	835,619	(774,875)	60,744	817,768
Accrued expenses	15,475	(21,575)	(6,100)	7,989
Customer deposits payable	89,518	-	89,518	-
Unearned revenue	-	(412,806)	(412,806)	-
Other Post Employment Benefits (OPEB)	51,780	6,676	58,456	8,978
Compensated absences	(22,976)	25,278	2,302	(8,575)
Estimated claims payable	-	-	-	210,000
Net cash provided (used) by operating activities	<u>\$ 12,254,884</u>	<u>\$ 1,545,144</u>	<u>\$ 13,800,028</u>	<u>\$ (1,644,905)</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, 2014**

	<b>Employee Retirement Plans</b>	<b>Agency Fund</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 3,028,104	\$ 654,802
Receivables:		
Accrued interest and dividends	687,428	-
Due from brokers	6,274,120	-
Other	291,195	2,506
Total receivables	<u>7,252,743</u>	<u>2,506</u>
Other assets	<u>2,978</u>	-
Investments:		
Government obligations	26,473,356	-
Mortgage backed securities	14,300,342	-
Municipal obligations	706,675	-
Corporate obligations	34,804,379	-
Equity securities	185,545,443	-
Mutual funds and collective trusts	45,847,442	-
Unit investment trusts	348,666	-
ETF - equity	112,646	-
Hedge funds & private equity funds	53,812,628	-
Real estate funds	17,039,937	-
Money market funds	11,668,781	-
Total investments	<u>390,660,295</u>	-
Property & equipment, net of accumulated depreciation	<u>42,240</u>	-
Total assets	<u>400,986,360</u>	<u>657,308</u>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	453,710	-
Due to brokers	11,647,642	-
Deposits, sales tax & payroll taxes payable	-	657,308
Total liabilities	<u>12,101,352</u>	<u>\$ 657,308</u>
<b>NET POSITION</b>		
Restricted for pension benefits	<u>\$ 388,885,008</u>	

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, 2014**

	<b>Employee Retirement Plans</b>
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 11,275,782
Broward County Sheriff's Office	5,121,422
Broward County - Library	23,606
Members	3,946,887
State	2,219,537
Total contributions:	<u>22,587,234</u>
Investment income (loss)	
Net appreciation in fair value of investments	29,813,940
Interest and dividends	7,078,979
Other	25,586
Total investment income	<u>36,918,505</u>
Less: investment expenses	<u>2,182,075</u>
Net Investment Income	<u>34,736,430</u>
Total	<u>57,323,664</u>
<b>DEDUCTIONS</b>	
Participant benefit payments	30,696,843
Refunds of participant contributions	421,672
Administrative expenses	<u>1,073,726</u>
Total	<u>32,192,241</u>
Net Increase	25,131,423
<b>Net position restricted for pension benefits</b>	
Beginning of the year	358,965,885
Restatement of liabilities	<u>4,787,700</u>
Beginning of the year, as restated (Note (III)(C)(5))	<u>363,753,585</u>
End of the year	<u>\$ 388,885,008</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, 2014**

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**CITY OF POMPANO BEACH, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**(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.

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 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 government, 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 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 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, 2014**

**(B) Blended Component Unit Disclosure**

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

The Pompano Beach Community Redevelopment Agency (the "Agency"), 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 Agency does not issue separate financial statements;

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; and

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 nonfiduciary 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, 2014**

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. 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, 2014**

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 accounts for a City agency which uses tax-increment financing to encourage development.

The East Community Redevelopment District Fund accounts for a City agency which uses tax-increment financing to encourage development.

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.

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 fund:

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

The City also has certain funds (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, Pier, Airpark, Parking, Golf, 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:

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 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 annual actuarial valuation.

The 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.

**CITY OF POMPANO BEACH, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

The Defined Contribution Retirement System Pension Trust Fund accounts for the accumulation of resources to be used for retirement benefit payments to City employees under the provisions of Internal Revenue code Section 401(a). The International City Management Association (ICMA) Retirement Corporation acts as an agent for the City in administering the Plan.

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. If available, quoted market prices are used to determine fair value. Where quoted market prices are not available, an estimate of fair value is made using market prices of similar investments and the results of valuation techniques, including, but not limited to, discounted cash flow analysis, matrix pricing, option-adjusted spread models and fundamental analysis.

**CITY OF POMPANO BEACH, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**(G) Inventories/Prepays**

Inventories consist of supplies and equipment replacement parts, valued using the lower of the weighted average cost method or market, which are purchased in one period and consumed in a future period. Prepaid items represent goods and services which are paid for in one period, but benefit a future period. Inventories and prepaid items 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 estimated fair 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	5-50 Years
Equipment	3-15 Years
Computer Software - Intangible	5-10 Years
Bridges	50 Years
Roads	15-20 Years
Other Infrastructure	15-50 Years

**CITY OF POMPANO BEACH, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

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 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 \$1,150,565 of which \$43,573 was capitalized.

**(J) Deferred Outflows of Resources**

The statement of net position includes a separate section for deferred outflows of resources. This represents the consumption of net position applicable to future periods and will not be recognized as expenditures until the future period to which it applies. Currently, one item in this category is a deferred charge on refunding reported in both the proprietary funds and the government-wide statement of net position. A deferred charge on refunding is the difference between the reacquisition price and the net carrying amount of the old debt. This amount is reported as a deferred outflow of resources and recognized as a component of interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter.

**(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). Per Florida Statute Section 768.28, the City has sovereign immunity up to \$100,000 per person/\$200,000 per occurrence (\$200,000 and \$300,000, respectively effective October 1, 2011). The City is also self-insured for workers' compensation claims, in accordance with Florida Statute Section 440. Workers' compensation claims are self-insured up to \$500,000 per occurrence and property damage (buildings and contents) up to \$100,000, with property damage claims, related to named hurricane/windstorm, having a 5% of total location value deductible. Excess insurance policies apply above these self-insured levels.

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.

**CITY OF POMPANO BEACH, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**(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 and gain/loss on refunding. 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**(N) Employee Benefit Plans and Net Pension Asset**

The City provides separate defined benefit pension plans for general employees and for uniformed police and fire department personnel, as well as a defined contribution pension plan created in accordance with Internal Revenue Code Section 401(a) for certain employees. 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 (PFRP) 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 PFRP 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, 2014 the City recorded a net pension asset related to the General Employees Retirement Plan and a net pension asset related to the Police and Firefighters' Retirement Plan in its government-wide statement of net position. The net pension asset is a function of annual required contributions, interest, adjustments to the annual required contribution, annual pension costs and actual employers contributions made to the plan. Please refer to Note (III) for further information.

**CITY OF POMPANO BEACH, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**(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 on a pay-as-you go basis. As determined by an actuarial valuation, the City records a Net OPEB obligation in its proprietary and government-wide financial statements related to the implicit subsidy. Please refer to Note II (K) 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.

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,

**CITY OF POMPANO BEACH, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

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 did not have any such pollution remediation obligations at September 30, 2014.

**(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 legislations.
- Committed Fund Balance - amounts that can only be used for specific purposes pursuant to constraints imposed by formal City Ordinance 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 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

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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 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.
- 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 legislations. 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, 2014, the Government-wide statement of net position reports \$43,191,630 in restricted net position. Of this amount, \$39,304,911 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 liabilities 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.

**(II) DETAILED NOTES ON ALL FUNDS**

**(A) Cash and Cash Equivalents and Investments**

The City maintains pooled cash, cash equivalents and investments that is 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.

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

The following are components of the City's cash, cash equivalents and investments at September 30, 2014:

	Unrestricted		Restricted		Total cash, cash equivalents and investments
	Cash and cash equivalents	Investments	Cash and cash equivalents	Investments	
Governmental activities:					
General	\$ 2,164,762	\$ 48,998,385	\$ -	\$ 8,129,626	\$ 59,292,773
Northwest CRA	1,911,351	10,675,741	-	-	12,587,092
East CRA	2,082,356	3,813,576	4,451,404	-	10,347,336
EMS	55,327	1,125,188	-	-	1,180,515
Capital Projects	1,824,534	33,190,813	-	-	35,015,347
Nonmajor Governmental	1,050,995	3,835,163	-	3,460,479	8,346,637
Internal Service Funds	1,254,444	22,996,419	-	-	24,250,863
Total governmental	10,343,769	124,635,285	4,451,404	11,590,105	151,020,563
Business-type activities:					
Utility	4,177,544	37,910,207	1,503,144	3,149,916	46,740,811
Nonmajor Enterprise	557,874	10,487,662	16,349	327,554	11,389,439
Total business-type	4,735,418	48,397,869	1,519,493	3,477,470	58,130,250
Fiduciary Funds	3,682,906	390,660,295	-	-	394,343,201
Total	\$ 18,762,093	\$ 563,693,449	\$ 5,970,897	\$ 15,067,575	\$ 603,494,014

**Public Deposits:**

At September 30, 2014, the book balance of the City's deposits was \$21,108,157 and the bank balance was \$22,453,689. 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 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

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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 Pension Plan and a Police and Firefighters' Retirement Pension Plan (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 218, Local Government Investment Policies and City Code of Ordinances.

The Police and Firefighters' Retirement Plan'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:

<b>Authorized Investments</b>	<b>Maximum % Portfolio Composition</b>	<b>Maximum % Individual Issuers</b>	<b>Maximum % Individual Sectors</b>
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

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At September 30, 2014 the City held investments in the Florida Municipal Investment Trust (FMIT), which is a local government investment pool 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 is the responsibility of a Board of Trustees who are selected from the ranks of elected officials of governmental entities participating in the FMIT. The fair value of the City's position in the FMIT is the same as the value of the pool shares.

Florida Statutes and the investment policy authorize the Board of Trustees for the General Employees Retirement Plan 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:

<b>Authorized Investments</b>	<b>Maximum % Portfolio Composition</b>
Domestic Equities	35-60%
International Equities	10-25%
Fixed Income	10-35%
Real Estate	5-15%
Alternatives	5-20%
Cash and Cash Equivalents	0-10%

Florida Statutes and Plan policy authorize the Board of Trustees for the Police and Firefighters Retirement Plan 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:

<b>Authorized Investments</b>	<b>Effective September 26, 2013 Allowable Range %</b>	<b>Target %</b>	<b>Prior to September 26, 2013 Allowable Range %</b>	<b>Target %</b>
Fixed Income Securities	20% - 30%	25.0%	20% - 30%	25.0%
Equity Securities	45% - 60%	52.5%	47.5% - 62.5%	55.0%
Real Estate	2.5% - 10%	7.5%	2.5% - 10%	7.5%
Private Equity	0% - 7.5%	5.0%	0% - 5%	2.5%
Hedge Funds	0% - 10%	10.0%	0% - 10%	10.0%

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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.

**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.

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.

The City's overnight investments have an effective duration of 1 day. The City's short term and core portfolios have durations of 0.52 years and 1.59 years, respectively. This multiple portfolio strategy seeks to limit the risk associated with losses associated with interest rate movements, while providing required liquidity. The City's investment in the Florida Municipal Investment Trust Local Government Investment Pool had a duration of 1.59 years at September 30, 2014.

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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, 2014:

<b>Investment Type</b>	<b>Fair Value</b>	<b>Remaining Maturity (in years)</b>					
		<b>Less than 1</b>	<b>1 to 2</b>	<b>2 to 3</b>	<b>3 to 4</b>	<b>4 to 5</b>	<b>5+ Years</b>
U.S Agency Notes	\$ 2,363,629	\$ 1,884,512	\$ 479,117	\$ -	\$ -	\$ -	\$ -
U.S. Treasury Notes	62,328,740	4,458,688	41,209,862	16,660,190	-	-	-
U.S. Sponsored Agencies	57,591,025	20,744,095	19,293,824	14,225,248	2,043,381	-	1,284,477
Commercial Paper	2,561,653	2,561,653	-	-	-	-	-
Corporate Notes	51,627,312	12,997,912	12,888,095	17,040,964	1,144,926	7,555,415	-
State/Local Govt. Debt	2,492,553	1,212,959	492,906	-	786,688	-	-
Money Market Mutual Funds	2,924,623	2,924,623	-	-	-	-	-
Intergovernmental Investment Pool	5,890,813	-	-	5,890,813	-	-	-
	<u>\$ 187,780,348</u>	<u>\$ 46,784,442</u>	<u>\$ 74,363,804</u>	<u>\$ 53,817,215</u>	<u>\$ 3,974,995</u>	<u>\$ 7,555,415</u>	<u>\$ 1,284,477</u>
<b>Breakdown Government-wide</b>							
Investments --							
(subject to interest rate risk)	\$ 187,780,348						
Deposits --							
(not subject to interest rate risk)							
Certificate of Deposit	3,245,005						
Money Market Savings	12,527,084						
Cash & Cash Equivs. (other deposits)	6,253,178						
Total Government-wide & Agency Fund	<u>\$ 209,805,615</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, 2014:

<b>Investment Type</b>	<b>Fair Value</b>	<b>Remaining Maturity (in years)</b>			
		<b>Less than 1</b>	<b>1 to 5</b>	<b>6 to 10</b>	<b>More than 10</b>
Corporate Bonds	\$ 13,465,995	\$ 2,249,540	\$ 7,107,547	\$ 2,384,456	\$ 1,724,452
Fixed Income Mutual Funds	4,035,416	2,625	1,145,113	2,852,742	34,936
US Treasuries	3,821,051	-	208,766	3,612,285	-
US Agencies	6,811,327	-	348,615	83,189	6,379,523
	<u>28,133,789</u>	<u>\$ 2,252,165</u>	<u>\$ 8,810,041</u>	<u>\$ 8,932,672</u>	<u>\$ 8,138,911</u>
<b>Investment types not subject to interest rate risk:</b>					
Common Stock	53,993,562				
Unit Investment Trusts	348,666				
ETF Equity	112,646				
Real Estate	14,388,810				
Mutual Funds	40,278,264				
Private Equity	14,660,577				
Total Investments	<u>\$ 151,916,314</u>				

As a means of limiting its exposure to fair value losses, the investment guidelines for the Police and Firefighters' Retirement Plan 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 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 plan 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, 2014:

<b>Investment Type</b>	<b>Remaining Maturity (in years)</b>				
	<b>Fair Value</b>	<b>Less than 1</b>	<b>1 to 5</b>	<b>6 to 10</b>	<b>More than 10</b>
U.S. Treasuries, notes and bonds	\$ 14,047,120	\$ -	\$ 7,704,028	\$ 3,852,906	\$ 2,490,186
U.S. Federal agencies	582,141	-	582,141	-	-
Mortgage backed securities	10,851,129	48	5,312	1,574,163	9,271,606
U.S. Treasury/Inflation protected securities	1,211,717	-	1,211,717	-	-
Municipal obligations	706,675	-	-	-	706,675
Corporate obligations	20,355,476	-	10,083,816	6,651,473	3,620,187
Bond mutual funds	840,606	840,606	-	-	-
Collateralized mortgage obligations	3,449,213	-	-	3,449,213	-
Foreign obligations	142,302	-	-	142,302	-
	<u>52,186,379</u>	<u>\$ 840,654</u>	<u>\$ 19,587,014</u>	<u>\$ 15,670,057</u>	<u>\$ 16,088,654</u>
<b>Investment types not subject to interest rate risk:</b>					
Equity securities	131,551,881				
Hedge funds & private equity	39,152,051				
Real estate	2,651,127				
Money market funds	11,668,781				
Total Investments	<u>\$ 237,210,219</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. Neither the City's nor the Police and Firefighters' Retirement plan portfolios had exposure to foreign currency risk at September 30, 2014.

The General Employees Retirement System plan portfolio had exposure to foreign currency risk. The plan's 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 plan's exposure to foreign currency risk related to foreign equity funds at September 30, 2014 is as follows:

<b>Country</b>	<b>Fair Value</b>
France	\$ 2,454,948
Germany	2,180,842
Japan	2,304,805
Switzerland	2,756,381
United Kingdom	4,080,086
Other	<u>8,222,656</u>
Total currency risk	<u>\$ 21,999,718</u>

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The investment policy of the plan limits foreign investments to no more than 25% of the plan's investment balance. As of year-end, foreign investments were 15% of total investments.

*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.

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 as rated by Moody's (Standard & Poor's for money market funds) at September 30, 2014:

Investment Type	Fair Value	Rating at September 30, 2014			
		AAAm	P-1	Aaa/Aa1/Aa2/ Aa3/A1/A2	AAA/V2
U.S. Agency Notes	\$ 2,363,629	\$ -	\$ -	\$ 2,363,629	\$ -
U.S. Treasury Notes	62,328,740	-	-	62,328,740	-
U.S. Sponsored Agencies	57,591,025	-	-	57,591,025	-
Commercial Paper	2,561,653	-	2,561,653	-	-
Corporate Notes	51,627,312	-	-	51,627,312	-
State/Local Govt. Debt	2,492,553	-	-	2,492,553	-
Money Market Mutual Funds	2,924,623	2,924,623	-	-	-
Local Gov't Investment Pool	5,890,813	-	-	-	5,890,813
<b>Total Investments</b>					
<b>with Credit Risk</b>	187,780,348	\$ 2,924,623	\$ 2,561,653	\$ 176,403,259	\$ 5,890,813
Certificate of Deposit	3,425,005				
Demand Deposits	18,780,262				
<b>Total City Portfolio</b>	<u>\$ 209,985,615</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 corporate issuer. 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, 2014, as applicable:

	<u>Fair Value</u>	<u>Percentage of Portfolio</u>
U.S. government guaranteed*	\$ 7,110,982	25.28%
Quality rating of credit risk debt securities		
A1	1,273,901	4.53%
A2	1,461,966	5.20%
A3	3,346,138	11.89%
AA1	85,101	0.30%
AA2	704,053	2.51%
AA3	155,752	0.55%
AAA	5,537,303	19.68%
B	2,548,002	9.06%
BAA1	2,263,331	8.04%
BAA2	1,916,245	6.81%
BAA3	243,599	0.87%
BB	1,047,185	3.72%
BBB	31,283	0.11%
CCC	352,404	1.25%
Not rated	56,544	0.20%
Total credit risk debt securities	<u>21,022,807</u>	<u>74.72%</u>
Total fixed income securities	<u>\$ 28,133,789</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, 2014 ranged between AAA and CCC and below ratings. All of the fixed income investments for the fiscal year ended September 30, 2014 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>Foreign</u>	<u>Municipal</u>	<u>U.S. Government</u>
U.S. government guaranteed*	\$26,109,966	\$ -	\$ -	\$ -	\$ -	\$ 26,109,966
Quality rating of credit risk debt securities						
AAA	1,108,162	1,030,033	-	-	78,129	-
AA	3,682,467	2,531,028	-	-	569,298	582,141
A	8,736,662	8,628,456	-	48,958	59,248	-
BBB	8,624,163	8,530,819	-	93,344	-	-
BB	153,992	153,992	-	-	-	-
CCC and below	103,011	103,011	-	-	-	-
Not rated	3,667,956	2,827,350	840,606	-	-	-
Total credit risk debt securities	<u>26,076,413</u>	<u>23,804,689</u>	<u>840,606</u>	<u>142,302</u>	<u>706,675</u>	<u>582,141</u>
Total fixed income securities	<u>\$52,186,379</u>	<u>\$23,804,689</u>	<u>\$ 840,606</u>	<u>\$ 142,302</u>	<u>\$ 706,675</u>	<u>\$ 26,692,107</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, 2014. 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, 2014. 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 equity investments in any one company to 10% of the equity portion of each portfolio manager (at market). 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,

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external investment pools, and other pooled investments) at September 30, 2014.

*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.

**(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 \$1,177,170, are as follows:

<b>Governmental</b>	<b>General</b>	<b>EMS</b>	<b>Capital Projects</b>	<b>Non-Major Govt'l</b>	<b>Internal Service</b>	<b>Total</b>
<b>Receivables:</b>						
Electric franchise tax	\$ 1,606,748	\$ -	\$ -	\$ -	\$ -	\$ 1,606,748
Electric utility tax	790,931	-	197,733	-	-	988,664
EMS transport fees	-	3,381,993	-	-	-	3,381,993
Utility tax	149,017	-	-	-	-	149,017
Slot machine revenue	155,593	-	-	-	-	155,593
Other	38,139	-	-	-	-	38,139
Total governmental receivables	<u>\$ 2,740,428</u>	<u>\$ 3,381,993</u>	<u>\$ 197,733</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,320,154</u>
<b>Due from other governments:</b>						
State half cents sales tax	513,248	-	-	-	-	513,248
State local option gas tax	86,102	-	-	-	-	86,102
State revenue sharing	226,083	-	-	-	-	226,083
Motor fuel tax	-	-	50,569	10,951	11,007	72,527
Communications service tax	4,976,547	-	-	-	-	4,976,547
Broward County court fines	31,312	-	-	-	-	31,312
Broward County - OES	22,685	-	-	-	-	22,685
FPL Eclectic	11,470	-	-	-	-	11,470
FEMA - Hurricane Wilma Grant	242,438	-	-	-	-	242,438
Neighborhood Stabilization Program - HUD	-	-	-	276,776	-	276,776
FDOT - Highway Lighting Project	180,007	-	-	-	-	180,007
LETF - BSO	-	-	-	842	-	842
CDBG - HUD	-	-	-	626,993	-	626,993
Home - HUD	-	-	-	204,411	-	204,411
COPS - US Dept of Justice	49,862	-	-	-	-	49,862
Sherman Williams VCTC	-	-	250,067	-	-	250,067
Total due from other governments	<u>\$ 6,339,754</u>	<u>\$ -</u>	<u>\$ 300,636</u>	<u>\$ 1,119,973</u>	<u>\$ 11,007</u>	<u>\$ 7,771,370</u>

**CITY OF POMPANO BEACH, FLORIDA**  
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<b>Business-type</b>	<b>Utility</b>	<b>Nonmajor Enterprise</b>	<b>Total</b>
Receivables:			
Water /sewer customer charges	\$ 3,347,338	\$ -	\$ 3,347,338
Solid waste service charges	-	632,221	632,221
Stormwater customer charges	-	593,847	593,847
Parking Fees	-	104,255	104,255
Less: Allowance for uncollectibles	(28,866)	(399,361)	(428,227)
Total business-type receivables (net)	<u>\$ 3,318,472</u>	<u>\$ 930,962</u>	<u>\$ 4,249,434</u>
Due from other governments:			
Broward County Environment Protection	\$ 220,000	\$ -	\$ 220,000
FDOT Aviation Development Grant	-	332,748	332,748
FAA - Air Park Improvement Grant	-	393,735	393,735
FAA - Reimbursement for Utility Expenses	-	6,288	6,288
Broward County Office of Environmental Services	5,466	172,038	177,504
Total due from other governments	<u>\$ 225,466</u>	<u>\$ 904,809</u>	<u>\$ 1,130,275</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 ten 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. As it relates to the Sabal Chase and Ortanique Estates grants, these amounts are not amortized over the 30 year period, as they are required to be repaid in full at the end of the 30 year period. During fiscal year 2014, 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, 2014 the unamortized amount outstanding related to these grants was \$2,867,127. Due to the uncertainty of collections regarding this amount 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 of 3.48%.

The loan payments are as follows:

Fiscal Year Ending	Principal	Interest	Total
2015	\$ 100,293	\$ 14,707	\$ 115,000
2016	103,784	11,216	115,000
2017	107,395	7,605	115,000
2018	111,133	3,867	115,000
Total payments	<u>\$ 422,605</u>	<u>\$ 37,395</u>	<u>\$ 460,000</u>

**Assets Held for Resale for Development**

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 fair value at the date of donation. 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 charges for services in the government-wide statements and miscellaneous revenue in the fund financial statements and losses are recorded as general government 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 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.

**CITY OF POMPANO BEACH, FLORIDA**  
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Assets held for resale and development activity for the year ended September 30, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Assets held for resale & development	\$ 34,850,896	\$ 1,590,852	\$ 1,746,757	\$ 34,694,991

**(C) Capital Assets and Construction Commitments**

Capital asset activity for the year ended September 30, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated				
Land	\$ 61,116,654	\$ 246,732	\$ -	\$ 61,363,386
Construction in progress	14,013,066	19,341,600	8,758,961	24,595,705
Total capital assets, not being depreciated	<u>75,129,720</u>	<u>19,588,332</u>	<u>8,758,961</u>	<u>85,959,091</u>
Capital assets, being depreciated:				
Buildings	36,477,394	1,475,645	-	37,953,039
Infrastructure	116,400,548	785,813	-	117,186,361
Improvements other than buildings	101,710,906	6,053,062	-	107,763,968
Machinery and equipment	31,318,818	1,944,036	1,321,489	31,941,365
Total capital assets being depreciated	<u>285,907,666</u>	<u>10,258,556</u>	<u>1,321,489</u>	<u>294,844,733</u>
Less accumulated depreciation for:				
Buildings	24,340,288	1,019,075	-	25,359,363
Infrastructure	40,623,226	5,477,271	-	46,100,497
Improvements other than buildings	36,507,421	6,091,113	-	42,598,534
Machinery and equipment	24,309,313	2,816,387	1,315,712	25,809,988
Total accumulated depreciation	<u>125,780,248</u>	<u>15,403,846</u>	<u>1,315,712</u>	<u>139,868,382</u>
Total capital assets being depreciated, net	<u>160,127,418</u>	<u>(5,145,290)</u>	<u>5,777</u>	<u>154,976,351</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 235,257,138</u>	<u>\$ 14,443,042</u>	<u>\$ 8,764,738</u>	<u>\$ 240,935,442</u>

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	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-type activities:</b>				
<b>Utility Fund:</b>				
Capital assets, not being depreciated:				
Land	\$ 216,373	\$ -	\$ -	\$ 216,373
Construction in progress	3,683,123	2,601,903	5,605,103	679,923
Total capital assets, not being depreciated	<u>3,899,496</u>	<u>2,601,903</u>	<u>5,605,103</u>	<u>896,296</u>
Capital assets, being depreciated:				
Buildings	47,635,353	-	-	47,635,353
Infrastructure	105,908,548	-	-	105,908,548
Improvement other than buildings	49,646,916	3,134,499	-	52,781,415
Machinery and equipment	18,449,946	3,072,516	307,995	21,214,467
Total capital assets being depreciated	<u>221,640,763</u>	<u>6,207,015</u>	<u>307,995</u>	<u>227,539,783</u>
Less accumulated depreciation for:				
Buildings	20,003,040	1,363,094	-	21,366,134
Infrastructure	58,765,727	781	-	58,766,508
Improvements other than buildings	23,834,582	5,740,169	-	29,574,751
Machinery and equipment	12,310,285	2,256,219	307,995	14,258,509
Total accumulated depreciation	<u>114,913,634</u>	<u>9,360,263</u>	<u>307,995</u>	<u>123,965,902</u>
Utility Fund capital assets, being depreciated, net	<u>106,727,129</u>	<u>(3,153,248)</u>	<u>-</u>	<u>103,573,881</u>
<b>Utility Fund capital assets, net</b>	<u>\$ 110,626,625</u>	<u>\$ (551,345)</u>	<u>\$ 5,605,103</u>	<u>\$ 104,470,177</u>
<b>Nonmajor Enterprise Funds:</b>				
Capital assets, not being depreciated				
Land	\$ 60,992	\$ -	\$ -	\$ 60,992
Construction in progress	3,514,158	2,211,600	5,239,335	486,423
Total capital assets, not being depreciated	<u>3,575,150</u>	<u>2,211,600</u>	<u>5,239,335</u>	<u>547,415</u>
Capital assets, being depreciated:				
Buildings	4,380,273	-	-	4,380,273
Infrastructure	19,411,788	6,448	-	19,418,236
Improvements other than buildings	25,176,161	5,262,081	-	30,438,242
Machinery and equipment	2,712,898	719,608	490,069	2,942,437
Total capital assets being depreciated	<u>51,681,120</u>	<u>5,988,137</u>	<u>490,069</u>	<u>57,179,188</u>
Less accumulated depreciation for:				
Buildings	2,417,901	140,876	-	2,558,777
Infrastructure	8,292,794	125,965	-	8,418,759
Improvements other than buildings	6,379,800	2,029,606	-	8,409,406
Machinery and equipment	2,255,606	239,386	326,654	2,168,338
Total accumulated depreciation	<u>19,346,101</u>	<u>2,535,833</u>	<u>326,654</u>	<u>21,555,280</u>
Nonmajor Enterprise Funds capital assets, being depreciated, net	<u>32,335,019</u>	<u>3,452,304</u>	<u>163,415</u>	<u>35,623,908</u>
<b>Nonmajor Enterprise Funds capital assets, net</b>	<u>35,910,169</u>	<u>5,663,904</u>	<u>5,402,750</u>	<u>36,171,323</u>
<b>Business-type activities capital assets, net</b>	<u>\$ 146,536,794</u>	<u>\$ 5,112,559</u>	<u>\$ 11,007,853</u>	<u>\$ 140,641,500</u>

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

<b>Governmental activities:</b>	
General government	\$ 8,817,785
Public safety	2,790,559
Transportation	1,014,616
Physical environment	1,060,896
Culture and recreation	1,719,990
Total depreciation expense - governmental activities	<u>\$ 15,403,846</u>
 <b>Business-type activities:</b>	
Utilities	\$ 9,360,263
Pier	73,664
Airpark	1,065,631
Golf	479,492
Sanitation	39,182
Stormwater	877,864
Total depreciation expense - business-type activities	<u>\$ 11,896,096</u>

The City has active construction projects as of September 30, 2014. Significant projects that were ongoing as of September 30, 2014 for governmental activities with significant commitments, were as follows:

<u>Project</u>	<u>Expended through September 30, 2014</u>	<u>Committed</u>
Major Bridge Repair/Rehab	\$ 423,834	\$ 1,525,674
Public Safety Bldg Improvement Project	4,575,765	554,783
Rebuild Fire Station 11	3,140,033	1,023,035
Emergency Power Enhancement	1,696,795	210,066
Library - Cultural Center	825,173	17,627,725
A1A Underground Electric	537,391	824,570
Cresthaven Fire Station #103	1,316,495	2,728,644
Third Floor City Hall Renovation	278,255	1,316,732
Tennis Center Court Refurbishment	404,726	319,409
Overhead Utility Conversion Downtown Pompano	150,211	1,503,970
Downtown Pompano Streets	7,868,597	4,358,626
Ali Building Phase II	-	1,527,925
Beach Library Rehab/ Relocation	1,408,980	405,861
CRA Atlantic and ICW Bridge	145,101	1,354,900
	<u>\$ 22,771,356</u>	<u>\$ 35,281,920</u>

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Significant projects that were ongoing as of September 30, 2014 for business-type activities with significant commitments were as follows:

<b>Project</b>	<b>Expended through September 30, 2014</b>	<b>Committed</b>
Replace Utility Field Operations Building	\$ 568,193	\$ 2,360,116

**(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:

<b>Governmental Activities</b>	<b>General Fund</b>	<b>N.W. CRA</b>	<b>EMS Fund</b>	<b>Capital Projects</b>	<b>Non Major Gov't'l Funds</b>	<b>Total</b>
Unearned revenue:						
Local Business Taxes	\$ 1,169,140	\$ -	\$ -	\$ -	\$ -	\$ 1,169,140
Law Enforcement Trust Fund	-	-	-	-	1,904,279	1,904,279
Prepaid Rent	-	4,500	-	-	-	4,500
<b>Total unearned revenue</b>	<b>\$ 1,169,140</b>	<b>\$ 4,500</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,904,279</b>	<b>\$ 3,077,919</b>
Unavailable revenue:						
FEMA-Hurricane Wilma Grant	242,438	-	-	-	-	242,438
Electric Franchise Tax	830,109	-	-	-	-	830,109
Communications Service Tax	4,552,067	-	-	-	-	4,552,067
EMS Transport Fees	-	-	2,861,793	-	-	2,861,793
<b>Total unavailable revenue</b>	<b>\$ 5,624,614</b>	<b>\$ -</b>	<b>\$ 2,861,793</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,486,407</b>

Unearned revenue at fiscal year end for the City's non-major enterprise funds is as follows:

<b>Business-Type Activities</b>	<b>Non-Major Enterprise Funds</b>
Unredeemed Gift Cards	\$ 7,071

**(E) Interfund Loans and Transfers**

The composition of interfund balances as of September 30, 2014, is as follows:

**Due to/from other funds:**

<b>Receivable</b>	<b>Payable</b>	<b>Amount</b>
General Fund	Internal Service Fund	\$ 500,000 (a)
General Fund	Airpark Fund	541,268 (b)
General Fund	Other Grants Fund	1,110,628 (b)
		<b>\$ 2,151,896</b>

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- (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.

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 \$1,509,107), which includes a short-term loan from the General Fund to the Sanitation Fund and the internal service fund look-back adjustment to enterprise funds.

**Transfers in/out are as follows:**

<b>Transfers In:</b>							
<b>Transfers out</b>	<b>General Fund</b>	<b>EMS</b>	<b>NW CRA</b>	<b>East CRA</b>	<b>Capital Projects</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total</b>
General Fund	\$ -	5,829,537	\$ 313,057	\$ 179,688	\$ 10,210,091	\$ 1,621,065	\$ 18,153,438
East District Fund	1,442,846	-	-	-	-	-	1,442,846
NW District fund	6,623,559	-	-	-	-	-	6,623,559
Nonmajor Gov't'l Funds	-	-	-	-	66,000	-	66,000
Utility Fund	-	-	-	-	68,890	-	68,890
Nonmajor Enterprise Funds	2,710,348	-	-	-	4,000	-	2,714,348
	<u>\$ 10,776,753</u>	<u>\$ 5,829,537</u>	<u>\$ 313,057</u>	<u>\$ 179,688</u>	<u>\$ 10,348,981</u>	<u>\$ 1,621,065</u>	<u>\$ 29,069,081</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 support capital projects, including the Library/Cultural Center and the Undergrounding of Overhead Utilities in Old Pompano. Transfers from the General Fund to the Nonmajor Enterprise Funds were required to support operating costs in the Golf Fund. Transfers from the NW and East CRA District Funds to the General Fund pertain to capital improvements made in the respective districts to city owned assets.

Transfers from the Nonmajor Enterprise Funds to the General Fund were related to an administrative charge to garbage customers to cover support services provided by the Public Works Department, the transfer of the annual rebate received from Waste Management as part of the agreement with the vendor whereby funds are utilized for general purposes and the recognition of deferred amounts related to a lump sum settlement with the same vendor, whereby amounts are recognized over the life of the agreement with the vendor and amounts received are to be utilized for general purposes.

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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, 2014.

**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, 2014 the Agency had \$4,594,595 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 4.39%, 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, 2014 the Agency had \$4,594,595 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

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on the Series 2004A Bond is at a fixed rate of 4.39%, with a final maturity date of 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 \$2,624,892 and \$5,556,429, respectively. At September 30, 2014, total principal and interest remaining on the bonds is \$10,096,852 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, 2014, the City had \$13,480,000 outstanding related to this obligation. Principal and interest paid for the current fiscal year and total tax increment revenues were \$1,099,892 and \$1,985,847, respectively. At September 30, 2014, total principal and interest remaining on the bonds is \$17,578,396 payable through February 2030.

**Business-type Activities Debt:**

On June 14, 2005, the City Commission authorized the issuance of Water and Sewer Revenue Bonds – Series 2006A and B (collectively known as the Series 2006 bonds), per City Ordinance No. 2005-57. The Series 2006 bonds were subsequently issued on May 3, 2006. The Series 2006A bonds were issued for the purpose of providing funds sufficient to accomplish the current refunding of all of the City's outstanding Water and Sewer Bonds, Series 1993, which had an outstanding balance in the amount of \$5,845,000. The Series 2006B bonds were issued for the purpose of providing funds sufficient to accomplish the advance refunding of the City's outstanding Water and Sewer Revenue Bonds, Series 2000, which had an outstanding balance in the amount of \$36,030,000.

The City has pledged future water and sewer customer gross revenues, net of specified operating expenses (net revenues), to repay the Series 2006 bonds. The bonds are payable solely from water and sewer customer net revenues and are payable through 2020. Interest on the Series 2006A bonds range from 3.60% to 3.94% through July 1, 2013, the scheduled maturity of the bonds. Interest on the Series 2006B bonds range

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from 3.74% to 4.58% through July 1, 2020, the scheduled maturity of the bonds. Principal and interest paid for the current fiscal year and total water and sewer customer net revenues were \$21,411,219 and \$15,413,639 respectively.

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.

The Series 2014 bonds were issued as a current refunding as the bonds will be called and paid off within 90 days of the issuance of the refunding bonds. The Series 2006 Series bonds are considered defeased for accounting and financial reporting purposes and the outstanding balance has been removed from the financial statements.

The refunding of the 2006B bonds decreased total debt service payments by \$1,621,703 over 6 years and resulted in an economic gain (difference between the present value of the old and new debt service payments) of \$1,494,368.

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 through maturity. Annual principal and interest payments on the Series 2014 bonds are expected to require less than 4 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$18,313,899.

**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, 2014, total principal and interest related to Governmental Activities was \$2,628,671 and \$9,517,540 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 9, 2008, the City Commission authorized the issuance of special facility airport revenue bonds in an aggregate principal amount not to exceed

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\$8,000,000, for the purpose of loaning funds to Sheltair Pompano Beach, LLC (Sheltair) in order to finance the costs of the acquisition, renovation, construction and equipping of certain general aviation facilities located at the Pompano Beach Airpark, to be leased by Sheltair. The bonds were subsequently issued on December 22, 2008. The bonds are limited obligations of the City payable from lease payments required to be made by Sheltair. The City is not obligated to pay the principal or interest of the bonds except from payments made by Sheltair, 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, 2014, total principal and interest outstanding related to this debt issue was \$6,880,000 and \$2,046,847 respectively.

- 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 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, 2014, total principal and interest outstanding related to this debt issue was \$25,285,000 and \$3,877,731, respectively.

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**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>
<b>Governmental activities:</b>					
Bonds payable:					
Tax increment bonds-East					
District	\$ 14,100,000	\$ -	\$ 620,000	\$ 13,480,000	\$ 640,000
Tax increment bonds-NW					
District	11,351,352	-	2,162,162	9,189,190	2,162,162
Total bonds payable	<u>25,451,352</u>	<u>-</u>	<u>2,782,162</u>	<u>22,669,190</u>	<u>2,802,162</u>
Claims and judgments	14,577,000	4,581,010	4,371,010	14,787,000	3,545,583
Net OPEB obligation	6,454,014	409,718	219,747	6,643,985	-
Notes payable	2,549,682	-	225,005	2,324,677	231,188
Compensated absences	5,395,260	4,742,856	4,524,342	5,613,774	359,059
Governmental activity					
Long-term liabilities	<u>54,427,308</u>	<u>9,733,584</u>	<u>12,122,266</u>	<u>52,038,626</u>	<u>6,937,992</u>
<b>Business-type activities:</b>					
Bonds payable:					
Water & sewer revenue bonds	20,535,000	17,355,000	20,535,000	17,355,000	2,915,000
Less: bond discount	(42,824)	-	(42,824)	-	-
Total bonds payable	<u>20,492,176</u>	<u>17,355,000</u>	<u>20,492,176</u>	<u>17,355,000</u>	<u>2,915,000</u>
Net OPEB obligation	1,470,574	76,600	18,144	1,529,030	-
Notes payable	9,231,550	-	814,669	8,416,881	837,055
Capital lease payable	-	294,200	71,937	222,263	73,002
Compensated absences	<u>1,035,945</u>	<u>674,197</u>	<u>671,895</u>	<u>1,038,247</u>	<u>25,044</u>
Business-type activity					
Long-term liabilities	<u>32,230,245</u>	<u>18,399,997</u>	<u>22,068,821</u>	<u>28,561,421</u>	<u>3,850,101</u>
Total long-term liabilities	<u>\$ 86,657,553</u>	<u>\$ 28,133,581</u>	<u>\$ 34,191,087</u>	<u>\$ 80,600,047</u>	<u>\$ 10,788,093</u>

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, compensated absences and OPEB liabilities are generally liquidated by the General Fund and EMS Funds.

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 \$3,516,873 at September 30, 2014.

The City Charter limits the amount of net general obligation bonded debt to 15% of the assessed property valuation. At September 30, 2014, the statutory limit for the City was approximately \$1.3 billion, providing a legal debt margin of approximately \$1.3 billion, as the City had no general obligation debt outstanding at September 30, 2014.

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, 2014 the City had negative arbitrage related

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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, 2014 are as follows:

**Bonds:**

	<b>Governmental Activities</b>						<b>Total Governmental Activities</b>
	<b>Northwest (NW) CRA District</b>			<b>East CRA District</b>			
	<b>Principal</b>	<b>Interest</b>	<b>Subtotal NW District</b>	<b>Principal</b>	<b>Interest</b>	<b>Subtotal East District</b>	
2015	\$2,162,162	\$ 367,811	\$ 2,529,973	\$ 640,000	\$ 457,968	\$ 1,097,968	\$ 3,627,941
2016	2,162,162	272,892	2,435,054	665,000	435,261	1,100,261	3,535,315
2017	2,162,162	177,973	2,340,135	685,000	411,771	1,096,771	3,436,906
2018	2,162,162	83,054	2,245,216	710,000	387,498	1,097,498	3,342,714
2019	540,542	5,932	546,474	735,000	362,355	1,097,355	1,643,829
2020 - 2024	-	-	-	4,095,000	1,401,135	5,496,135	5,496,135
2025 - 2029	-	-	-	4,870,000	623,616	5,493,616	5,493,616
2030 - 2034	-	-	-	1,080,000	18,792	1,098,792	1,098,792
	<u>\$9,189,190</u>	<u>\$ 907,662</u>	<u>\$ 10,096,852</u>	<u>\$13,480,000</u>	<u>\$ 4,098,396</u>	<u>\$ 17,578,396</u>	<u>\$ 27,675,248</u>

	<b>Business-type Activities</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2015	\$ 2,915,000	\$ 222,723	\$ 3,137,723
2016	2,790,000	242,592	3,032,592
2017	2,835,000	195,720	3,030,720
2018	2,890,000	148,092	3,038,092
2019	2,935,000	99,540	3,034,540
2020 - 2024	2,990,000	50,232	3,040,232
	<u>\$ 17,355,000</u>	<u>\$ 958,899</u>	<u>\$ 18,313,899</u>

DEFEASANCE OF LONG-TERM DEBT – The City has defeased its 2006B Series Water and Sewer Revenue Refunding Bonds by placing a sufficient portion of the 2014 Water and Sewer Revenue Refunding bond proceeds together with other funds of the City into an irrevocable trust fund to provide for all future debt service payments on the bonds. The assets, liabilities and financial transactions of these trust funds are not reflected in the financial statements of the City. Defeased bonds outstanding at September 30, 2014 are as follows:

<b>Series</b>	<b>Issue</b>	<b>Amount</b>
2006B	Water & Sewer Revenue Refunding Bonds	<u>\$ 17,945,000</u>

**Notes:**

On November 12, 2010 the City entered into a loan agreement which allows the City to be

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reimbursed for the purchase of equipment up to a maximum of \$13,500,000. At September 30, 2014, the City's obligation under the note, inclusive of accrued interest was \$10,741,558 and allocated between Governmental and Business-type Activities was as follows:

	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2015	\$ 231,188	\$ 60,886	\$ 292,074	\$ 837,055	\$ 220,449	\$ 1,057,504
2016	237,541	54,534	292,075	860,056	197,448	1,057,504
2017	244,068	48,006	292,074	883,690	173,815	1,057,505
2018	250,775	41,300	292,075	907,972	149,532	1,057,504
2019	257,666	34,409	292,075	932,922	124,582	1,057,504
2020 - 2024	1,103,439	64,859	1,168,298	3,995,186	234,833	4,230,019
	\$ 2,324,677	\$ 303,994	\$ 2,628,671	\$ 8,416,881	\$ 1,100,659	\$ 9,517,540

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 \$340,613 at September 30, 2014. This amount is reported as a deferred outflows of resources at September 30, 2014.

**Capital Lease obligation**

On September 27, 2013 the City entered into a master lease agreement as lessee for financing the acquisition of golf carts in the amount of \$294,200. The lease is for four (4) years, with annual payments being subject to annual appropriations by the City. The annual interest rate on the lease is 1.47%. 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:

Year Ending September 30,	Business-type Activities
2015	\$ 75,779
2016	75,779
2017	75,778
Total minimum lease payments	227,336
Less: Amount representing interest	5,073
Present value of minimum lease payments	\$ 222,263

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**(G) Lease**

**Operating Lease**

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 59 years and is adjusted for changes in the Consumer Price Index every three years.

The lease payments are as follows:

<b>Fiscal Year Ending</b>	<b>Governmental Activities</b>
2015	\$ 139,160
2016	139,160
2017	139,160
2018	139,160
2019	139,160
2020 - 2024	695,800
2025 - 2029	695,800
2030 - 2034	695,800
2035 - 2039	695,800
2040 - 2044	695,800
2045 - 2049	695,800
2050 - 2054	695,800
2055 - 2059	695,800
2060 - 2064	695,800
2065 - 2069	695,800
Total lease payments	<u>\$ 7,653,800</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)(Q) for a description of these categories.

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Below is a table of fund balance categories and classifications at September 30, 2014 for the City's governmental funds:

	<b>General</b>	<b>NW CRA District</b>	<b>East CRA District</b>	<b>Emergency Medical Services</b>	<b>Capital Projects</b>	<b>Non-major Gov't'l Funds</b>
<b>Fund Balances:</b>						
<b>Non-spendable</b>						
Inventory	\$ 167,054	\$ -	\$ -	238,396	\$ -	-
Prepays	27,350	5,304	-	-	-	-
Broward County Reimbursement-Library	-	-	-	-	1,131,905	-
<b>Restricted:</b>						
Building Permit Function	8,129,626	-	-	-	-	2,649,198
Transportation	-	-	-	-	-	811,281
Cultural Arts	-	-	-	-	-	15,615
Community Redevelopment	-	44,672,887	10,129,115	-	-	1,795,390
<b>Committed:</b>						
Cemetery Care	-	-	-	-	-	926,882
Disaster Relief	-	-	-	-	-	380,290
Affordable Housing	-	-	-	-	-	109,626
Tree Canopy Landscape/ Tricentennial/Nautica Flea Mkt.	-	-	-	-	-	545,935
Beach Area Parking	-	-	-	-	-	319,637
Emergency Medical Services	-	-	-	1,300,056	-	25,438
<b>Assigned:</b>						
Fire Stations	-	-	-	-	4,670,776	-
Culture & Recreation	-	-	-	-	4,757,983	-
Civic Campus - Public Library	-	-	-	-	8,103,210	-
ADA Compliance	-	-	-	-	321,609	-
Seawall Repairs	-	-	-	-	661,385	-
Public Safety Bldg. Improvs.	-	-	-	-	508,656	-
General Government Bldg. Improvs.	-	-	-	-	2,515,356	-
City Landscaping/Signage/Lighting	-	-	-	-	1,817,416	-
Traffic Signals	-	-	-	-	131,898	-
Bridge Repairs\Enhancements	-	-	-	-	2,499,387	-
Tree Replacement	-	-	-	-	37,441	-
Traffic Calming	-	-	-	-	289,317	-
City Sidewalks	-	-	-	-	610,019	-
Underground Utilities	-	-	-	-	4,200,392	-
Railroad Crossing Repairs	-	-	-	-	378,297	-
Road Resurfacing/Reconstruction	-	-	-	-	666,637	-
Parking Lot Improvements	-	-	-	-	269,838	-
Art in Public Places	-	-	-	-	414,541	-
Capital Reserves	-	-	-	-	509,381	-
General Government (Encumbrances)	111,640	-	-	-	-	-
Public Safety (Encumbrances)	707,858	-	-	-	-	-
Physical Environment (Encumbrances)	286,054	-	-	-	-	-
Culture & Recreation (Encumbrances)	193,699	-	-	-	-	-
Subsequent Year's Expenditures	1,634,601	-	-	-	-	-
<b>Unassigned</b>						
General Government	50,801,700	-	-	-	-	-
<b>Total Fund Balances</b>	<b>\$ 62,059,582</b>	<b>\$ 44,678,191</b>	<b>\$ 10,129,115</b>	<b>\$ 1,538,452</b>	<b>\$ 34,495,444</b>	<b>\$ 7,579,292</b>

**(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

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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 \$9.0 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 4.9700 mills for the General Fund and .5000 mills for the EMS District for the fiscal year ended September 30, 2014.

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, 2014 were approximately 96.6% of the total tax levy.

**(J) Other Commitments**

The City currently has a contract with the Broward Sheriff's Office ("BSO") to provide policing servicing. The current contract has a current monthly commitment of \$2,991,353 and the contract period extends through January 31, 2015.

There were no other significant encumbrances at September 30, 2014.

**(K) 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). 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. 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.

Funding Policy - The City is financing the post employee benefits on a pay-as-you go basis. For fiscal year 2014, 55 retirees received health care benefits. Annual required contributions amounted to \$854,666 for the current fiscal year, towards which the City made a contribution of \$237,891. Retiree contributions totaled \$1,061,744 for the fiscal year ended September 30, 2014. At September 30, 2014 the City recorded a net OPEB obligation of \$6,643,985 for governmental activities and \$1,529,030 for business-type activities in its government-wide statement of net position. The Utility Fund reported a net OPEB obligation of \$1,239,008, while the non-major enterprise funds reported \$290,022. Internal Service Funds reported a net OPEB obligation of \$328,174. The OPEB obligation is a function of annual required contributions, interest, adjustments to the annual required contribution, annual pension costs and actual employers' contributions made to the plan.

Annual OPEB Cost and Net OPEB Obligation - The City's annual OPEB cost (expense) is

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calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to the retiree health plan:

Annual Required Contribution	\$	854,666
Interest on Net OPEB Obligation		316,985
Adjustment to Annual Required Contribution		<u>(685,333)</u>
Annual OPEB Cost (Expense)		486,318
Implied Employer Contribution		<u>(237,891)</u>
Increase in Net OPEB Obligation		248,427
Net OPEB Obligation-beginning of year		<u>7,924,588</u>
Net OPEB Obligation-end of year	\$	<u><u>8,173,015</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of September 30, 2014 was as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
September 30, 2014	\$ 486,318	49%	\$ 8,173,015
September 30, 2013	\$ 469,085	50%	\$ 7,924,588
September 30, 2012	\$ 1,213,739	23%	\$ 7,690,949

Funded Status and Funding Progress - As of July 1, 2013 the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$5,627,873 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of \$5,627,873. The covered payroll (annual payroll of active employees covered by the plan) was \$39,688,921, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 14 percent. The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Methods and Assumptions - Projections of benefits for financial reporting purposes are

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based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the actuarial valuation as of July 1, 2013 the Projected Unit Credit method (PUC) was used to determine all liabilities, with the liability for each active employee assumed to accrue over his working lifetime based on elapsed time from his date of hire until retirement. The unfunded actuarial accrued liability is being amortized over a fifteen year open period, utilizing the level dollar payment method.

The following simplifying assumptions were made:

***Eligibility***

For firefighters and police officers – Age 47 with at least 20 years of service, or age 55 with at least 10 years of service.

For general employees – Age 55 with at least 20 years of service, or age 62 with at least three years of service.

***Disability***

Sex-distinct disability rates set forth in the Wyatt 1985 Disability Study were used. Class 4 rates were used for police officers and firefighters, while class 2 rates were used for general employees.

***Permanent Withdrawal from Active Status***

Sex-distinct withdrawal rates set forth in the Scale 155 table were used.

***Investment Rate of Return***

A discount rate of 4% per annum was utilized (includes inflation at 2.75% per annum).

***Healthcare Cost Trend Rates***

The cost of covered medical services, based on market place knowledge, was assumed to increase or decrease in accordance with the following rates, compounded annually:

2013/14-4.00%  
2014/15-4.00%  
2015/16-4.00%  
2016/17-7.50%  
2017/18-7.00%  
2018/19-6.50%  
2019/20-6.00%  
2020/21-5.50%2021/22 & later-5.00%  
2021/22 & later-5.00%

***Implied Subsidy***

The implied subsidy for a 65-year old retiree for the period July 1, 2013 through June 30,

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2014 is assumed to be \$3,600 per year under the HMO plan and \$4,200 per year PPO plan. Upon the attainment of Medicare eligibility, the subsidy is assumed to disappear.

***Age Related Morbidity***

The cost of covered medical services has been assumed to increase with age at the rate of 2.50% per annum.

***Retiree Contributions***

Retirees electing post-employment healthcare coverage have been assumed to make monthly contributions equal to the premium charged to the active employees.

***Cost of Living Increases***

Retiree contributions have been assumed to increase in accordance with the healthcare cost trend assumption.

***Medical Plan Choice***

Both current and future retirees have been assumed to continue coverage in accordance with their current plan election.

***Future Participation Rates***

Fifty percent (50%) of eligible employees were assumed to elect coverage upon retirement or disability. Coverage for retirees and their dependents was assumed to continue for the life of the retiree only, with coverage for all dependents ending upon the retiree's death.

***Marriage and Dependent Assumption***

Both current and future retirees were assumed to continue single or family coverage in accordance with their current election.

***COBRA Assumption***

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

***Retiree Age Assumption***

All current retirees were assumed to be an average age 61 years, based on actual retirees' data.

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**(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.

*Method used to value investments* – 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 at the measurement date. Short-term investments, which consist of money market funds, are reported at cost, which is fair value. Securities traded on national or international exchanges are valued at the last reported sales price or current exchange rates. Real estate investment is reported at its fair value based on an independent appraisal of underlying property. The PFRS has investments in funds of hedge funds which hold a variety of different investment vehicles that do not have readily available market quotations. The PFRS's fair value is based on its proportionate share of the value of the funds of hedge funds as determined by the fund managers. That value is based on what the hedge fund can reasonably expect to receive as its interest in the various investment vehicles based on input from fund managers, independent valuation consultants and independent auditors. Net appreciation 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.

*Use of estimates* – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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

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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. The Board of Trustees has the sole and exclusive responsibility for the administration and operation of the PFRS.

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 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 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

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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 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, 2014, the date of the latest actuarial valuation:

Retirees and beneficiaries currently receiving benefits	393
Inactive plan members entitled but not yet receiving benefits	2
Active plan members	163
Total	558

*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. 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

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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 of participation. As of September 30, 2014, the balance in the Drop account was \$19,913,608, with 67 DROP participants. These amounts are included in the total investment balance presented on the statement of fiduciary net position.

*Drop Loan Program* - Effective June 22, 2010, the PFRS allowed participants (Police officers only) 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, 2014, the balance of DROP loans outstanding was \$81,971.

*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, 2014, the balance in the share plan account was \$4,098,621. 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.

The City also has a contract with BSO to provide annual contributions to the Plan on behalf of police officers, as actuarially determined. 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. Administrative costs are financed through investment earnings.

In accordance with Florida Statutes, additional premium tax revenues received by the PFRS are reserved to provide future minimum or extra benefits and may not be used to reduce or offset the contribution requirements of the City. As of the October 1, 2014 actuarial valuation, the cumulative balance of additional premium tax revenues reserved to provide future benefit improvements total \$651,182 of which \$215,163 pertains to the police members (Chapter 185 funds) and \$436,019 pertains to the firefighter members (Chapter 175 funds).

*Real Estate Investment* – The Plan (in its capacity as Pompano Beach Investors, LLC)

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purchased a property located at 2335 East Atlantic Boulevard (purchased in 2007 for approximately \$4.4 million) within the City limits. The intent of the purchase was to generate rental income through leasing agreement for office space. As required by accounting standards, the property is reported at fair market value (\$2.7 million) at September 30, 2014.

**3. Due to Brokers**

Pending trades payable amounting to \$10,458,698 at September 30, 2014 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.

**(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. 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. Interest and dividend income are recorded as earned and dividend income is recorded as of the ex-dividend date.

*Cash Equivalents* – The GERS considers all highly liquid investment with a maturity of three months or less when purchased, to be cash equivalents.

*Investments* – Plan investments are reported at fair value. Quoted market prices, when available, have been used to value investments. The fair value of quoted investments is based on the closing sales price or bid price as reported by recognized security exchanges. The market values for securities that have no quoted market price represent estimated fair value. Many factors are considered in arriving at that value. International equities are valued based upon quoted foreign market prices and translated into U.S. dollars at the exchange rate in effect at September 30, 2014. In general, corporate debt securities have been valued at quoted market prices or, if not available, values are based on yields currently available on comparable securities of issuers with similar credit ratings. The fair value of real estate investment securities is based on appraisals plus fiscal year-to-date capital expenditures.

Private equity partnerships are valued using their respective net asset value ("NAV") and are audited annually. The most significant input into the NAV of such an entity is the fair value of its investment holdings. These holdings are valued by the general partners on a quarterly or semi-annual basis, in conjunction with management and investment advisors. The management assumptions are based upon the nature of the investment and the underlying business. Because of the inherent uncertainty of the valuation for these private equity investments, the estimated fair value may differ from the values that would have been used had a ready market existed.

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Unrealized gains and losses are presented as net appreciation (depreciation) in fair value of investments on the statement of changes in plan net position along with gains and losses realized on sales of investments. Purchases and sales of investments are recorded on a trade-date basis.

*Property and Equipment* - Property and equipment is stated at cost. The cost of property and equipment is depreciated over the estimated useful lives of the related assets. The costs of leasehold improvements are depreciated (amortized) over the lesser of the length of the related leases or estimated useful lives of the assets. Depreciation is computed using the straight-line method.

*Use of Estimates* – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**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 September 25, 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 board of seven trustees comprised of three 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.

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.

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*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*

As of October 1, 2014, the date of the latest actuarial valuation, membership in the Plan consisted of:

Retirees and Beneficiaries currently receiving benefits and Drop and Terminated Employees entitled to benefits, but not receiving them	388
Current Employees:	
Fully vested, partially vested and non-vested active employees covered by the Plan	479
Total	<hr style="border: 1px solid black;"/> <hr style="border: 1px solid black;"/> 867

*Pension Benefits*

The GERS provides retirement benefits as well as death and disability benefits for all regular full time employees employed at least twenty hours per week and five months per year. Several benefit options are available to employees, which should be elected at time of retirement. Early retirement, disability, death and other benefits are also provided. Employees must have ten years of service and be unable to be gainfully employed before becoming eligible for non-service connected disability benefits. General employees have vested benefits after 10 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.

Employees who retire at age fifty-five with twenty years of continuous service or age sixty-two with at least three years of continuous service are entitled to an annual retirement benefit payable monthly for life in accordance with the following parameters. Employees with twenty years of continuous service who have not yet reached age fifty-five may retire and receive immediate reduced benefits.

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 biweekly pay periods times 1.0048.

Tier Two members

Normal retirement benefit is calculated using 2.00% of the Average Monthly Salary

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multiplied by the years of credited service. Average Monthly Salary is the average of the highest completed 130 biweekly 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 Plans 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 Pan'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 equity and fixed income securities. In addition, the Plan utilizes an investment advisor who monitors the investing activity. The investments owned are held in the name of the GERS.

**(C) Other Pension Information**

**1. Contribution Rates and Actual Contributions**

	<u>Police and Firefighters'</u>	<u>General Employees</u>
Contributions:		
Contribution rates:		
City:		
General Employees		25.71%
Police	404.42%	-
Fire	33.58%	-
Plan members:		
General Employees		10.00% <sup>(1)</sup>
Police	8.60%	-
Fire	11.60%	-
Annual pension costs	\$ 9,716,096	\$ 6,665,682
Contributions made:		
Employer	\$ 9,722,948	\$ 6,697,862
Plan members	1,422,685	2,515,665
State	2,219,537 <sup>(2)</sup>	-

<sup>(1)</sup> 7% for employees hired on or after June 8, 2011

<sup>(2)</sup>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.

Prior to fiscal year 1998, in calculating the net pension asset (net pension obligation), the City was allowed to take a credit for actual premium taxes received in relation to the Police and Firefighters Pension Plan, thereby reducing the City's annual required contribution. However, beginning in fiscal year 1998, the State, by passage of Chapters 175 and 185 of Florida Statutes, limited the allowable premium tax credit to

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the base amount received by the Plan in 1997 plus any fire supplemental payments received from the State subsequent to 1997.

In addition, 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, 2014 the Plan received \$2,219,537 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 government-wide financial statements.

The maximum allowable credit for fiscal year 2014 was \$1,549,172. Any excess premium taxes received from the State for which a credit is not taken goes into Plan assets for the Plan. For the fiscal year ended September 30, 2014 excess premium taxes amounted to \$670,365 (actual amount received less maximum allowable premium tax credit).

**2. Annual Pension Cost and Net Pension Asset (Obligation)**

Annual pension cost is a measure of the periodic cost of an employer's participation in a defined benefit pension plan. The annual pension cost for the Police and Firefighters and the General Employees Plans for the three most recent fiscal periods available is shown below:

	Police and Firefighters			General Employees		
	2012	2013	2014	2012	2013	2014
Annual Pension Cost	\$ 5,552,754	\$ 8,108,819	\$ 9,716,096	\$ 5,770,843	\$ 6,302,760	\$ 6,665,682
Percentage of annual pension cost contributed	99.5%	100.1%	100.1%	100.5%	100.5%	100.5%
Net Pension Asset (Obligation) at the end of the year	\$ 619,555	\$ 631,177	\$ 638,029	\$ 542,146	\$ 572,117	\$ 604,297

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The City's annual pension cost and net pension asset (NPA) or net pension obligation (NPO) related to the Police and Firefighters and General Employees Plans for the fiscal year ended September 30, 2014 is as follows:

	<b>Police and Firefighters'</b>	<b>General Employees</b>
Annual required contribution ("ARC")	\$ 9,722,948	\$ 6,674,256
Interest on NPO/(NPA)	(47,338)	(45,769)
Adjustment to ARC	40,486	37,195
Annual pension cost	9,716,096	6,665,682
Actual contributions	<u>(9,722,948)</u>	<u>(6,697,862)</u>
Increase (decrease) in NPA (NPO)	6,852	32,180
NPA at beginning of year	631,177	572,117
NPA at end of year	<u>\$ 638,029</u>	<u>\$ 604,297</u>

**3. Actuarial Methods and Assumptions**

Additional information as of the latest actuarial valuation follows:

	<b>Police and Firefighters' Retirement System</b>	<b>General Employees' Retirement System</b>
Valuation date	October 1, 2014	October 1, 2014
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level percent - closed	Level percent - closed
Asset valuation method	20% phase-in method	5 year smoothed
remaining amortization period	30 years	30 years
Actuarial assumptions:		
Investment discount/investment return*	7.5%, compounded annually, net of investment expenses	8.00%
Projected salary increases	2.5%	4.25%-7.50%
Includes inflation at		3.50%
Cost of living adjustments	2.00%	2.00%

**4. Funded Status and Funding Progress - Pension Plans**

As of September 30, 2014, the actuarial accrued liability for benefits was \$200,747,000. and the actuarial value of assets was \$144,640,000 resulting in an unfunded actuarial accrued liability of \$56,107,000 and a funded ratio of 72.1%, for the General Employees' Retirement Plan. The covered payroll (annual payroll of active employees covered by the plan) was \$26,048,000, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 215.4%. As of September 30, 2014, the actuarial accrued liability for benefits was \$279,277,722 and the actuarial value of assets was \$197,436,713 resulting in an unfunded actuarial accrued liability of \$81,841,009 and a funded ratio of 71.0%, for the Police and Firefighters' Retirement Plan. The covered payroll (annual payroll of active employees covered by the plan) was \$13,296,423 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 616.0%.

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The Schedule of Funding Progress immediately following the notes to the financial statements as required supplementary information presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**5. Restatement of Prior Year Balances**

Beginning net position was restated to correctly reflect amounts previously classified as liabilities to net position restricted for pensions.

	<b>General Employees' Retirement System</b>	<b>Fiduciary Funds</b>
Net position-beginning	\$ 138,735,030	\$ 358,965,885
Reclassification of liabilities	4,787,700	4,787,700
Net position-beginning, as restated	\$ 143,522,730	\$ 363,753,585

**(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 to provide benefits at retirement to certain professional and managerial employees of the City. At September 30, 2014, there was 1 plan member. Contribution Plan provisions and contribution requirements are established and may be amended by City Commission Ordinance. The International City Management Association Retirement Corporation acts as agent for the City in administering the Contribution Plan. The DCRS does not issue a stand alone financial report.

*Contributions* – The following is a detail of individual DCRS contribution percentages:

<b>Plan Name</b>	<b>Employee Contribution</b>	<b>Employer Contribution</b>
City Attorney	5%	-%

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The City does not incur an actuarial liability related to the sponsorship of the DCRS. For the fiscal year ended September 30, 2014, employer contributions totaled \$0 and employee contributions totaled \$8,537. Financial information for the DCRS at and as of September 30, 2014 is shown below:

<b>ASSETS</b>	
Investments, at fair value:	
Mutual funds	\$ 1,533,762
Total assets	<u>1,533,762</u>
<b>NET POSITION</b>	
Held in trust for pension benefits	<u>\$ 1,533,762</u>
 <b>ADDITIONS</b>	
Members contributions	\$ 8,537
Investment income	<u>90,090</u>
Total additions	<u>98,627</u>
 <b>DEDUCTIONS</b>	
Participant benefit payments	<u>30,149</u>
Total deductions	<u>30,149</u>
Net increase (decrease)	68,478
 <b>NET POSITION HELD IN TRUST FOR PENSION BENEFITS</b>	
Beginning of the year	<u>1,465,284</u>
End of year	<u>\$ 1,533,762</u>

**(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 2014.

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 amounts needed to ultimately settle claims. The total estimated claims payable at September 30, 2014 reflect management's loss estimate of \$14,577,000, which includes reported claims and claims incurred but not reported (IBNR).

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Changes in the fund's estimated claims payable amount in fiscal years 2014 and 2013 were:

Fiscal Year	Liability October 1	New Claims and Changes in Estimates	Claims Payments	Liability September 30
2014	\$ 14,577,000	\$ 4,581,010	\$ 4,371,010	\$ 14,787,000
2013	\$ 14,792,000	\$ 2,606,489	\$ 2,821,489	\$ 14,577,000

**(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) invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of 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, monitors 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 actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimate and assumptions in the near term could be material to the Plans financial statements.

**(G) New Accounting Pronouncements**

**GASB 65, *Items Previously Reported as Assets and Liabilities***, is effective for financial statements for periods beginning after December 15, 2012. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This statement specifically addresses the calculation of a deferred outflow or inflow for the refunding of debt. This statement requires that debt issuance costs be expensed in the period in which that debt was issued and amounts reported as assets be presented as a

**CITY OF POMPANO BEACH, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

reduction of beginning net position. This statement also requires that amounts related to governmental fund receivables that are measurable, but not available, are recorded as unavailable (a deferred inflow of resources). Changes to the government-wide and enterprise fund financial statements, schedules and related disclosures are included in Note I(J), Deferred Outflows of Resources and Note III(H), Restatement of Prior Year Balances.

**GASB 66, *Technical Corrections – 2012 An Amendment of GASB Statements No. 10 and No. 62***, is effective for financial statements for periods beginning after December 15, 2012. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. This Statement amends Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, by removing the provision that limits fund-based reporting of an entity's risk financing activities to the general fund and the internal service fund type. As a result, governments should base their decisions about fund type classification on the nature of the activity to be reported, as required in Statement 54 and Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments. This Statement also amends Statement 62 by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straight-line basis, (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. These changes clarify how to apply Statement No. 13, Accounting for Operating Leases with Scheduled Rent Increases, and result in guidance that is consistent with the requirements in Statement No. 48, Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues, respectively. The implementation of GASB 66 did not have a material impact on the City's financial statements.

**GASB 67, *Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25***, is effective for financial statements for periods beginning after June 15, 2013. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans. For defined benefit pension plans, this Statement establishes standards of financial reporting for separately issued financial reports and specifies the required approach to measuring the pension liability of employers and non-employer contributing entities for benefits provided through the pension plan (the net pension liability), about which information is required to be presented. The City's pension plans have implemented this pronouncement for the fiscal year ended September 30, 2014.

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***GASB 68, Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27***, is effective for financial statements for periods beginning after June 15, 2014. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This Statement replaces the requirements of Statement No. 27, Accounting for Pensions by State and Local Governmental Employers. Statement No. 67, Financial Reporting for Pension Plans, revises existing standards of financial reporting for most pension plans. This Statement and Statement 67 establish a definition of a pension plan that reflects the primary activities associated with the pension arrangement—determining pensions, accumulating and managing assets dedicated for pensions and paying benefits to plan members as they come due. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about pensions also are addressed. The City is in process of assessing the impact of this pronouncement. The unfunded pension obligations, which are material to the City's financial statements, will be recognized as a liability and will reduce the City's total net position.

***GASB 69, Government Combinations and Disposals of Government Operations***, is effective for financial statements for periods beginning after December 15, 2013. The objective of this Statement is to establish accounting and financial reporting standards related to government combinations and disposals of government operations. The City is aware of this requirement and will assess its impact to ensure timely implementation.

***GASB 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees***, is effective for financial statements for periods beginning after June 15, 2013. The objective of this Statement is to establish accounting and financial reporting standards for financial guarantees that are nonexchange transactions (nonexchange financial guarantees) extended or received by a state or local government. As used in this Statement, a nonexchange financial guarantee is a guarantee of an obligation of a legally separate entity or individual, including a blended or discretely presented component unit, which requires the guarantor to indemnify a third-party obligation holder under specified conditions. The implementation of GASB 70 did not have a material impact on the City's financial statements as the City does have any nonexchange financial guarantees in place as of September 30, 2014.

***GASB 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68***, is effective for financial statements for periods beginning after June 15, 2014. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to

**CITY OF POMPANO BEACH, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The City is aware of this requirement and will assess its impact to ensure timely implementation.

**(H) Restatement of GASB Statement No. 65**

The October 1, 2013 beginning net position of the following fund/activity was restated due to the implementation of GASB Statement 65, *Items Previously Reported as Assets and Liabilities*. This accounting change required the City to expense unamortized debt issuance costs previously recorded as an asset. The impact of this restatement is as follows:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>
Net position-beginning	\$ 379,645,181	\$ 170,716,140
Expensing of unamortized debt issuance costs	(17,945)	(63,663)
Net position-beginning, as restated	\$ 379,627,236	\$ 170,652,477
	<b>Utility</b>	<b>Total Enterprise Funds</b>
Net position-beginning	\$ 123,397,975	\$ 170,846,026
Expensing of unamortized debt issuance costs	(63,663)	(63,663)
Net position-beginning, as restated	\$ 123,334,312	\$ 170,782,363

The implementation of GASB 65 also required the reclassification of the deferred charge on refunding from long-term liability to deferred outflow of resources. The deferred outflow of resources balance as of September 30, 2014 was \$340,613.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF POMPANO BEACH, FLORIDA**  
**Required Supplementary Information - Unaudited**  
**September 30, 2014**

Defined Benefit Pension Plans - An analysis of funding progress for the Unfunded Actuarial Accrued Liability (UAAL) for the three most recent actuarial valuation dates available is presented as follows:

**Police and Firefighters' Retirement System**  
**Schedule of Funding Progress - Unaudited**  
**(Dollars in Thousands)**

Actuarial Valuation Date	Actuarial Value of Assets (1)	Actuarial Accrued Liability (AAL)-Entry Age (2)	Unfunded AAL (UAAL) (2)-(1)	Funded Ratio (1):(2)	Covered Payroll (3)	UAAL as a Percentage of Covered Payroll [(2)-(1):(3)]
October 1, 2014	\$ 197,437	\$ 279,278	\$ 81,841	70.7%	\$ 13,296	615.5%
October 1, 2013	\$ 186,095	\$ 271,582	\$ 85,487	68.5%	\$ 13,137	650.7%
October 1, 2012	\$ 179,510	\$ 271,408	\$ 91,898	66.1%	\$ 14,433	636.7%

**General Employees' Retirement System**  
**Schedule of Funding Progress - Unaudited**  
**(Dollars in Thousands)**

Actuarial Valuation Date	Actuarial Value of Assets (1)	Actuarial Accrued Liability (AAL)-Entry Age (2)	Unfunded AAL (UAAL) (2)-(1)	Funded Ratio (1):(2)	Covered Payroll (3)	UAAL as a Percentage of Covered Payroll [(2)-(1):(3)]
October 1, 2014	\$ 144,640	\$ 200,747	\$ 56,107	72.1%	\$ 26,048	215.4%
October 1, 2013	\$ 132,248	\$ 191,554	\$ 59,306	69.0%	\$ 25,923	228.8%
October 1, 2012	\$ 123,425	\$ 185,014	\$ 61,589	66.7%	\$ 25,833	238.4%

**Other Post Employment Benefits**  
**Schedule of Funding Progress - Unaudited**  
**(Dollars in Thousands)**

An analysis of funding progress for the Unfunded Actuarial Accrued Liability (UAAL) for the most recent actuarial valuation date available is presented as follows:

Actuarial Valuation Date	Actuarial Value of Assets (1)	Actuarial Accrued Liability (AAL)-Entry Age (2)	Unfunded AAL (UAAL) (2)-(1)	Funded Ratio (1):(2)	Covered Payroll (3)	UAAL as a Percentage of Covered Payroll [(2)-(1):(3)]
July 1, 2013	\$ -	\$ 5,628	\$ 5,628	0.0%	\$ 39,689	14.2%
July 1, 2011	\$ -	\$ 9,281	\$ 9,281	0.0%	\$ 39,640	23.4%
July 1, 2009	\$ -	\$ 16,354	\$ 16,354	0.0%	\$ 39,035	41.9%

**CITY OF POMPANO BEACH, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE (UNAUDITED) - BUDGETARY BASIS**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 58,821,372	\$ 58,821,372	\$ 59,482,200	\$ 660,828
Judgments, fines and forfeitures	843,000	843,000	983,420	140,420
Permits, fees and special assessments	23,796,234	24,313,204	26,596,373	2,283,169
Intergovernmental	10,677,403	11,981,812	12,912,177	930,365
Charges for services	13,489,025	13,489,613	12,579,999	(909,614)
Pari-mutuel	2,025,000	2,025,000	2,267,089	242,089
Donations	20,000	28,000	12,617	(15,383)
Investment earnings	460,000	460,000	439,620	(20,380)
Other revenue	477,400	801,164	465,368	(335,796)
Total revenues	<u>110,609,434</u>	<u>112,763,165</u>	<u>115,738,863</u>	<u>2,975,698</u>
<b>EXPENDITURES</b>				
Current:				
General government	8,979,315	8,447,592	7,975,934	471,658
Finance	2,328,993	2,427,004	2,407,080	19,924
Development services	8,755,233	8,900,733	8,827,679	73,054
Police	36,176,822	37,135,337	35,773,986	1,361,351
Fire department	19,798,921	20,479,895	20,413,855	66,040
Public works	15,172,383	15,729,220	15,601,796	127,424
Non departmental	6,015,738	6,424,416	5,486,221	938,195
Culture and recreation	6,472,492	6,790,351	6,679,516	110,835
Capital outlay	9,230,219	9,652,145	9,284,390	367,755
Debt Service:				
Principal	225,006	225,006	225,006	-
Interest & other charges	67,070	67,070	67,070	-
Total expenditures	<u>113,222,192</u>	<u>116,278,769</u>	<u>112,742,533</u>	<u>3,536,236</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,612,758)</u>	<u>(3,515,604)</u>	<u>2,996,330</u>	<u>6,511,934</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	20,000	20,000	54,351	34,351
Transfers in	10,776,753	10,776,753	10,776,753	-
Transfers out	(8,493,050)	(18,153,438)	(18,153,438)	-
Total other financing sources (uses)	<u>2,303,703</u>	<u>(7,356,685)</u>	<u>(7,322,334)</u>	<u>34,351</u>
Net change in fund balances	<u>\$ (309,055)</u>	<u>\$ (10,872,289)</u>	<u>(4,326,004)</u>	<u>\$ 6,546,285</u>
<b>FUND BALANCE - BEGINNING</b>			<u>65,086,338</u>	
<b>FUND BALANCE - ENDING</b>			<u>\$ 60,760,334</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, 2014**

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 5,641,813	\$ 5,556,429	\$ 5,556,429	\$ -
Intergovernmental	-	619,930	267,098	(352,832)
Charges for services	96,432	96,432	119,850	23,418
Investment earnings	39,000	39,000	25,926	(13,074)
Other revenue	100,029	100,029	90,253	(9,776)
Total revenues	<u>5,877,274</u>	<u>6,411,820</u>	<u>6,059,556</u>	<u>(352,264)</u>
<b>EXPENDITURES</b>				
Current:				
General government	4,399,295	5,234,287	4,158,928	1,075,359
Capital outlay	281,968	10,874,337	8,940,234	1,934,103
Debt service:				
Principal	2,162,163	2,162,162	2,162,162	-
Interest & other charges	800,229	462,730	462,730	-
Total expenditures	<u>7,643,655</u>	<u>18,733,516</u>	<u>15,724,054</u>	<u>3,009,462</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,766,381)</u>	<u>(12,321,696)</u>	<u>(9,664,498)</u>	<u>2,657,198</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	313,057	313,057	313,057	-
Transfers out	-	(6,623,559)	(6,623,559)	-
Total other financing sources (uses)	<u>313,057</u>	<u>(6,310,502)</u>	<u>(6,310,502)</u>	<u>-</u>
Net change in fund balances	<u>\$ (1,453,324)</u>	<u>\$ (18,632,198)</u>	<u>(15,975,000)</u>	<u>\$ 2,657,198</u>
<b>FUND BALANCE - BEGINNING</b>			<u>52,473,124</u>	
<b>FUND BALANCE - ENDING</b>			<u>\$ 36,498,124</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, 2014**

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 2,015,290	\$ 2,015,290	\$ 1,985,847	\$ (29,443)
Investment earnings	10,000	10,000	13,230	3,230
Other revenue	-	-	300	300
Total Revenues	<u>2,025,290</u>	<u>2,025,290</u>	<u>1,999,377</u>	<u>(25,913)</u>
<b>EXPENDITURES</b>				
Current:				
General government	1,161,845	3,553,163	533,484	3,019,679
Debt service:				
Principal	-	620,000	620,000	-
Interest & other charges	-	479,892	479,892	-
Capital outlay	<u>(1,442,846)</u>	<u>3,821,275</u>	<u>1,783,016</u>	<u>2,038,259</u>
Total expenditures	<u>(281,001)</u>	<u>8,474,330</u>	<u>3,416,392</u>	<u>5,057,938</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,306,291</u>	<u>(6,449,040)</u>	<u>(1,417,015)</u>	<u>5,032,025</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	179,688	179,688	-
Transfers out	<u>(2,542,738)</u>	<u>(1,442,846)</u>	<u>(1,442,846)</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,542,738)</u>	<u>(1,263,158)</u>	<u>(1,263,158)</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ (236,447)</u>	<u>\$ (7,712,198)</u>	<u>(2,680,173)</u>	<u>\$ 5,032,025</u>
<b>FUND BALANCE - BEGINNING</b>			<u>10,953,910</u>	
<b>FUND BALANCE - ENDING</b>			<u>\$ 8,273,737</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, 2014**

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 4,379,525	\$ 4,379,525	\$ 4,289,597	\$ (89,928)
Intergovernmental	96,997	96,997	90,179	(6,818)
Charges for services	3,100,000	3,100,000	3,201,815	101,815
Donations	-	-	203	203
Investment earnings	39,500	39,500	3,236	(36,264)
Other revenue	-	-	-	-
Total revenues	<u>7,616,022</u>	<u>7,616,022</u>	<u>7,585,030</u>	<u>(30,992)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	13,095,959	13,374,550	13,357,144	17,406
Capital outlay	349,600	614,524	605,180	9,344
Total expenditures	<u>13,445,559</u>	<u>13,989,074</u>	<u>13,962,324</u>	<u>26,750</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,829,537)</u>	<u>(6,373,052)</u>	<u>(6,377,294)</u>	<u>(4,242)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	5,829,537	5,829,537	5,829,537	-
Total other financing sources (uses)	<u>5,829,537</u>	<u>5,829,537</u>	<u>5,829,537</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (543,515)</u>	<u>(547,757)</u>	<u>\$ (4,242)</u>
<b>FUND BALANCE - BEGINNING</b>			<u>1,814,860</u>	
<b>FUND BALANCE - ENDING</b>			<u>\$ 1,267,103</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, 2014**

**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.

Supplemental appropriations of \$765,023 including \$228,396 for capital outlay expenses in the General Fund and \$273,670 for capital outlay expenses in the Utility Fund were approved during the year and included in the revised budget.

Budgets have been legally adopted for all governmental and proprietary fund types except for the Cultural Arts Foundation special revenue fund and the Capital Projects funds. 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, special revenue and debt service funds are disclosed in the financial statements except for the Cultural Arts Foundation special revenue fund. 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, 2014**

Adjustments necessary to convert the general fund and the major special revenue fund results of operations and change in fund balances at September 30, 2014 from the accounting principles generally accepted in the United States of America basis of accounting to the budget basis are as follows:

	<u>Revenues/ Other Financing Sources</u>	<u>Expenditures/ Other Financing Uses</u>	<u>Change in Fund Balances</u>
<b><u>General Fund</u></b>			
GAAP Basis	\$ 126,569,967	\$ 129,596,723	\$ (3,026,756)
State contribution for Fire and Police Pension Funds	-	-	-
Encumbrances	-	1,299,248	(1,299,248)
Budgetary Basis	<u>\$ 126,569,967</u>	<u>\$ 130,895,971</u>	<u>\$ (4,326,004)</u>
<b><u>Northwest Community Redevelopment District</u></b>			
GAAP Basis	\$ 6,372,613	\$ 14,167,546	\$ (7,794,933)
Encumbrances	-	8,180,067	(8,180,067)
Budgetary Basis	<u>\$ 6,372,613</u>	<u>\$ 22,347,613</u>	<u>\$ (15,975,000)</u>
<b><u>East Community Redevelopment District</u></b>			
GAAP Basis	\$ 2,179,065	\$ 3,003,860	\$ (824,795)
Encumbrances	-	1,855,378	(1,855,378)
Budgetary Basis	<u>\$ 2,179,065</u>	<u>\$ 4,859,238</u>	<u>\$ (2,680,173)</u>
<b><u>EMS</u></b>			
GAAP Basis	\$ 13,414,567	\$ 13,690,975	\$ (276,408)
Encumbrances	-	271,349	(271,349)
Budgetary Basis	<u>\$ 13,414,567</u>	<u>\$ 13,962,324</u>	<u>\$ (547,757)</u>

**Excess of Expenditures Over Appropriations**

For the year ended September 30, 2014, expenditures did not exceed appropriations in any governmental fund departments (the legal level of budgetary control).

**COMBINING AND INDIVIDUAL FUND  
STATEMENTS**

## **NONMAJOR GOVERNMENTAL FUNDS**

**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.

**CITY OF POMPANO BEACH, FLORIDA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2014**

**Special Revenue Funds**

	<b>Special Purpose</b>	<b>LETF</b>	<b>SHIP</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 237,553	\$ 98,360	\$ 98,669
Restricted investments	3,460,479	-	-
Unrestricted investments	1,062,018	1,895,874	-
Interest receivable	-	4,364	-
Assets held for resale and redevelopment	-	-	-
Due from other governments	10,951	842	-
Other assets	-	-	-
Total assets	\$ 4,771,001	\$ 1,999,440	\$ 98,669
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	39,225	95,161	98,669
Accrued expenditures	-	-	-
Due to other funds	-	-	-
Unearned revenue	-	1,904,279	-
Deposits	-	-	-
Total liabilities	39,225	1,999,440	98,669
Fund balances:			
Restricted	3,460,479	-	-
Committed	1,271,297	-	-
Total fund balances	4,731,776	-	-
Total liabilities, deferred inflows of resources and fund balances	\$ 4,771,001	\$ 1,999,440	\$ 98,669

**Special Revenue Funds**

<u>Other Grants</u>	<u>Affordable Housing</u>	<u>Cultural Arts Foundation</u>	<u>Cemetary</u>	<u>Total Non-major Governmental Funds</u>
\$ 440,519	\$ 110,668	\$ 15,615	\$ 49,611	\$ 1,050,995
-	-	-	-	3,460,479
-	-	-	877,271	3,835,163
-	-	-	-	4,364
1,456,426	-	-	-	1,456,426
1,108,180	-	-	-	1,119,973
8,926	-	-	-	8,926
<u>\$ 3,014,051</u>	<u>\$ 110,668</u>	<u>\$ 15,615</u>	<u>\$ 926,882</u>	<u>\$ 10,936,326</u>
93,690	1,039	-	-	327,784
14,296	-	-	-	14,296
1,110,628	-	-	-	1,110,628
-	-	-	-	1,904,279
47	-	-	-	47
<u>1,218,661</u>	<u>1,039</u>	<u>-</u>	<u>-</u>	<u>3,357,034</u>
1,795,390	-	15,615	-	5,271,484
-	109,629	-	926,882	2,307,808
<u>1,795,390</u>	<u>109,629</u>	<u>15,615</u>	<u>926,882</u>	<u>7,579,292</u>
<u>\$ 3,014,051</u>	<u>\$ 110,668</u>	<u>\$ 15,615</u>	<u>\$ 926,882</u>	<u>\$ 10,936,326</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, 2014**

**Special Revenue Funds**

	<u>Special Purpose</u>	<u>LETF</u>	<u>SHIP</u>
<b>REVENUES</b>			
Taxes	\$ 308,663	\$ -	\$ -
Permits, fees and special assessments	230,960	-	-
Intergovernmental	-	764,526	271,300
Charges for services	222,095	-	-
Donations	485	-	-
Program income	-	-	36,033
Recaptured funds	-	-	-
Investment earnings	3,094	13,880	375
Cemetery lot sales	-	-	-
Other revenue	-	-	-
Total revenues	<u>765,297</u>	<u>778,406</u>	<u>307,708</u>
<b>EXPENDITURES</b>			
Current:			
General government	-	-	-
Public safety	39,277	534,369	-
Physical environment	-	-	307,708
Transportation	313,200	-	-
Culture and recreation	94,456	-	-
Capital outlay	-	244,037	-
Total expenditures	<u>446,933</u>	<u>778,406</u>	<u>307,708</u>
Excess (deficiency) of revenues over (under) expenditures	<u>318,364</u>	-	-
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(66,000)	-	-
Total other financing sources (uses)	<u>(66,000)</u>	-	-
Net change in fund balances (deficit)	252,364	-	-
Fund balances - beginning	4,479,412	-	-
Fund balances - ending	<u>\$ 4,731,776</u>	<u>\$ -</u>	<u>\$ -</u>

**Special Revenue Funds**

<u>Other Grants</u>	<u>Affordable Housing</u>	<u>Cultural Arts Foundation</u>	<u>Cemetary</u>	<u>Total Non-major Governmental Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 308,663
-	115,000	-	-	345,960
2,775,557	-	-	-	3,811,383
-	-	-	4,485	226,580
-	-	28,100	-	28,585
1,611,584	-	-	-	1,647,617
1,581	-	-	-	1,581
9,221	13	2	-	26,585
-	-	-	2,641	2,641
835	-	-	-	835
<u>4,398,778</u>	<u>115,013</u>	<u>28,102</u>	<u>7,126</u>	<u>6,400,430</u>
-	-	30,735	-	30,735
24,800	-	-	-	598,446
4,015,847	5,384	-	-	4,328,939
-	-	-	-	313,200
-	-	-	-	94,456
244,076	-	-	-	488,113
<u>4,284,723</u>	<u>5,384</u>	<u>30,735</u>	<u>-</u>	<u>5,853,889</u>
<u>114,055</u>	<u>109,629</u>	<u>(2,633)</u>	<u>7,126</u>	<u>546,541</u>
-	-	-	-	(66,000)
-	-	-	-	(66,000)
114,055	109,629	(2,633)	7,126	480,541
1,681,335	-	18,248	919,756	7,098,751
<u>\$ 1,795,390</u>	<u>\$ 109,629</u>	<u>\$ 15,615</u>	<u>\$ 926,882</u>	<u>\$ 7,579,292</u>

**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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 473,304	\$ 271,300	\$ (202,004)
Program income	-	36,408	36,408	-
Total revenues	-	509,712	307,708	(202,004)
<b>EXPENDITURES</b>				
Current:				
Physical environment	-	716,068	307,708	408,360
Total expenditures	-	716,068	307,708	408,360
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ (206,356)	-	\$ (610,364)
<b>FUND BALANCE - BEGINNING</b>			-	
<b>FUND BALANCE - ENDING</b>			\$ -	

**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, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Charges for services	\$ -	\$ -	\$ 4,485	\$ 4,485
Cemetary lots	50,000	50,000	2,641	(47,359)
Total revenues	50,000	50,000	7,126	(42,874)
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over (under) expenditures	\$ 50,000	\$ 50,000	7,126	\$ (42,874)
<b>FUND BALANCE - BEGINNING</b>			919,756	
<b>FUND BALANCE - ENDING</b>			\$ 926,882	

## **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.

**Parking Fund** - accounts for parking operation activities throughout the City.

**Golf Fund** - accounts for the operation of the City's golf course.

**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, 2014**

	<u>Pier</u>	<u>Airpark</u>	<u>Parking</u>
<b>ASSETS</b>			
Current Assets			
Cash and cash equivalents	\$ 107,727	\$ 2,573	\$ 41,346
Restricted cash and cash equivalents	-	16,349	-
Interest receivable	4,332	2	1,064
Accounts receivables, net	-	-	68,073
Due from other governments	-	732,771	-
Notes receivable	-	-	-
Inventories	46,051	-	-
Total current assets	<u>158,110</u>	<u>751,695</u>	<u>110,483</u>
Noncurrent Assets			
Unrestricted investments	2,060,451	-	769,349
Restricted investments	-	327,554	-
Capital assets:			
Land	60,058	934	-
Construction in progress	66,644	13,597	46,609
Buildings	-	1,656,670	-
Infrastructure	2,433,574	3,413,974	-
Improvements	-	16,506,397	-
Machinery and equipment	1,525	487,676	-
Less accumulated depreciation	<u>(1,439,009)</u>	<u>(6,929,006)</u>	<u>-</u>
Total capital assets (net of accumulated depreciation)	<u>1,122,792</u>	<u>15,150,242</u>	<u>46,609</u>
Total noncurrent assets	<u>3,183,243</u>	<u>15,477,796</u>	<u>815,958</u>
Total assets	<u>3,341,353</u>	<u>16,229,491</u>	<u>926,441</u>
<b>LIABILITIES</b>			
Current liabilities, unrestricted:			
Accounts payable	7,310	19,241	10,641
Accrued expenses	1,071	11,145	-
Unearned revenue	-	-	-
Due to other governments	-	-	-
Compensated absences	-	2,874	-
Due to other funds	-	541,268	-
Capital lease payable	-	-	-
Total current liabilities, unrestricted	<u>8,381</u>	<u>574,528</u>	<u>10,641</u>
Current liabilities payable from restricted assets:			
Accounts payable	-	1,561	-
Total current liabilities payable from restricted assets	<u>-</u>	<u>1,561</u>	<u>-</u>
Noncurrent liabilities:			
Compensated absences	-	34,241	-
Net OPEB obligation	-	86,599	-
Capital lease payable	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>120,840</u>	<u>-</u>
Total liabilities	<u>8,381</u>	<u>696,929</u>	<u>10,641</u>
<b>NET POSITION</b>			
Net investment in capital assets	1,122,792	15,150,242	46,609
Capital Projects	-	354,231	-
Unrestricted	2,210,180	28,089	869,191
Total net position	<u>\$ 3,332,972</u>	<u>\$ 15,532,562</u>	<u>\$ 915,800</u>

<u>Golf</u>	<u>Sanitation</u>	<u>Stormwater</u>	<u>Total</u>
\$ 28,022	\$ 42,221	\$ 335,985	\$ 557,874
-	-	-	16,349
580	-	12,772	18,750
-	625,334	237,555	930,962
-	120,425	51,613	904,809
422,605	-	-	422,605
6,178	-	8,549	60,778
<u>457,385</u>	<u>787,980</u>	<u>646,474</u>	<u>2,912,127</u>
516,336	741,746	6,399,780	10,487,662
-	-	-	327,554
-	-	-	60,992
14,816	-	344,757	486,423
2,723,603	-	-	4,380,273
5,025,450	-	8,545,238	19,418,236
4,653,772	-	9,278,073	30,438,242
373,776	278,343	1,801,117	2,942,437
<u>(5,896,415)</u>	<u>(249,307)</u>	<u>(7,041,543)</u>	<u>(21,555,280)</u>
6,895,002	29,036	12,927,642	36,171,323
<u>7,411,338</u>	<u>770,782</u>	<u>19,327,422</u>	<u>46,986,539</u>
<u>7,868,723</u>	<u>1,558,762</u>	<u>19,973,896</u>	<u>49,898,666</u>
38,457	638,697	60,887	775,233
22,925	6,433	17,411	58,985
7,071	-	-	7,071
122,542	-	-	122,542
3,401	-	-	6,275
-	-	-	541,268
<u>73,002</u>	<u>-</u>	<u>-</u>	<u>73,002</u>
<u>267,398</u>	<u>645,130</u>	<u>78,298</u>	<u>1,584,376</u>
-	-	-	1,561
-	-	-	1,561
98,072	34,716	22,355	189,384
111,491	10,538	81,394	290,022
149,261	-	-	149,261
<u>358,824</u>	<u>45,254</u>	<u>103,749</u>	<u>628,667</u>
<u>626,222</u>	<u>690,384</u>	<u>182,047</u>	<u>2,214,604</u>
6,672,739	29,036	12,927,642	35,949,060
-	-	-	354,231
<u>569,762</u>	<u>839,342</u>	<u>6,864,207</u>	<u>11,380,771</u>
<u>\$ 7,242,501</u>	<u>\$ 868,378</u>	<u>\$ 19,791,849</u>	<u>\$ 47,684,062</u>

**CITY OF POMPANO BEACH, FLORIDA**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
NONMAJOR ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014**

	<u>Pier</u>	<u>Airpark</u>	<u>Parking</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 99,231	\$ 1,032,154	\$ 1,329,380
Contract fee extension	-	-	-
Fines and forfeitures	-	-	311,623
Miscellaneous	-	-	1,150
Total operating revenues	<u>99,231</u>	<u>1,032,154</u>	<u>1,642,153</u>
<b>OPERATING EXPENSES</b>			
Personal services	31,780	381,949	-
Other current expenses	112,030	660,345	727,469
Depreciation	73,664	1,065,631	-
Total operating expenses	<u>217,474</u>	<u>2,107,925</u>	<u>727,469</u>
Operating income (loss)	<u>(118,243)</u>	<u>(1,075,771)</u>	<u>914,684</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment earnings	12,742	(8,818)	2,316
Miscellaneous revenue	-	2,671	-
Interest expense	-	-	-
Gain or (loss) from disposition of capital assets	-	1,672	-
Total nonoperating revenues (expenses)	<u>12,742</u>	<u>(4,475)</u>	<u>2,316</u>
Income (loss) before contributions and transfers	(105,501)	(1,080,246)	917,000
Capital grants and contributions	-	1,083,349	-
Transfers in	32,295	-	-
Transfers out	-	-	(1,200)
Change in net position	(73,206)	3,103	915,800
Total net position - beginning	<u>3,406,178</u>	<u>15,529,459</u>	<u>-</u>
Total net position - ending	<u>\$ 3,332,972</u>	<u>\$ 15,532,562</u>	<u>\$ 915,800</u>

<u>Golf</u>	<u>Sanitation</u>	<u>Stormwater</u>	<u>Total</u>
\$ 2,638,276	\$ 5,797,028	\$ 2,621,597	\$ 13,517,666
-	416,666	-	416,666
-	-	-	311,623
-	-	-	1,150
<u>2,638,276</u>	<u>6,213,694</u>	<u>2,621,597</u>	<u>14,247,105</u>
731,986	249,116	417,443	1,812,274
3,490,197	4,002,768	570,166	9,562,975
<u>479,492</u>	<u>39,182</u>	<u>877,864</u>	<u>2,535,833</u>
<u>4,701,675</u>	<u>4,291,066</u>	<u>1,865,473</u>	<u>13,911,082</u>
<u>(2,063,399)</u>	<u>1,922,628</u>	<u>756,124</u>	<u>336,023</u>
13,201	9,961	36,632	66,034
-	-	-	2,671
(3,841)	-	-	(3,841)
<u>(163,415)</u>	<u>-</u>	<u>1,210</u>	<u>(160,533)</u>
<u>(154,055)</u>	<u>9,961</u>	<u>37,842</u>	<u>(95,669)</u>
(2,217,454)	1,932,589	793,966	240,354
-	-	5,591	1,088,940
1,588,770	-	-	1,621,065
<u>(800)</u>	<u>(2,523,639)</u>	<u>(188,709)</u>	<u>(2,714,348)</u>
<u>(629,484)</u>	<u>(591,050)</u>	<u>610,848</u>	<u>236,011</u>
<u>7,871,985</u>	<u>1,459,428</u>	<u>19,181,001</u>	<u>47,448,051</u>
<u>\$ 7,242,501</u>	<u>\$ 868,378</u>	<u>\$ 19,791,849</u>	<u>\$ 47,684,062</u>

**CITY OF POMPANO BEACH, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014**

	<u>Pier</u>	<u>Airpark</u>	<u>Parking</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 99,231	\$ 1,032,154	\$ 1,574,080
Payments to suppliers	(148,273)	(1,793,136)	(716,830)
Payments to employees	(32,220)	(381,007)	-
Net cash provided (used) by operating activities	<u>(81,262)</u>	<u>(1,141,989)</u>	<u>857,250</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Advances from (to) other funds	-	(1,388)	-
Transfers to other funds	-	-	(1,200)
Transfers from other funds	32,295	-	-
Net cash provided (used) by noncapital financing activities	<u>32,295</u>	<u>(1,388)</u>	<u>(1,200)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and construction of capital assets	(66,644)	(1,535,182)	(46,607)
Proceeds from capital lease	-	-	-
Capital grants and contributions	-	1,902,879	-
Proceeds from the sale of capital assets	-	4,343	-
Principal paid on capital lease	-	-	-
Interest paid on capital lease	-	-	-
Net cash provided (used) by capital and related financing activities	<u>(66,644)</u>	<u>372,040</u>	<u>(46,607)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Calls/maturities of investments	1,062,725	872,502	392,358
Purchase of investments	(1,009,648)	(160,506)	(1,161,707)
Interest income	13,103	(6,475)	1,252
Proceeds from notes receivable	-	-	-
Net cash provided by investing activities	<u>66,180</u>	<u>705,521</u>	<u>(768,097)</u>
Net increase (decrease) in cash and cash equivalents	(49,431)	(65,816)	41,346
Cash and cash equivalents at beginning of the year	157,158	84,738	-
Cash and cash equivalents at end of the year	<u>\$ 107,727</u>	<u>\$ 18,922</u>	<u>\$ 41,346</u>
Cash and cash equivalents, unrestricted	\$ 107,727	\$ 2,573	\$ 41,346
Cash and cash equivalents, restricted	-	16,349	-
Cash and cash equivalents, end of year	<u>\$ 107,727</u>	<u>\$ 18,922</u>	<u>\$ 41,346</u>
Non-cash transactions (Capital & Related Financing Activities):			
Donation of equipment	-	-	-
Non-cash transactions (Investing Activities):			
Change in fair value of investments	1,280	(4,250)	(2,161)
	<u>\$ 1,280</u>	<u>\$ (4,250)</u>	<u>\$ (2,161)</u>

<u>Golf</u>	<u>Sanitation</u>	<u>Stormwater</u>	<u>Total</u>
\$ 2,642,136	\$ 5,770,318	\$ 2,609,317	\$ 13,727,236
(3,466,539)	(3,715,307)	(533,436)	(10,373,521)
(727,795)	(234,107)	(433,442)	(1,808,571)
<u>(1,552,198)</u>	<u>1,820,904</u>	<u>1,642,439</u>	<u>1,545,144</u>
-	833,334	-	831,946
(800)	(2,523,639)	(188,709)	(2,714,348)
1,588,770	-	-	1,621,065
<u>1,587,970</u>	<u>(1,690,305)</u>	<u>(188,709)</u>	<u>(261,337)</u>
(338,209)	(29,333)	(938,835)	(2,954,810)
294,200	-	-	294,200
-	-	-	1,902,879
-	-	1,210	5,553
(71,937)	-	-	(71,937)
(3,841)	-	-	(3,841)
<u>(119,787)</u>	<u>(29,333)</u>	<u>(937,625)</u>	<u>(827,956)</u>
212,765	253,521	2,491,255	5,285,126
(253,011)	(363,465)	(3,135,975)	(6,084,312)
13,834	9,961	36,534	68,209
96,921	-	-	96,921
<u>70,509</u>	<u>(99,983)</u>	<u>(608,186)</u>	<u>(634,056)</u>
(13,506)	1,283	(92,081)	(178,205)
41,528	40,938	428,066	752,428
<u>\$ 28,022</u>	<u>\$ 42,221</u>	<u>\$ 335,985</u>	<u>\$ 574,223</u>
\$ 28,022	\$ 42,221	\$ 335,985	\$ 557,874
-	-	-	16,349
<u>\$ 28,022</u>	<u>\$ 42,221</u>	<u>\$ 335,985</u>	<u>\$ 574,223</u>
-	-	5,591	5,591
(5,036)	9,327	1,372	532
<u>\$ (5,036)</u>	<u>\$ 9,327</u>	<u>\$ 6,963</u>	<u>\$ 6,123</u>

**CITY OF POMPANO BEACH, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014**

	<u>Pier</u>	<u>Airpark</u>	<u>Parking</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ (118,243)	\$ (1,075,771)	\$ 914,684
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	73,664	1,065,631	-
<b>Change in assets and liabilities:</b>			
<b>(Increase) decrease in assets:</b>			
Accounts receivables	-	-	(68,073)
Inventories	(42,381)	-	-
<b>Increase (decrease) in liabilities</b>			
Accounts and other payables	6,138	(1,137,366)	10,639
Accrued expenses	(440)	774	-
Unearned revenue	-	-	-
Other post employment benefits (OPEB)	-	4,575	-
Compensated absences	-	168	-
Net cash provided (used) by operating activities	<u>\$ (81,262)</u>	<u>\$ (1,141,989)</u>	<u>\$ 857,250</u>

<u>Golf</u>	<u>Sanitation</u>	<u>Stormwater</u>	<u>Total</u>
\$ (2,063,399)	\$ 1,922,628	\$ 756,124	\$ 336,023
479,492	39,182	877,864	2,535,833
-	(26,710)	(12,280)	(107,063)
812	-	(778)	(42,347)
23,219	289,217	33,278	(774,875)
3,256	(5,496)	(19,669)	(21,575)
3,860	(416,666)	-	(412,806)
(373)	(1,756)	4,230	6,676
935	20,505	3,670	25,278
<u>\$ (1,552,198)</u>	<u>\$ 1,820,904</u>	<u>\$ 1,642,439</u>	<u>\$ 1,545,144</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, 2014**

	<u>Central Stores</u>	<u>Information Technology</u>	<u>Central Services</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 3,573	\$ 65,298	\$ 37,524
Interest receivable	-	2,366	1,600
Due from other governments	-	-	-
Inventories	<u>733,713</u>	<u>-</u>	<u>29,600</u>
Total current assets:	<u>737,286</u>	<u>67,664</u>	<u>68,724</u>
Noncurrent assets			
Investments	38,215	1,239,612	720,940
Capital assets:			
Buildings	247,163	-	7,373
Improvements	-	-	-
Machinery and equipment	47,712	4,881,772	8,422
Less accumulated depreciation	<u>(252,623)</u>	<u>(4,756,058)</u>	<u>(6,440)</u>
Total capital assets (net of accumulated depreciation)	<u>42,252</u>	<u>125,714</u>	<u>9,355</u>
Total noncurrent assets	<u>80,467</u>	<u>1,365,326</u>	<u>730,295</u>
Total assets	<u>817,753</u>	<u>1,432,990</u>	<u>799,019</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	23,839	10,544	36,453
Accrued expenses	7,221	28,604	12,725
Due to other funds	500,000	-	-
Claims and judgments	-	-	-
Compensated absences	<u>-</u>	<u>26,324</u>	<u>16,219</u>
Total current liabilities:	<u>531,060</u>	<u>65,472</u>	<u>65,397</u>
Noncurrent liabilities			
Compensated absences	24,042	65,703	27,584
Net OPEB obligation	8,591	130,729	64,026
Claims and judgments	<u>-</u>	<u>-</u>	<u>-</u>
Total noncurrent liabilities	<u>32,633</u>	<u>196,432</u>	<u>91,610</u>
Total liabilities	<u>563,693</u>	<u>261,904</u>	<u>157,007</u>
<b>NET POSITION</b>			
Net investment in capital assets	42,252	125,714	9,355
Unrestricted	<u>211,808</u>	<u>1,045,372</u>	<u>632,657</u>
Total net position	<u>\$ 254,060</u>	<u>\$ 1,171,086</u>	<u>\$ 642,012</u>

<u>Risk Management Health</u>	<u>Risk Management General</u>	<u>Vehicle Services</u>	<u>Total</u>
\$ 148,627	\$ 970,625	\$ 28,797	\$ 1,254,444
4,496	37,924	1,614	48,000
-	-	11,007	11,007
-	-	141,548	904,861
<u>153,123</u>	<u>1,008,549</u>	<u>182,966</u>	<u>2,218,312</u>
2,789,567	17,640,947	567,138	22,996,419
-	-	-	254,536
-	-	423,838	423,838
-	3,226	804,431	5,745,563
-	<u>(3,226)</u>	<u>(1,010,902)</u>	<u>(6,029,249)</u>
-	-	217,367	394,688
<u>2,789,567</u>	<u>17,640,947</u>	<u>784,505</u>	<u>23,391,107</u>
<u>2,942,690</u>	<u>18,649,496</u>	<u>967,471</u>	<u>25,609,419</u>
1,890	1,027,828	61,466	1,162,020
-	11,561	18,960	79,071
-	-	-	500,000
-	3,545,583	-	3,545,583
-	-	262	42,805
<u>1,890</u>	<u>4,584,972</u>	<u>80,688</u>	<u>5,329,479</u>
-	66,137	83,944	267,410
-	32,870	91,958	328,174
-	11,241,417	-	11,241,417
-	11,340,424	175,902	11,837,001
<u>1,890</u>	<u>15,925,396</u>	<u>256,590</u>	<u>17,166,480</u>
-	-	217,367	394,688
<u>2,940,800</u>	<u>2,724,100</u>	<u>493,514</u>	<u>8,048,251</u>
<u>\$ 2,940,800</u>	<u>\$ 2,724,100</u>	<u>\$ 710,881</u>	<u>\$ 8,442,939</u>

**CITY OF POMPANO BEACH, FLORIDA****COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014**

	<u>Central Stores</u>	<u>Information Technology</u>	<u>Central Services</u>
<b>OPERATING REVENUES</b>			
Charges for services - internal	\$ 266,714	\$ 1,888,889	\$ 781,980
Charges for services - other	-	-	2,355
Miscellaneous	-	-	-
Total operating revenues	<u>266,714</u>	<u>1,888,889</u>	<u>784,335</u>
<b>OPERATING EXPENSES</b>			
Personal services	157,227	974,485	406,893
Other current expenses	134,126	790,143	527,280
Depreciation	6,026	65,365	2,555
Total operating expenses	<u>297,379</u>	<u>1,829,993</u>	<u>936,728</u>
Operating income (loss)	<u>(30,665)</u>	<u>58,896</u>	<u>(152,393)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment earnings	(2,922)	7,035	4,987
Miscellaneous revenue	581	213	2,921
Capital grants and contributions	-	3,450	-
Gain or (loss) from disposition of capital assets	-	-	-
Total nonoperating revenues (expenses)	<u>(2,341)</u>	<u>10,698</u>	<u>7,908</u>
Income (loss)	(33,006)	69,594	(144,485)
Net position - beginning	<u>287,066</u>	<u>1,101,492</u>	<u>786,497</u>
Net position (deficit) - ending	<u>\$ 254,060</u>	<u>\$ 1,171,086</u>	<u>\$ 642,012</u>

<u>Risk Management Health</u>	<u>Risk Management General</u>	<u>Vehicle Services</u>	<u>Total</u>
\$ 7,039,871	\$ 3,716,897	\$ 2,384,588	\$ 16,078,939
2,641,704	-	-	2,644,059
501,852	-	34,571	536,423
<u>10,183,427</u>	<u>3,716,897</u>	<u>2,419,159</u>	<u>19,259,421</u>
-	403,676	610,439	2,552,720
9,331,831	6,416,915	2,115,548	19,315,843
-	-	41,507	115,453
<u>9,331,831</u>	<u>6,820,591</u>	<u>2,767,494</u>	<u>21,984,016</u>
<u>851,596</u>	<u>(3,103,694)</u>	<u>(348,335)</u>	<u>(2,724,595)</u>
15,205	114,032	5,262	143,599
-	-	15	3,730
-	-	37,749	41,199
-	-	431	431
<u>15,205</u>	<u>114,032</u>	<u>43,457</u>	<u>188,959</u>
866,801	(2,989,662)	(304,878)	(2,535,636)
<u>2,073,999</u>	<u>5,713,762</u>	<u>1,015,759</u>	<u>10,978,575</u>
<u>\$ 2,940,800</u>	<u>\$ 2,724,100</u>	<u>\$ 710,881</u>	<u>\$ 8,442,939</u>

**CITY OF POMPANO BEACH, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014**

	<u>Central Stores</u>	<u>Information Technology</u>	<u>Central Services</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from other funds	\$ 266,714	\$ 1,888,889	\$ 781,980
Receipts from customers	-	-	2,355
Payments to suppliers	(158,038)	(800,432)	(524,251)
Payments to employees	(151,019)	(1,002,731)	(410,014)
Claims paid	-	-	-
Net cash provided (used) by operating activities	<u>(42,343)</u>	<u>85,726</u>	<u>(149,930)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Advances from (to) other funds	<u>50,000</u>	-	-
Net cash provided (used) by noncapital financing activities	<u>50,000</u>	-	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Proceeds from sale of surplus materials/capital assets	581	3,660	2,921
Acquisition of capital assets	<u>(2,246)</u>	<u>(23,048)</u>	<u>(9,531)</u>
Net cash provided (used) by capital and related financing activities	<u>(1,665)</u>	<u>(19,388)</u>	<u>(6,610)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Calls/maturities of investments	19,489	514,055	479,271
Purchase of investments	(57,704)	(607,426)	(353,270)
Interest income (loss)	<u>(2,922)</u>	<u>6,999</u>	<u>5,173</u>
Net cash provided (used) by investing activities	<u>(41,137)</u>	<u>(86,372)</u>	<u>131,174</u>
Net increase (decrease) in cash and cash equivalents	(35,145)	(20,034)	(25,366)
Cash and cash equivalents at beginning of the year	<u>38,718</u>	<u>85,332</u>	<u>62,890</u>
Cash and cash equivalents at end of the year	<u>\$ 3,573</u>	<u>\$ 65,298</u>	<u>\$ 37,524</u>
Non-cash transactions (Capital & Related Financing Activities):			
Donation of equipment	-	3,450	-
Non-cash transactions (Investing Activities):			
Change in fair value of investments	<u>(329)</u>	<u>560</u>	<u>877</u>
	<u>\$ (329)</u>	<u>\$ 4,010</u>	<u>\$ 877</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ (30,665)	\$ 58,896	\$ (152,393)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Cash flows reported in other categories:			
Depreciation expense	6,026	65,365	2,555
Changes in assets and liabilities			
Due from other governments	-	-	-
Inventories	(20,509)	-	(16,911)
Estimated claims payable	-	-	-
Accounts and other payables	(4,822)	(14,164)	18,869
Accrued expenses	2,573	1,730	384
Other post employment benefits (OPEB)	1,419	3,875	1,071
Compensated absences	3,635	(29,976)	(3,505)
Net cash provided (used) by operating activities	<u>\$ (42,343)</u>	<u>\$ 85,726</u>	<u>\$ (149,930)</u>

<u>Risk Management Health</u>	<u>Risk Management General</u>	<u>Vehicle Services</u>	<u>Total</u>
\$ 7,039,871	\$ 3,716,897	\$ 2,384,588	\$ 16,078,939
3,143,556	-	39,255	3,185,166
(9,330,044)	(1,039,635)	(2,132,294)	(13,984,694)
-	(393,911)	(595,631)	(2,553,306)
-	(4,371,010)	-	(4,371,010)
<u>853,383</u>	<u>(2,087,659)</u>	<u>(304,082)</u>	<u>(1,644,905)</u>
-	-	-	<u>50,000</u>
-	-	-	<u>50,000</u>
-	-	38,192	45,354
-	-	(99,625)	(134,450)
-	-	(61,433)	(89,096)
506,277	10,111,888	600,816	12,231,796
(1,366,924)	(8,644,292)	(277,905)	(11,307,521)
14,681	117,872	5,675	147,478
<u>(845,966)</u>	<u>1,585,468</u>	<u>328,586</u>	<u>1,071,753</u>
7,417	(502,191)	(36,929)	(612,248)
141,210	1,472,816	65,726	1,866,692
<u>\$ 148,627</u>	<u>\$ 970,625</u>	<u>\$ 28,797</u>	<u>\$ 1,254,444</u>
-	-	37,749	41,199
2,288	\$ 14,394	1,424	\$ 19,214
<u>\$ 2,288</u>	<u>\$ 14,394</u>	<u>\$ 39,173</u>	<u>\$ 60,413</u>
\$ 851,596	\$ (3,103,694)	\$ (348,335)	\$ (2,724,595)
-	-	41,507	115,453
-	-	4,684	4,684
-	-	(39,187)	(76,607)
-	210,000	-	210,000
1,787	796,525	19,573	817,768
-	1,269	2,033	7,989
-	(255)	2,868	8,978
-	8,496	12,775	(8,575)
<u>\$ 853,383</u>	<u>\$ (2,087,659)</u>	<u>\$ (304,082)</u>	<u>\$ (1,644,905)</u>

## **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.

**Defined Contribution Retirement System Fund** - accounts for the accumulation of resources to be used for retirement benefit payments to City employees under the provisions of Internal Revenue code Section 401(a). The International City Management Association Retirement Corporation acts as agent for the City administering the Plan.

**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, 2014**

	<b>General Employees' Retirement System</b>	<b>Police and Firefighters' Retirement System</b>	<b>Defined Contribution Retirement System</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,966,729	\$ 61,375	\$ -	\$ 3,028,104
Receivables:				
Accrued interest and dividends	278,818	408,610	-	687,428
Due from brokers	500,840	5,773,280	-	6,274,120
Other	-	291,195	-	291,195
Total receivables	<u>779,658</u>	<u>6,473,085</u>	<u>-</u>	<u>7,252,743</u>
Other assets	<u>2,978</u>	<u>-</u>	<u>-</u>	<u>2,978</u>
Investments:				
Government obligations	10,632,378	15,840,978	-	26,473,356
Mortgage backed securities	-	14,300,342	-	14,300,342
Municipal obligations	-	706,675	-	706,675
Corporate obligations	13,465,995	21,338,384	-	34,804,379
Equity securities	53,993,562	131,551,881	-	185,545,443
Mutual funds and collective trusts	44,313,680	-	1,533,762	45,847,442
Unit investment trusts	348,666	-	-	348,666
ETF - equity	112,646	-	-	112,646
Hedge funds & private equity funds	14,660,577	39,152,051	-	53,812,628
Real estate funds	14,388,810	2,651,127	-	17,039,937
Money market funds	-	11,668,781	-	11,668,781
Total investments	<u>151,916,314</u>	<u>237,210,219</u>	<u>1,533,762</u>	<u>390,660,295</u>
Property & equipment, net of accumulated depreciation	<u>-</u>	<u>42,240</u>	<u>-</u>	<u>42,240</u>
Total assets	<u>155,665,679</u>	<u>243,786,919</u>	<u>1,533,762</u>	<u>400,986,360</u>
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	163,101	290,609	-	453,710
Due to brokers	<u>1,188,944</u>	<u>10,458,698</u>	<u>-</u>	<u>11,647,642</u>
Total liabilities	<u>1,352,045</u>	<u>10,749,307</u>	<u>-</u>	<u>12,101,352</u>
<b>NET POSITION</b>				
Held in trust for pension benefits	<u>\$ 154,313,634</u>	<u>\$ 233,037,612</u>	<u>\$ 1,533,762</u>	<u>\$ 388,885,008</u>

**CITY OF POMPANO BEACH, FLORIDA**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**PENSION TRUST FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014**

	<b>General Employees' Retirement System</b>	<b>Police and Firefighters' Retirement System</b>	<b>Defined Contribution Retirement System</b>	<b>Total</b>
<b>ADDITIONS</b>				
Contributions:				
Employer	\$ 6,288,467	\$ 4,987,315	\$ -	\$ 11,275,782
Broward County Sheriff's Office	385,789	4,735,633	-	5,121,422
Broward County - Library	23,606	-	-	23,606
Members	2,515,665	1,422,685	8,537	3,946,887
State	-	2,219,537	-	2,219,537
Total contributions	<u>9,213,527</u>	<u>13,365,170</u>	<u>8,537</u>	<u>22,587,234</u>
Investment income (loss):				
Net appreciation (depreciation) in fair value of investments	10,740,905	19,073,035	-	29,813,940
Interest and dividends	2,563,933	4,424,956	90,090	7,078,979
Other	7,848	17,738	-	25,586
Total investment income (loss)	<u>13,312,686</u>	<u>23,515,729</u>	<u>90,090</u>	<u>36,918,505</u>
Less: investment expenses	<u>833,821</u>	<u>1,348,254</u>	<u>-</u>	<u>2,182,075</u>
Net investment income (loss)	<u>12,478,865</u>	<u>22,167,475</u>	<u>90,090</u>	<u>34,736,430</u>
Total	<u>21,692,392</u>	<u>35,532,645</u>	<u>98,627</u>	<u>57,323,664</u>
<b>DEDUCTIONS</b>				
Participant benefit payments	10,047,279	20,619,415	30,149	30,696,843
Refunds of participant contributions	362,250	59,422	-	421,672
Administrative expenses	491,959	581,767	-	1,073,726
Total	<u>10,901,488</u>	<u>21,260,604</u>	<u>30,149</u>	<u>32,192,241</u>
Net increase (decrease)	10,790,904	14,272,041	68,478	25,131,423
<b>Net position held in trust for pension benefits</b>				
Beginning of the year	138,735,030	218,765,571	1,465,284	358,965,885
Restatement of liabilities	<u>4,787,700</u>	<u>-</u>	<u>-</u>	<u>4,787,700</u>
Beginning of the year, as restated (Note (III)(C)(5))	<u>143,522,730</u>	<u>218,765,571</u>	<u>1,465,284</u>	<u>363,753,585</u>
End of the year	<u>\$ 154,313,634</u>	<u>\$ 233,037,612</u>	<u>\$ 1,533,762</u>	<u>\$ 388,885,008</u>

**CITY OF POMPANO BEACH, FLORIDA**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**GENERAL AGENCY FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014**

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	<b>BALANCE OCTOBER 1, 2013</b>	<b>ADDITIONS</b>	<b>DELETIONS</b>	<b>Balance September 30, 2014</b>
<b>Assets:</b>				
Cash and cash equivalents	\$ 616,180	\$ 24,562,043	\$ 24,523,421	\$ 654,802
Accounts receivable	2,399	70,355	70,248	2,506
Total assets	<u>618,579</u>	<u>24,632,398</u>	<u>24,593,669</u>	<u>657,308</u>
<b>Liabilities:</b>				
Deposit, sales tax & payroll payable	618,579	35,353,362	35,314,633	657,308
Total liabilities	<u>\$ 618,579</u>	<u>\$ 35,353,362</u>	<u>\$ 35,314,633</u>	<u>\$ 657,308</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

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<u>Financial Trends</u>	130
<i>These schedules provide financial trend information, which shows how the City's financial performance has changed over time.</i>	
<u>Revenue Capacity</u>	136
<i>These schedules provide additional information about Property Tax, the City's most significant local revenue source</i>	
<u>Debt Capacity</u>	143
<i>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.</i>	
<u>Demographic and Economic Information</u>	148
<i>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.</i>	
<u>Operating Information</u>	150
<i>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</i>	

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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Governmental activities</b>					
Net investment in capital assets	\$ 86,322,113	\$ 209,504,464	\$ 211,412,441	\$ 207,930,782	\$ 205,458,533
Restricted	21,208,028	39,354,857	49,646,102	83,854,283	91,297,882
Unrestricted	61,047,680	64,936,137	91,455,665	69,996,425	73,578,264
<b>Total governmental-type activities net position</b>	<u>\$ 168,577,821</u>	<u>\$ 313,795,458</u>	<u>\$ 352,514,208</u>	<u>\$ 361,781,490</u>	<u>\$ 370,334,679</u>
<b>Business-type activities</b>					
Invested in capital assets, net of related debt	\$ 88,417,544	\$ 89,791,002	\$ 92,410,002	\$ 97,062,152	\$ 99,197,519
Restricted	4,063,445	4,542,956	5,272,280	13,573,396	4,476,707
Unrestricted	36,192,206	43,870,319	47,578,565	45,222,436	53,626,361
<b>Total business-type activities net position</b>	<u>\$ 128,673,195</u>	<u>\$ 138,204,277</u>	<u>\$ 145,260,847</u>	<u>\$ 155,857,984</u>	<u>\$ 157,300,587</u>
<b>Primary Government</b>					
Invested in capital assets, net of related debt	\$ 174,739,657	\$ 299,295,466	\$ 303,822,443	\$ 304,992,934	\$ 304,656,052
Restricted	25,271,473	43,897,813	54,918,382	97,427,679	95,774,589
Unrestricted	97,239,886	108,806,456	139,034,230	115,218,861	127,204,625
<b>Total primary government net position</b>	<u>\$ 297,251,016</u>	<u>\$ 451,999,735</u>	<u>\$ 497,775,055</u>	<u>\$ 517,639,474</u>	<u>\$ 527,635,266</u>

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental activities					
Net investment in capital assets	\$ 212,893,367	\$ 218,753,518	\$ 221,483,539	\$ 207,256,104	\$ 215,941,575
Restricted	80,138,395	64,179,337	52,668,454	48,000,383	39,320,526
Unrestricted	99,545,328	100,532,438	108,003,793	124,388,694	128,134,327
Total governmental-type activities net position	<u>\$ 392,577,090</u>	<u>\$ 383,465,293</u>	<u>\$ 382,155,786</u>	<u>\$ 379,645,181</u>	<u>\$ 383,396,428</u>
Business-type activities					
Invested in capital assets, net of related debt	\$ 102,762,337	\$ 117,815,651	\$ 119,425,239	\$ 117,178,114	\$ 114,647,356
Restricted	9,897,046	8,506,787	6,465,995	4,660,462	3,871,104
Unrestricted	44,225,710	38,536,872	42,778,697	48,877,564	52,140,506
Total business-type activities net position	<u>\$ 156,885,093</u>	<u>\$ 164,859,310</u>	<u>\$ 168,669,931</u>	<u>\$ 170,716,140</u>	<u>\$ 170,658,966</u>
Primary Government					
Invested in capital assets, net of related debt	\$ 315,655,704	\$ 336,569,169	\$ 340,908,778	\$ 324,434,218	\$ 330,588,931
Restricted	90,035,441	72,686,124	59,134,449	52,660,845	43,191,630
Unrestricted	143,771,038	139,069,310	150,782,490	173,266,258	180,274,833
Total primary government net position	<u>\$ 549,462,183</u>	<u>\$ 548,324,603</u>	<u>\$ 550,825,717</u>	<u>\$ 550,361,321</u>	<u>\$ 554,055,394</u>

**CITY OF POMPANO BEACH, FLORIDA**

**Schedule 2**

**CHANGES IN NET POSITION**

**LAST TEN FISCAL YEARS (accrual basis of accounting)**

	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Expenses</b>										
Governmental activities:										
General government	\$ 18,188,353	\$ 21,820,752	\$ 25,148,265	\$ 30,134,110	\$ 30,976,218	\$ 22,614,054	\$ 31,870,782	\$ 33,337,008	\$ 33,052,054	\$ 32,924,493
Public safety	62,213,355	75,536,195	62,159,383	70,342,631	72,982,320	75,248,897	76,787,154	72,981,195	76,932,640	79,092,062
Physical environment	12,598,056	12,039,673	11,449,782	11,987,508	13,122,352	13,945,306	15,550,874	16,514,775	17,508,638	19,107,230
Transportation	3,497,449	3,603,850	3,638,120	3,811,263	3,837,107	3,742,998	3,996,841	3,205,628	3,328,609	3,682,005
Culture and recreation	7,729,885	8,884,491	9,475,841	9,183,233	8,632,761	7,669,285	7,964,422	7,830,956	8,202,728	8,996,206
Interest on long-term debt	515,383	716,712	1,237,318	884,964	932,515	1,236,656	1,307,248	924,518	1,090,325	989,882
<b>Total governmental activities expenses</b>	<b>104,742,481</b>	<b>122,601,673</b>	<b>113,108,709</b>	<b>126,343,709</b>	<b>130,483,273</b>	<b>124,457,196</b>	<b>137,477,321</b>	<b>134,794,080</b>	<b>140,114,994</b>	<b>144,791,878</b>
Business-type activities:										
Utility	27,693,796	30,272,697	31,992,234	33,570,638	36,050,530	36,710,226	37,906,357	39,006,357	38,967,528	40,065,154
Sanitation	2,743,126	2,992,911	3,225,228	3,302,781	3,605,435	3,338,231	3,815,493	4,161,979	4,225,019	4,315,686
Stormwater	1,122,731	1,105,559	1,726,205	1,646,758	1,891,753	1,955,262	2,008,840	1,887,886	1,904,435	1,879,494
Pier	132,227	102,549	168,163	127,568	139,979	230,969	267,233	246,386	349,096	260,103
Airpark	778,833	816,978	982,881	1,412,469	1,399,077	1,461,977	1,417,254	1,383,706	1,430,544	2,167,927
Golf course	3,352,711	3,360,456	3,481,714	3,386,558	3,469,586	3,464,818	3,643,143	3,616,352	4,239,802	4,732,472
Parking	-	-	-	-	-	-	-	-	-	735,163
<b>Total business-type activities expenses</b>	<b>35,823,424</b>	<b>38,651,150</b>	<b>41,576,425</b>	<b>43,446,772</b>	<b>46,556,360</b>	<b>47,161,483</b>	<b>49,058,320</b>	<b>50,302,666</b>	<b>51,116,424</b>	<b>54,155,999</b>
<b>Total primary government expenses</b>	<b>\$ 140,565,905</b>	<b>\$ 161,252,823</b>	<b>\$ 154,685,134</b>	<b>\$ 169,790,481</b>	<b>\$ 177,039,633</b>	<b>\$ 171,618,679</b>	<b>\$ 186,535,641</b>	<b>\$ 185,096,746</b>	<b>\$ 191,231,418</b>	<b>\$ 198,947,877</b>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General Government	\$ 10,036,240	\$ 10,472,216	\$ 11,107,609	\$ 10,751,746	\$ 11,584,971	\$ 12,007,347	\$ 10,249,276	\$ 10,043,560	\$ 9,939,823	\$ 10,269,011
Public Safety	25,288,195	28,350,939	24,255,117	20,559,395	20,623,910	19,978,399	20,800,209	22,086,284	23,469,809	25,504,703
Physical Environment	43,732	44,866	40,784	33,938	38,491	70,676	74,417	92,024	106,076	81,640
Transportation	530,426	351,144	313,483	297,829	352,597	452,867	611,102	519,767	813,641	-
Culture and Recreation	1,678,643	1,593,176	1,679,976	1,575,211	1,689,470	1,683,521	1,736,482	1,919,986	1,584,673	1,849,242
Operating grants and contributions	7,368,835	14,700,056	3,371,646	4,718,209	3,384,796	3,021,158	3,551,981	3,487,028	3,374,362	3,981,238
Capital grants and contributions	2,707,025	2,076,119	5,171,273	2,367,151	3,736,634	8,016,883	3,763,722	3,886,738	4,107,045	5,508,176
<b>Total governmental activities program revenues</b>	<b>47,653,096</b>	<b>57,588,516</b>	<b>45,939,888</b>	<b>40,303,479</b>	<b>41,410,869</b>	<b>45,230,851</b>	<b>40,787,189</b>	<b>42,035,387</b>	<b>43,395,429</b>	<b>47,194,010</b>
Business-type activities:										
Charges for services:										
Utility	33,946,822	35,228,573	34,401,872	33,868,521	35,633,508	34,324,271	40,663,118	41,457,871	40,113,717	39,795,045
Sanitation	3,835,940	4,367,157	4,530,033	4,618,938	5,026,680	5,287,117	5,419,414	5,734,397	5,708,478	5,797,028
Stormwater	2,413,050	2,538,085	2,476,036	2,456,094	2,529,879	2,468,001	2,457,922	2,440,888	2,399,107	2,621,597
Pier	254,500	173,267	-	-	-	29,552	105,340	124,299	134,660	99,231
Airpark	1,842,943	1,935,268	1,994,752	1,074,271	800,461	946,942	979,402	1,021,156	977,911	1,032,154
Golf course	2,714,559	2,989,740	2,999,136	3,034,441	2,893,132	2,571,980	2,475,617	2,137,538	2,746,380	2,638,276
Parking	-	-	-	-	-	-	-	-	-	1,641,003
Capital grants and contributions	300,000	410,591	671,911	840,535	796,775	732,036	1,643,613	575,691	2,019,095	1,102,648
<b>Total business-type activities program revenues</b>	<b>45,307,814</b>	<b>47,642,681</b>	<b>47,073,740</b>	<b>45,892,800</b>	<b>47,680,435</b>	<b>46,359,899</b>	<b>53,744,426</b>	<b>53,491,840</b>	<b>54,099,348</b>	<b>54,726,982</b>
<b>Total primary government program revenues</b>	<b>\$ 92,960,910</b>	<b>\$ 105,231,197</b>	<b>\$ 93,013,628</b>	<b>\$ 86,196,279</b>	<b>\$ 89,091,304</b>	<b>\$ 91,590,750</b>	<b>\$ 94,531,615</b>	<b>\$ 95,527,227</b>	<b>\$ 97,494,777</b>	<b>\$ 101,920,992</b>

**Note (1):** 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**

**Schedule 2 (continued)**

**CHANGES IN NET POSITION**

**LAST TEN FISCAL YEARS (accrual basis of accounting)**

	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Net (Expense) Revenue</b>										
Governmental activities	\$ (57,089,385)	\$ (65,013,157)	\$ (67,168,821)	\$ (86,040,230)	\$ (89,072,404)	\$ (79,226,345)	\$ (96,690,132)	\$ (92,758,693)	\$ (96,719,565)	\$ (97,597,868)
Business-type activities	9,484,390	8,991,531	5,497,315	2,446,028	1,124,075	(801,584)	4,686,106	3,189,174	2,982,924	570,983
Total Primary Government Net Expense	<u>\$ (47,604,995)</u>	<u>\$ (56,021,626)</u>	<u>\$ (61,671,506)</u>	<u>\$ (83,594,202)</u>	<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>
<b>General revenues and other changes in net position</b>										
Governmental activities										
Taxes										
Property taxes, levied for general purposes	\$ 38,204,731	\$ 43,482,560	\$ 48,799,437	\$ 46,615,842	\$ 46,139,749	\$ 49,080,745	\$ 43,120,938	\$ 43,713,354	\$ 46,061,223	\$ 46,147,415
Sales and use taxes	1,760,344	2,036,007	1,986,157	1,989,190	1,942,087	1,868,720	1,867,765	1,847,983	1,870,051	1,958,903
Business tax receipts	1,786,869	1,781,229	1,861,598	1,878,968	1,852,958	1,883,460	1,900,445	1,962,253	2,092,722	2,151,110
Utility taxes	9,032,695	8,966,542	9,318,447	9,087,211	8,940,920	9,366,079	9,603,801	9,830,191	10,371,991	11,209,858
Communication service taxes	5,298,126	5,258,898	5,188,605	6,345,750	5,349,898	5,711,305	5,775,772	5,694,717	5,378,539	9,732,176
Pari Mutuel taxes	-	-	884,443	2,053,356	1,795,128	1,881,081	1,897,796	2,067,263	2,171,040	2,267,089
Tax increment fees - Community										
Redevelopment Agency	4,317,644	5,742,736	8,287,120	9,142,152	9,527,042	10,405,002	8,069,453	7,351,557	7,218,355	7,542,276
Franchise fees	7,525,435	8,847,598	8,916,247	9,161,456	9,097,345	8,316,234	7,410,674	7,597,790	7,402,812	8,005,447
State revenue sharing	9,024,747	9,389,982	8,940,830	8,299,249	7,417,427	7,341,044	7,664,439	7,985,879	8,549,198	9,215,154
Investment earnings	2,187,611	5,872,788	8,752,035	5,571,020	3,518,665	3,584,734	1,607,688	1,495,590	426,002	826,960
Gain (loss) on sale of capital assets	-	5,222,114	193,257	39,875	3,626	3,001	3,062	115,058	36,906	49,006
Miscellaneous revenue	1,069,740	754,716	759,627	704,511	835,460	850,783	988,393	1,288,255	1,096,266	1,099,493
Transfers	1,724,084	1,882,938	1,999,768	(5,581,068)	1,205,288	1,176,568	(2,331,891)	499,296	1,533,855	1,162,173
Total Governmental activities	<u>81,932,026</u>	<u>99,238,108</u>	<u>105,887,571</u>	<u>95,307,512</u>	<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>
Business-type activities:										
Gain (loss) on sale of capital assets	-	-	-	100,184	6,800	15,295	120,761	84,125	73,659	(145,266)
Investment earnings	987,402	1,996,618	2,635,502	1,690,003	1,099,783	1,129,631	407,549	425,541	92,380	296,748
Miscellaneous revenue	416,667	425,871	923,521	439,655	417,233	417,732	427,910	611,077	431,101	446,197
Special item	-	-	-	340,199	-	-	-	-	-	-
Transfers	(1,724,084)	(1,882,938)	(1,999,768)	5,581,068	(1,205,288)	(1,176,568)	2,331,891	(499,296)	(1,533,855)	(1,162,173)
Total Business-type activities:	<u>(320,015)</u>	<u>539,551</u>	<u>1,559,255</u>	<u>8,151,109</u>	<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>
Total Primary Government	<u>81,612,011</u>	<u>99,777,659</u>	<u>107,446,826</u>	<u>103,458,621</u>	<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>
<b>Change in Net Position</b>										
Governmental activities	24,842,641	34,224,951	38,718,750	9,267,282	8,553,189	22,242,411	(9,111,797)	(1,309,507)	(2,510,605)	3,769,192
Business-type activities:	9,164,375	9,531,082	7,056,570	10,597,137	1,442,603	(415,494)	7,974,217	3,810,621	2,046,209	6,489
Total Primary Government	<u>\$ 34,007,016</u>	<u>\$ 43,756,033</u>	<u>\$ 45,775,320</u>	<u>\$ 19,864,419</u>	<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>

**Note (1):** 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**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Reserved	\$ 16,535,345	\$ 23,630,235	\$ 29,189,048	\$ 32,368,977	\$ 30,732,081	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	26,139,018	38,934,060	57,038,234	56,776,076	65,678,740	-	-	-	-	-
Nonspendable	-	-	-	-	-	284,411	245,514	1,380,183	328,490	194,404
Restricted	-	-	-	-	-	29,886,617	8,190,183	8,175,752	6,682,395	8,129,626
Committed	-	-	-	-	-	12,382,653	-	-	-	-
Assigned	-	-	-	-	-	5,655,377	3,367,131	3,131,562	1,427,818	2,933,852
Unassigned	-	-	-	-	-	49,431,868	55,359,991	53,823,339	56,647,635	50,801,700
Total General Fund	<u>\$ 42,674,363</u>	<u>\$ 62,564,295</u>	<u>\$ 86,227,282</u>	<u>\$ 89,145,053</u>	<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>
All Other Governmental Funds										
Reserved	19,425,023	26,619,823	29,838,745	33,502,820	33,949,258	-	-	-	-	-
Unreserved, reported in:										
Northwest CRA District Funds	5,870,023	14,934,185	18,922,736	23,976,295	25,870,780	-	-	-	-	-
Capital Projects Funds	11,519,371	10,040,185	15,916,597	14,992,002	16,287,994	-	-	-	-	-
Emergency Medical Services	987,904	1,466,400	1,620,835	1,042,259	1,136,142	-	-	-	-	-
Cultural Arts	20,804	21,275	17,390	20,594	21,601	-	-	-	-	-
East CRA	836,908	1,702,438	2,527,275	4,082,431	5,238,264	-	-	-	-	-
Cemetery	839,030	842,196	774,696	741,611	748,036	-	-	-	-	-
Nonspendable	-	-	-	-	-	367,410	1,089,593	1,797,162	311,520	1,375,605
Restricted	-	-	-	-	-	79,152,172	81,364,830	68,910,375	68,627,168	60,073,486
Committed	-	-	-	-	-	23,873,993	3,810,928	3,622,905	3,638,917	3,607,864
Assigned	-	-	-	-	-	-	34,564,650	31,258,659	30,766,597	33,363,539
Unassigned	-	-	-	-	-	773,761	(209,951)	(10,674)	(176,494)	-
Total	<u>\$ 39,499,063</u>	<u>\$ 55,626,502</u>	<u>\$ 69,618,274</u>	<u>\$ 78,358,012</u>	<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>

**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**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenues</b>										
Taxes	\$ 66,138,975	\$ 74,334,341	\$ 82,496,013	\$ 74,034,933	\$ 74,292,736	\$ 78,637,580	\$ 70,255,567	\$ 70,494,487	\$ 73,182,138	\$ 74,245,212
Judgments, fines and forfeitures	1,483,483	1,626,391	1,634,580	1,249,857	1,466,766	1,353,607	1,204,590	1,085,139	1,200,681	983,420
Permits, fees and special assessments	20,730,619	23,621,571	20,198,717	23,802,123	22,436,894	22,018,532	23,283,619	24,686,920	24,855,651	27,540,501
Intergovernmental	18,672,553	26,690,589	19,946,798	15,920,212	16,435,158	19,581,276	14,182,824	15,100,874	15,288,736	17,355,904
Charges for services	14,745,333	14,737,214	14,698,401	14,505,728	16,243,058	15,764,204	16,172,851	16,043,017	16,986,200	16,128,244
Pari-Mutuel	-	-	884,443	2,053,356	1,795,128	1,881,081	1,897,796	2,067,263	2,171,040	2,267,089
Lot sales	-	5,162,000	47,990	-	-	-	-	-	-	-
Donations	135,426	172,511	114,674	113,756	44,730	23,315	59,539	43,533	49,880	42,705
Investment earnings	1,867,541	4,973,723	7,652,444	4,899,108	3,032,720	3,011,628	1,364,809	1,249,307	365,238	683,361
Cemetery lot sales	-	-	-	125	3,050	21,775	42,975	52,332	47,288	2,641
Recaptured funds	-	-	-	96,025	-	-	23,571	1,270	14,523	1,581
Program income	-	-	-	15,083	-	-	790,129	847,408	488,589	1,647,617
Other revenue	929,370	439,552	652,161	499,470	458,782	683,291	768,841	916,330	1,062,012	559,355
<b>Total revenues</b>	<b>124,703,300</b>	<b>151,757,892</b>	<b>148,326,221</b>	<b>137,189,776</b>	<b>136,209,022</b>	<b>142,976,289</b>	<b>130,047,111</b>	<b>132,587,880</b>	<b>135,711,976</b>	<b>141,457,630</b>
<b>Expenditures</b>										
<b>Current</b>										
General government	18,005,326	17,161,074	18,190,035	18,482,902	18,962,681	21,786,373	22,249,998	23,068,801	24,023,015	23,613,044
Public safety	60,373,948	72,290,299	61,188,428	68,611,664	72,671,842	74,708,661	74,794,319	71,529,455	74,361,660	75,218,105
Physical environment	12,022,052	11,587,807	11,478,318	11,689,546	12,569,704	14,114,654	14,822,990	15,965,683	16,508,394	17,233,486
Transportation	2,977,494	3,304,311	3,314,930	3,351,193	3,242,550	3,145,210	3,353,568	2,552,176	2,644,438	2,667,389
Culture and recreation	7,677,184	8,017,727	8,979,252	8,421,423	7,493,244	6,819,634	6,927,009	6,711,263	6,507,050	6,987,124
<b>Debt service:</b>										
Principal	1,744,400	1,280,000	930,000	970,000	20,000	3,257,162	2,462,162	2,690,293	11,766,150	3,007,167
Interest	484,358	616,923	1,183,814	987,830	889,628	1,179,245	1,252,726	1,220,909	1,106,701	1,009,691
Capital outlay	14,726,995	12,306,298	11,357,692	8,130,010	9,968,462	7,078,998	18,929,429	25,150,062	18,363,850	20,712,118
<b>Total expenditures</b>	<b>118,011,757</b>	<b>126,564,439</b>	<b>116,622,469</b>	<b>120,644,568</b>	<b>125,818,111</b>	<b>132,089,937</b>	<b>144,792,201</b>	<b>148,888,642</b>	<b>155,281,258</b>	<b>150,448,124</b>
Excess (Deficiency) of Revenue Over (Under) Expenditures	6,691,543	25,193,453	31,703,752	16,545,208	10,390,911	10,886,352	(14,745,090)	(16,300,762)	(19,569,282)	(8,990,494)
<b>Other Financing Sources (Uses)</b>										
Debt proceeds	3,367,938	8,940,980	3,751,960	457,968	-	10,000,000	53,150	-	14,100,000	-
Proceeds from energy performance lease	-	-	-	-	-	-	2,998,438	-	-	-
Proceeds from sale of capital assets	-	-	199,279	127,347	457,567	82,446	-	107,860	100,210	54,351
Transfers in	12,238,344	11,110,057	11,990,652	11,096,477	6,623,660	11,834,055	35,052,824	25,960,746	24,133,274	27,448,016
Transfers out	(10,514,260)	(9,227,119)	(9,990,884)	(16,569,491)	(5,312,307)	(10,657,487)	(37,384,715)	(25,461,450)	(22,599,419)	(26,285,843)
<b>Total</b>	<b>5,092,022</b>	<b>10,823,918</b>	<b>5,951,007</b>	<b>(4,887,699)</b>	<b>1,768,920</b>	<b>11,259,014</b>	<b>719,697</b>	<b>607,156</b>	<b>15,734,065</b>	<b>1,216,524</b>
<b>Net Changes in Fund Balances</b>	<b>\$ 11,783,565</b>	<b>\$ 36,017,371</b>	<b>\$ 37,654,759</b>	<b>\$ 11,657,509</b>	<b>\$ 12,159,831</b>	<b>\$ 22,145,366</b>	<b>\$ (14,025,393)</b>	<b>\$ (15,693,606)</b>	<b>\$ (3,835,217)</b>	<b>\$ (7,773,970)</b>
<b>Debt Services as a Percentage of Non-Capital Expenditures</b>										
	2.2%	1.7%	2.0%	1.7%	0.8%	3.5%	3.0%	3.2%	9.4%	3.1%

**Note (1):** 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**

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Fiscal Year	TAX ROLL *	REAL PROPERTY **	PERSONAL PROPERTY **
2005	2004	10,533,147,193	666,070,321
2006	2005	12,619,600,909	716,513,099
2007	2006	15,809,231,912	708,903,376
2008	2007	17,169,012,896	705,574,797
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

**Source:** Broward County Property Appraiser  
 \* Assessed values as of January 1.  
 \*\* Florida Statutes require assessments at just valuation.

**Note:** The basis of assessed value is approximately 100% of actual value.  
 Tax rates are per \$1,000 of assessed value.

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<b>TOTAL ASSESSED VALUE</b>	<b>ALLOWABLE EXEMPTIONS</b>	<b>TAXABLE VALUE FOR OPERATIONS AND DEBT</b>	<b>TOTAL DIRECT TAX RATE</b>
11,199,217,514	2,740,940,369	8,458,277,145	4.7430
13,336,114,008	3,510,683,601	9,825,430,407	4.6531
16,518,135,288	4,706,913,449	11,811,221,839	4.3197
17,874,587,693	5,021,089,922	12,853,497,771	3.8073
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

**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						
	Tax Roll	General Fund	Special Tax District	Debt Service	Direct Total	Broward County	School Board
2005	2004	4.1111	0.5000	0.1319	4.7430	7.0230	8.2695
2006	2005	4.0380	0.5000	0.1151	4.6531	6.7830	8.0623
2007	2006	3.7250	0.5000	0.0947	4.3197	6.0661	7.8687
2008	2007	3.2788	0.4449	0.0836	3.8073	5.2868	7.6484
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

**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.

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South Florida Water Management District	Overlapping Rates				Direct and Overlapping Total
	North Broward Hospital District	Children SVS Council	Hillsboro Inlet Improvement District *	Florida Inland Navigation District	
0.6970	2.4803	0.4231	0.1845	\$ 0.0385	23.8589
0.6970	2.1746	0.4231	0.1845	0.0385	23.0161
0.6970	1.8317	0.4073	0.1170	0.0385	21.3460
0.6240	1.6255	0.3572	0.0860	0.0345	19.4697
0.6240	1.7059	0.3754	0.0860	0.0345	19.5175
0.6240	1.7059	0.4243	0.0860	0.0345	20.3609
0.6240	1.8750	0.4696	0.0860	0.0345	21.1808
0.4363	1.8750	0.4789	0.0860	0.0345	21.0844
0.4289	1.8564	0.4902	0.0860	0.0345	21.3750
0.4110	1.7554	0.4882	0.1624	\$ 0.0345	21.4257

**CITY OF POMPANO BEACH, FLORIDA**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

Schedule 7

TAXPAYER (Local Exposure Recognition)	2014			TAXPAYER (Local Exposure Recognition)	2005		
	TAXABLE ASSESSED VALUE	Rank	PERCENT OF TOTAL CITY TAXABLE ASSESSED VALUATION		TAXABLE ASSESSED VALUE	Rank	PERCENT OF TOTAL CITY TAXABLE ASSESSED VALUATION
EQR-Bayview LLC	48,660,060	1	0.54%	Preserve at Palm-Aire LLC	25,436,580	1	0.31%
PPI, Inc.	47,803,110	2	0.53%	Sharp Sabal Palms LLC	23,311,310	2	0.28%
Palm Vacation Group	44,996,360	3	0.50%	Palm Vacation Group	19,743,090	3	0.24%
John Knox Village of Florida (451 Heritage Drive)	36,965,850	4	0.41%	Pompano Property Corporation (Winn Dixie)	18,608,170	4	0.22%
CRP Preserve Palm Aire LLC	32,627,040	5	0.36%	Cobblestone Apt. Assoc. LLC	16,489,970	5	0.20%
Associated Grocers	30,787,670	6	0.34%	Bay Pompano Beach LLC	15,645,700	6	0.19%
Pompano Marketplace Owner LLC	26,750,560	7	0.30%	Faison-Pompano Citi Centre LLC	15,320,500	7	0.18%
John Knox Village of Florida (621 6th Street)	26,229,570	8	0.29%	Palm Court Joint Ventures	15,300,080	8	0.18%
Teachers Insurance	25,933,210	9	0.29%	Regency Venture LTD	15,056,510	9	0.18%
UH-Pompano LLC	24,101,610	10	0.27%	St Andrews Palm Aire Assoc	13,981,500	10	0.17%
Total taxable assessed value of principal taxpayers	344,855,040		3.83%	Total taxable assessed value of principal taxpayers	178,893,410		2.15%
Total taxable assessed value of other taxpayers	8,648,424,043		96.17%	Total taxable assessed value of other taxpayers	8,110,224,746		97.85%
Total taxable assessed valuation of all taxpayers	8,993,279,083		100.00%	Total taxable assessed valuation of all taxpayers	8,289,118,156		100.00%

Source: Broward County Property Appraiser  
2013 Tax roll

**CITY OF POMPANO BEACH, FLORIDA**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**

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Fiscal Year	<u>TAX ROLL</u>	<u>TOTAL AMENDED TAX LEVY</u>	<u>CURRENT GROSS TAX COLLECTIONS *</u>	<u>PERCENT OF LEVY COLLECTED</u>
2005	2004	39,315,287	39,164,635	99.62
2006	2005	45,268,126	44,778,856	98.92
2007	2006	50,489,535	50,155,320	99.34
2008	2007	48,744,720	47,860,443	98.19
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

**Source:** City Finance Department

\* Gross taxes exclusive of discounts, penalties and interest.

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<u>SUBSEQUENT DELINQUENT TAX COLLECTIONS</u>	<u>TOTAL TAX COLLECTIONS</u>	<u>PERCENT OF TOTAL TAX COLLECTIONS TO TAX LEVY</u>
123,563	39,288,198	99.93
307,127	45,085,983	99.60
84,120	50,239,440	99.50
92,352	47,952,795	98.38
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
-	46,666,879	96.61

**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	Certificates of Participation	Notes Payable	Water and Sewer Bonds	Notes Payable	Capital Lease			
2005	3,900,000	6,849,091	395,000	649,350	41,875,000	-	-	53,668,441	0.01	527.65
2006	3,015,000	15,790,071	-	331,500	41,325,000	-	-	60,461,571	0.01	598.02
2007	2,085,000	19,542,031	-	-	38,870,000	-	-	60,497,031	0.01	598.22
2008	1,115,000	20,000,000	-	-	36,105,000	-	-	57,220,000	0.01	571.87
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	222,263	50,988,011	*	487.17

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**

<b>General Bonded Debt Outstanding</b>					
<b>Fiscal Year</b>	<b>General Obligations Bonds</b>	<b>Amounts Available in Fund Balance</b>	<b>Total</b>	<b>Percentage of Actual Taxable Value of Property *</b>	<b>Per Capita **</b>
2005	3,900,000	980,435	2,919,565	0.03%	28.70
2006	3,015,000	1,055,041	1,959,959	0.02%	19.39
2007	2,085,000	1,135,429	949,571	0.01%	9.39
2008	1,115,000	1,140,450	(25,450)	0.00%	-0.25
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

**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**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF SEPTEMBER 30, 2014**

**Schedule 11**

<b>Government Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable</b>	<b>Estimated Share of Overlapping Debt</b>
Debt repaid with property taxes			
City of Pompano Beach, Florida	\$ -	-	\$ -
Broward County	300,766,000	7.00%	21,053,620
Subtotal, overlapping debt			21,053,620
City direct debt			-
Total direct and overlapping debt			21,053,620

**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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt limit	\$ 1,243,367,723	\$ 1,459,289,292	\$ 1,753,230,610	\$ 1,920,444,417	\$ 1,802,417,278	\$ 1,628,261,915	\$ 1,375,566,885	\$ 1,315,188,710	\$ 1,308,129,631	\$ 1,348,991,862
Total net debt applicable to limit	<u>2,919,565</u>	<u>1,959,959</u>	<u>949,571</u>	<u>(25,450)</u>	<u>(30,572)</u>	-	-	-	-	-
Legal debt margin	<u>\$ 1,240,448,158</u>	<u>\$ 1,457,329,333</u>	<u>\$ 1,752,281,039</u>	<u>\$ 1,920,469,867</u>	<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>
Total net debt applicable to the limit as a percentage of debt limit	0.23%	0.13%	0.05%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Legal Debt Margin Calculation for Fiscal Year 2014</b>										
Assessed Value	8,993,279,083									
Debt Limit (15% of assessed value)	1,348,991,862									
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>\$ 1,348,991,862</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	(1) GROSS REVENUES	(2) OPERATING EXPENSES	(3) NET REVENUE AVAILABLE FOR DEBT SERVICE (1)-(2)	DEBT SERVICE CASH REQUIREMENTS		(4) TOTAL	COVERAGE (3):(4)
			PRINCIPAL	INTEREST			
2005	34,176,302	19,029,394	15,146,908	2,145,000	2,354,462	4,499,462	3.37%
2006	35,969,346	20,021,820	15,947,526	2,255,000	2,251,284	4,506,284	3.54%
2007	35,867,547	21,289,048	14,578,499	2,455,000	1,901,565	4,356,565	3.35%
2008	34,644,947	22,150,443	12,494,504	2,765,000	1,602,118	4,367,118	2.86%
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%

**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	Broward County						
	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
2005	101,712	3,956,088	38,895	45.5	80.2	12,964	3.7
2006	101,103	4,181,721	41,361	39.4	81.1	12,777	3.1
2007	101,128	4,380,966	43,321	43.1	76.5	12,121	3.6
2008	100,058	4,366,731	43,642	43.9	74.8	11,520	5.4
2009	99,031	4,021,550	40,609	39.2	87.2	11,629	9.1
2010	98,711	4,061,563	41,146	42.7	79.2	11,576	10.7
2011	100,319	4,232,860	42,194	40.1	83.4	11,754	9.5
2012	102,239	4,432,163	43,351	42.7	81.0	12,029	7.1
2013	103,189	4,518,853	43,792	42.4	82.8	11,974	7.0
2014	104,662	*	*	*	*	11,150	5.0

**Sources:** City of Pompano Development Services Department via:  
 Bureau of Economic & Business Research, University of Florida  
 Florida Agency for Workforce Innovation, Labor Market Statistics Center  
 Broward County School Board, School Enrollment Count  
 Florida Legislative Office Economic & Demographic Research Dept of Economic Opportunity  
 US Census American Community Survey

**Note:** \* Indicates information not available

Employer	2014		
	Employees	Rank	Percentage of Total City Employment
City of Pompano Beach	1,189	1	1.19%
PPI, Inc. (Isle Capri Casino & Harness Track)	1,039	2	1.04%
WalMart (3)-S Federal/N Federal/Atlantic	820	3	0.82%
Broward County Correctional	700	4	0.70%
John Knox Village	650	5	0.65%
Point Blank Enterprises	592	6	0.59%
Publix - 4 Locations	562	7	0.56%
Freshpoint Produce & Dairy	397	8	0.40%
Associated Grocers of Florida	300	9	0.30%
Latite Roofing & Sheet Metal, LLC	250	10	0.25%

**Note:** Data for 2005 is not available. This type was not previously maintained by the City's Development Services Division. It is now an added function going forward.

**Source:** City of Pompano Beach Development Services Department via:  
 South Florida Business Journal 2014 Book of Lists

**CITY OF POMPANO BEACH, FLORIDA**

**Schedule 16**

**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION / PROGRAM  
LAST TEN FISCAL YEARS**

<u>Function/Program</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Government										
City Commissioners	6	6	6	6	6	6	6	6	6	6
City Manager	4	4	4	4	4	4	4	4	4	4
Advisory Board	2	2	2	2	2	2	2	2	2	1
Public Information Office	4	4	4	4	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
Internal Services	33	33	33	33	33	33	33	33	33	31
Northwest CRA	2	2	2	2	2	2	2	2	2	1.5
East CRA	1	1	1	1	1	1	1	1	1	0.5
Finance	22	22	22	22	22	22	22	22	22	22
Fire & EMS\	217	217	217	217	217	217	217	217	217	217
Development Services	67	67	67	67	67	67	67	67	67	70
Office of Housing & Urban Improvement	7	7	7	7	7	7	7	7	7	6
Public Works	136	136	136	136	136	136	136	136	136	141
Parks & Recreation	53	53	53	53	53	53	53	53	53	52
Utilities	114	114	114	114	114	114	114	114	114	114
Stormwater	8	8	8	8	8	8	8	8	8	8
Airpark	5	5	5	5	5	5	5	5	5	5
Golf	9	9	9	9	9	9	9	9	9	10
Solid Waste	3	3	3	3	3	3	3	3	3	3
Total	711	711	711	711	711	711	711	711	711	714

**Source:** City Budget Office

**CITY OF POMPANO BEACH, FLORIDA**  
**OPERATING INDICATORS BY FUNCTION / PROGRAM**  
**LAST TEN FISCAL YEARS**

**Schedule 17**

<b>Function/Program</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Public Safety</b>										
<i>Fire</i>										
Emergency responses	18,190	17,571	18,031	17,962	17,505	17,746	18,015	17,753	17,753	18,541
Fires Extinguished	495	571	432	415	371	346	355	333	354	332
Inspections	2,402	1,683	1,458	3,168	5,151	5,284	6,118	5,213	6,551	6,113
Uniformed Employees	185	185	185	185	185	185	185	185	185	185
Non-Uniformed Employees	10	11	10	11	8	8	8	8	8	8
<i>Building Permits</i>										
Permits Issued	13,731	18,636	15,293	13,606	12,473	13,715	11,864	15,827	12,323	13,213
Estimated Value	223,113,120	343,233,533	265,172,789	164,751,110	107,274,620	87,718,162	123,406,754	164,631,190	148,673,496	241,292,153
<i>City Clerk</i>										
No. of Registered Voters	57,904	55,199	52,378	52,921	55,621	55,829	57,043	58,284	61,263	55,964
No. of Ballots Cast	3,556	2,507	1,702	4,364	768	1,225	977	7,672	6,346	-
Districts Voting	2, 4	1	2, 3	1, 3	4	5	4	1,2,3,4,5	2, 4, Mayor	-
<i>Recreation Centers-Attendance</i>										
Emma Lou Olson	66,729	61,436	67,307	70,804	68,042	69,564	75,387	91,902	88,696	61,811
McNair	81,261	80,382	107,127	110,278	104,243	116,317	97,194	81,325	40,338	42,464
Mitchell/Moore	78,811	66,909	63,312	62,105	54,149	63,070	69,717	69,622	41,449	26,698
Skolnick	48,655	63,523	62,257	74,409	71,018	63,033	62,496	54,775	38,225	32,728
Pompano Highlands	18,808	19,445	23,398	25,323	26,258	21,636	21,611	21,070	20,057	24,489
North Pompano	76,436	46,531	51,742	109,570	93,286	94,484	115,797	31,316	60,629	28,347
E. Pat Larkins	*	34,538	40,815	32,994	31,661	26,905	33,440	33,954	47,011	19,874
<b>Utility</b>										
<i>Municipal Water System</i>										
Active Water Accounts	18,149	18,143	18,334	18,182	18,094	17,983	18,062	18,200	18,312	18,489
New Active Accounts	267	47	170	107	123	47	35	130	112	165
Active Reclaimed Water Accounts	19	19	193	84	117	142	310	579	671	782
Metered Sales (Billion Gallons)	6.0	6.0	5.0	5.0	5.0	5.0	5.0	5.0	4.0	4.0
Average Gallons (1,000) Billed Per Day	17,151	14,257	12,984	12,718	13,010	13,228	13,167	12,841	12,841	12,219
Reclaimed Water (Million Gals.)	484	426	491	487	558	511	572	558	720	794
Water Main Breaks	150	229	156	152	130	134	95	213	229	107
Plant Capacity Million Gals./Day	50	50	50	50	50	50	50	50	50	50
<i>Municipal Sewer System</i>										
Active Accounts	15,549	15,543	15,825	15,787	15,805	15,945	16,044	16,158	16,312	16,434
<b>General Government</b>										
<i>Tax Rates</i>										
<i>Utility Services:</i>										
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	5
Gas	10	10	10	10	10	10	10	10	10	10
<i>Franchises:</i>										
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**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Function / Program</b>										
<i>Area</i>										
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
<i>Infrastructure</i>										
Paved streets	251	252	271	271	271	271	271	271	271	271
Unpaved streets	3.0	2.5	2.5	2.5	2.5	2.5	2.5	-	-	-
Sidewalks	138	139	155	155	155	155	156	171	171	171
Canals & waterways	32	32	32	32	32	32	32	32	32	32
Storm drainage	55	55	69	70	70	79	83	110.6	100.0	102
City-owned streetlights	1,364	1,300	1,400	1,400	1,199	1,199	1,199	1,100	1,176	1,058
FP&L owned streetlights	4,823	7,000	7,000	7,000	5,364	5,376	5,375	5,375	5,399	5,392
<i>Fire</i>										
Stations	6	6	6	6	6	6	6	6	6	6
<i>Police</i>										
Stations	1	1	1	1	1	1	1	1	1	1
<i>Recreation</i>										
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	48	45	45	46	46	48	48	49	49	49
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)	257.00	257.23	257.23	258.17	258.17	258.17	258.17	263.17	263.17	263.17
Golf course (acres)	307	307	307	307	307	307	307	307	307	340
Recreation centers	6	7	7	7	7	7	7	7	7	7
<i>Municipal water system</i>										
Water mains (miles)	275	276	283	284	304	304	280	281	281	275
Reuse water mains (miles)	6.0	8.0	18.0	20.0	22.0	23.0	24.0	27.1	24.0	29.0
Fire hydrants	1,707	1,716	1,817	1,865	1,879	1,943	1,968	2,039	2,025	2,025
Fire hydrants (reuse water)	2	3	3	4	4	5	5	5	5	5
<i>Municipal sewer systems</i>										
Gravity sewer (miles)	190	191	195	196	199	194	194	195	181	195
Wastewater force main (miles)	71	71	67	68	76	63	69	69	69	69
Wastewater lift stations	73	72	74	75	75	75	75	78	77	77