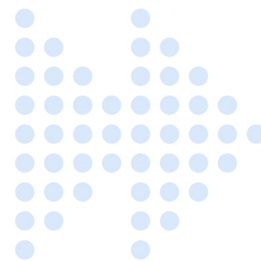


City of Pompano Beach, Florida

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

PHOTO OF THE NEW ATLANTIC BOULEVARD BRIDGE

**2019**  
**FY ENDING**  
**SEPTEMBER 30**



Comprehensive Annual Financial Report

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

Fiscal Year Ended September 30, 2019

Prepared by the  
Finance Department

Andrew Jean-Pierre, Finance Director

Allison Feurtado, Controller

Joan Bryan, Accounting Supervisor

Tana Ziontz, Department Head Secretary

# CITY OF POMPANO BEACH, FLORIDA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED SEPTEMBER 30, 2019

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

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

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### APPOINTED OFFICIALS

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Greg Harrison  
Mark Berman  
Ascelela Hammond  
Deusdedit "DC" Kiyemba

City Manager  
City Attorney  
City Clerk  
Internal Auditor

May 7, 2020

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, 2019. This report, presented in conformity with accounting principles generally accepted in the United States of America (GAAP), was prepared by the City's Finance Department and audited by an independent firm of certified public accountants, Marcum LLP, as mandated by Florida Statutes, Chapter 218.39, Annual Financial Audit Reports. The audit was conducted in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, and the Rules of the Auditor General of the State of Florida, promulgated pursuant to Florida Statute, Chapter 11.45. The independent auditor has issued an unmodified opinion that this CAFR fairly presents the financial position of the City and complies with applicable reporting standards as of September 30, 2019.

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

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

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



## **PROFILE OF THE CITY**

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

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

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

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

## **THE REPORTING ENTITY**

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

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

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

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

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

Broward County has continued to be a leader in South Florida and the state of Florida in employment. Broward County's 2019 year end jobs report stated an unemployment rate of 2.5% in December which again is among the lowest in the state of Florida and lowest among counties with labor forces over 400,000. This year Miami-Dade finished the year with the lowest unemployment rate of the tri-county region at 1.8%, Palm Beach County finished at 2.7%, and the State finished the year at 3.0%.

Low unemployment means that there are more jobs to fill than candidates to fill them, which gives workers more options and makes employers more competitive with wages and benefits, such as more paid vacation time or flex time/telecommuting. It also makes employers become more aggressive when hiring and training workers. Bob Swindell, president of the *Greater Ft. Lauderdale Alliance*, said low unemployment is putting "upward pressure on wages, which I think is a good thing."

In 2018, the most recent year for which Census data is available, median household income for Broward County rose less than 1% to \$57,200, up from \$56,702 in 2017 and an increase of 11% since 2008.

In South Florida, IT professionals are at the top of the wage-gain list. According to a February (2019) survey of 1,572 IT workers and 100 IT managers in south Florida, 91% of workers say they would entertain a new job opportunity, while 58% cited higher compensation as the top reason. "The ones who job hop are getting paid the big dollars," said Deborah Vasquez, CEO of Pro-Tech Staffing, an IT staffing firm in Ft. Lauderdale that conducts the annual survey of technology professionals. Other major reasons included: work-life balance, company culture and lack of a career path.

Companies looking to relocate from outside the area typically question the talent availability of South Florida. "We have talent coming from the multiple colleges and universities in the area, and we also have thousands of people moving to South Florida every year that add to the pool," said Michael Finney, Beacon Council President and CEO.

The *South Florida Tech Gateway*, a public/private partnership formed to grow, attract and retain technology business, capital and talent, led by the *Greater Ft. Lauderdale Alliance* and the *Beacon Council*, have produced a map that identifies many of the technology companies in the region. The map has become a helpful marketing tool for those that didn't realize there was such a high tech presence in the region. The *Alliance* plans on developing a similar map for the aviation industry next.

### **Industrial Market**

According to the Cushman Wakefield MarketBeat report for Broward County in the 4<sup>th</sup> Quarter 2019, the Pompano Beach industrial submarket includes approximately 22,991,425 square feet (The MarketBeat report only tracks buildings 10,000+ square feet), which makes up 25% of the Broward County industrial market and remains the county's largest submarket. The Pompano Beach submarkets vacancy rate rose slightly to 3.2% outpacing the County's rate of 4.4%.

"The industrial sector has been so strong in the past few years that commercial real estate professionals

have sounded like a broken record talking about it.” writes Matthew Rothstein with Bisnow East Coast. “The explosion of e-commerce has necessitated such a dramatic reimagining of every retailer’s supply chain that the drivers of demand for warehousing space are self-evident.” This is occurring across every segment of the industrial sector.

Nowhere is that more evident than in South Florida, specifically Pompano Beach, as the city added over a million square feet of industrial/warehouse space in 2019 and will add another million plus square feet in 2020. The city already has a significant inventory which will top 30 million square feet by the end of the year with practically every available vacant parcel of industrial zoned land being spoken for. The end is in sight as far as vacant industrial land is concerned. If this historic industrial development push continues, the older industrial product will start to be accumulated and redeveloped into a newer product.

The Pompano Beach submarket includes some of the industrial development industry’s top players. *Duke Realty, Prologis, Link Industrial Properties (Blackstone), Bridge Development, Industrial Developments International (IDI), Black Creek Industrial and First Industrial Realty Trust* all have industrial product here. Much of the recently developed industrial product here has been speculative-based and all of those major players have purchased property and constructed or are planning to construct spec buildings.

Duke Realty, Pompano Beach’s largest private land owner and taxpayer with a local portfolio of over 7.5M square feet of industrial space, anticipates its 100,000+ square foot building on West Copans Road to be completed by September 2020. Duke’s current local inventory includes Park Central, Copans Business Park, Pompano Commerce Center, Sample 95 Business Park and Atlantic Business Center.

Prologis, whose global portfolio includes over 772 million square feet of industrial space in 19 countries, is an industry giant and they’ve had a presence in Pompano Beach for years. Their local inventory includes Centerport, Prologis Park Pompano Beach, Pompano Commerce Park as well as the former Liberty Property Trust projects on south Andrews Avenue and Powerline Road.

Industrial Developments International (IDI) has recently constructed the Rock Lake Business Center, a 4 building 500,000 sf distribution complex at 3250 NW 33<sup>rd</sup> Street, Pompano Business Center II a 134,000 sf showroom/warehouse at the northwest corner of Copans Road and Blount Road.

Black Creek (IPT Dixie Highway Industrial Park DC) purchased the 40+ acre batch plant on north Dixie Highway and is constructing a 4 building 800,000+ square foot industrial complex at 1380 NE 48<sup>th</sup> Street. The project is called Pompano Crossings.

First Industrial has purchased multiple industrial properties which include older building products. The Real Estate Investment Trust (REIT) has plans to develop spec buildings on each.

The New York private equity giant Blackstone only recently entered the submarket when it acquired the vacant acreage off South Andrews Avenue at SW 13<sup>th</sup> Court previously-owned by *Stimpson*. “Morningstar reports the company has about 536 million square feet of logistics properties under management in its global real estate portfolio.” Their subsidiary, Link Industrial Properties, plans to construct a 156,000+ square foot warehouse on 13 acres called *Cypress Point Distribution Center*.

Bridge Development, out of Chicago, entered the Pompano Beach submarket just a few short years ago. Bridge’s 490,000+ square foot park, Bridge Point Powerline, is expected to be completed in late 2020.

Bridge was recently in the news for partnering with global real estate investor, PGIM Real Estate on a \$400M deal to acquire or develop Class A cold storage facilities across the United States. The tremendous growth of online grocery sales, with third party services like Instacart, has led the surge in cold storage facilities. This expansion has been so widespread there is also a new concept of “dark

stores” which resemble traditional grocery stores (retail), but are closed to customers and used only to process online orders.” “As the online food delivery market in the U.S. continues to grow, the need for cold storage industrial space is skyrocketing and we expect the pace of demand to continue on that trajectory.” PGIM Real Estate Managing Director and Senior Portfolio Manager Darin Bright said. The Pompano Beach submarket would welcome any influx of more cold storage space, as it will be extremely helpful in the aftermath of any hurricane activity.

**Industrial projects approved by the Planning & Zoning Board (not necessarily 2019) include:**

- IPT Dixie Highway Industrial Park DC has approvals to construct a 4 building 822,158 sf industrial complex on 48.76 acres at 1380 NE 48<sup>th</sup> Street called Pompano Crossings.
- Aquatic Stone is constructing a 40,283 sf warehouse building at 451 S Andrews Ave.
- Waste Management, Inc. of Florida is constructing a 490,715 sf industrial park just W of Powerline Rd, S of NW 22<sup>nd</sup> Street to be called Bridge Point Powerline.
- Duke gained approvals to construct a 102,365 sf on 4.96 acres at 1731 NW 24<sup>th</sup> Street.
- The Meel Corporation gained approvals to construct a 43,640 sf warehouse on 2.31 acres for food and/or beverage products manufacturing in the N Andrews area, S of Copans.
- Industrial Developments International (IDI) is constructing the Rock Lake Business Center, a 4 building 495,000 sf distribution complex at 3250 NW 31<sup>st</sup> Avenue.
- Great Eastern Acquisition/ FlexSol Packaging gained approvals to construct a 65,000 sf addition to their facility and a 7,200 sf 2-story office building at 1531 NW 12<sup>th</sup> Ave.
- Malcolm Drilling gained approvals to construct a 15,981 sf of office, maintenance and storage yard on 4.75 acres at 1730 NW 33<sup>rd</sup> Street.
- Pompano Dixie Public Storage gained approvals to construct a 3-story 107,532 sf self-storage facility at 850 S Dixie Highway.
- Preferred Development Pompano LLC gained approvals to construct a 4-story 97,014 sf self-storage facility at 100 S Andrews Avenue on 2.45 acres.
- Max Marine (X-Mail Corp.) gained approvals to construct a 12,641 square foot office/warehouse on a 0.7491 acre parcel at 1200 Dr. MLK Jr. Blvd.
- The First Industrial Distribution Center, a 141,450 square foot building was approved to be constructed on 8.34 acres at 1200 NW 15<sup>th</sup> Street.
- The Hammondville II Commerce Center, a 10,147 square foot building was approved to be constructed on 0.8 acres at 2640 NW 15<sup>th</sup> Court.
- The Powerline/MLK Commerce Center, a 41,520 square foot industrial warehouse was approved to be constructed on 3.52 acres at 2150 Dr. MLK Jr. Blvd.
- Exit 69 LLC gained approvals to construct a 71,440 square foot 3 building industrial complex on 8.97 acres at 3420 NW 27<sup>th</sup> Avenue.
- Southeastern Freight Lines gained approvals to expand a covered loading dock at 933 SW 12<sup>th</sup> Ave.
- Southern Grouts & Mortars gained approvals to construct a 30,250 square foot warehouse on 7.22 acres at 1505 SW 2<sup>nd</sup> Place.
- Life Storage Holdings gained approvals to construct a 4-story 57,736 square foot self-storage building on 3.733 acres at 1799 W Atlantic Blvd.
- Pompano Aviation & American Flyers constructed/ opened a new 60,620 sf Flight School facility on 5 acres at the Pompano Air Park, 701 & 801 NE 10<sup>th</sup> Street.

**Commercial – Office Market**

According to the *Cushman Wakefield Marketbeat Broward County Q4 2019* report, the Pompano Beach office market includes approximately 665,953 square feet of space with a total vacancy rate of 17.7%. The County’s overall vacancy rate finished 2019 at 11.8%.

The Broward County Office market includes just over 28 million square feet; unfortunately, unlike



Pompano Beach's robust industrial product, local office square footage makes up a mere 2.3% of the market and includes no Class A space. The City is hoping the planned developments of *LIVE! Isle Casino corporate headquarters* and the *Innovation District* will help significantly improve this disparity in the not-too-distant future.

**Commercial developments approved by the Planning & Zoning Board (not necessarily in 2019) include:**

- WaWa gained approvals to construct a convenient store & 16 pump fueling stations on 2.1983 acres at the northwest corner of W Atlantic Blvd and N Andrews Ave.
- DTS Properties constructed a 26,185 sf strip shopping center at 1150 N Federal Hwy.
- McNab Grove, Inc./ Cubesmart have been approved to construct a 117,079 sf storage facility at 950 E McNab Rd which will include 872 storage units, 8,029 sf of retail and 1,220 sf of office space.
- Outback Steakhouse has been approved for development of a new 6,697 sf facility on an outparcel at the Shoppers Haven Shopping Center at 3571 N Federal Highway.
- PURE Residence Resorts gained approvals to construct a 240 unit condominium/hotel w/ground floor retail on 1.01 acres at 3300 SE 1<sup>st</sup> Street.
- The *Pompano Beach Fishing Village* commercial development is well underway on the old Pier parking lot site. The approximate 6 acre site will include a combined *Hilton* product – *Home2Suites* and *Tru*, a *BurgerFi*, an *Alvin's Island*, and a *Kilwins* in 48,500 sf. The two stand-alone restaurants directly north of the pier, the *Beach House* and *Oceanic* have both opened to much success. A 2,852 sf *Lucky Fish Tiki bar* is being constructed on a 1.72 acre (Parcel E) at 222 N Pompano Beach Blvd.
- A 18,829 square foot retail plaza gained approvals for construction at 2251 N Federal Highway – on a 1.68 acre *Pompano Citi Centre* outparcel – The plaza is to include 10,357 sf of retail, 3,747 sf dental office and a 4,725 sf restaurant.
- LIVE! Resorts Pompano (Pompano Park Holdings/ Isle Capri) is working on the first phase of its massive 232 acre development at 1800 SW 3<sup>rd</sup> Street/ Racetrack Road which will ultimately include 4,100 residential units, a corporate office park, a 15-screen movie theater, a multi-acre Crystal Lagoon and a high-quality hotel. Phase 1 will include 450 multi-family residential units, a golfing facility, an expanded casino, 1,500 structured parking spaces, and 50,000 square feet of LIVE! Entertainment district. Phase 1 represents more than \$400 million worth of development.

**Residential Market**

Quality of life, Florida's tax policies versus northern states and sunshine continue to be the primary reasons people keep moving to South Florida with Pompano Beach strategically positioned in its center. With the continued influx of northern and international residents, the constraints of the South Florida peninsula cannot help but to push residential densities higher.

The *Transit Corridor Studies of US1-Federal Highway, Dixie Highway and Atlantic Boulevard* that the *Development Services Department* had completed a few years ago stressed increasing densities along the city's main transit corridors to take advantage of existing infrastructure and services while preserving the bulk of city's single family neighborhoods. The City has acted progressively to help identify those areas where it wants to see those densities increase since. The *DPTOD (Downtown Pompano Transit Oriented District at Atlantic Blvd and Dixie Highway)* and *ETOC (East Transit Oriented Corridor on east Atlantic Blvd)* land use districts are evidence of that.

The multi-family developments of *KOI*, the *Avery*, and the *Fairfield* are adding 350, 327 and 147 units to the city's primary transit corridors respectively. All of the projects are rentals, with *KOI* having some fee simple mixture. All of the projects are progressing towards completion. Both the *Avery* and *Fairfield* are within close walking distance to the east Atlantic Blvd commercial district and outdoor activities and events at the *Amp* and *Community Park*. *KOI* is a little bit further west on Atlantic and is adding an upscale presence to the Atlantic Blvd corridor.

A recent report from the government sponsored enterprise *Freddie Mac*, identifies Miami and San Diego as the two highest rent burdened areas in the country. Los Angeles, New York and Orlando rounded out the top five. “The report defines metropolitan Miami as Miami-Dade, Broward and Palm Beach counties, while San Diego is made up of only San Diego County. Miami-Dade historically has been one of the most rent burdened areas in the country. *Freddie Mac* noted that the rental affordability problem extends beyond Miami to other parts of the Sunshine State. Rents in Florida are near the average for the Top 50 metro areas, according to the report. However, because renter household income in these markets is significantly lower than the national average, many households are considered rent burdened.” The *U.S. Department of Housing and Urban Development* considers housing cost-burdened when residents spend more than 30% of their income on housing and severely cost-burdened when residents spend more than 50% of their income on dwellings. Affordability is expected to improve as more units come on line.

In September 2019, the *Sun Sentinel* reported “Ft. Lauderdale, which *RentCafe* calls the most expensive rental market in South Florida, is expected to add 1,343 new units to its inventory. Pompano Beach will add 471 units. Still, it remains to be seen whether rents ultimately would decline in the face of emerging new supply. That’s because new residents keep moving into South Florida in large numbers, driven in part by higher taxes in the Northeast.” This is also known as the Tax Migration game. In the past year, President Trump and golfer Phil Mickelson both relocated to the Sunshine State in 2019 from the high taxed states of New York and California respectively.

In November 2019, the *South Florida Business Journal* reported “Renters in Pompano Beach saw their rent increase in October to an average \$1,503, up \$71 from September, according to *RentCafe’s* monthly report. It was the largest increase among the 34 South Florida cities in the report. The price tag for a one-bedroom apartment is above the national average of \$1,476.”

While Pompano Beach’s residential development continues to be primarily multi-family with higher densities, two significant single family developments continue to progress. *Phase 3* of *Palm Aire North’s* 150 single family home redevelopment of the former golf course and *Habitat for Humanity’s* subdivision north of *Ely High School* will add 78 single family homes to the neighborhood.

**Residential projects approved by the Planning & Zoning Board (not necessarily in 2019) include:**

- The *Myelin Group* has completed the townhome portion of its development and has made significant progress with the construction of the condo towers at *KOI*, a 350 unit mixed use development on 8.8 acres along East Atlantic Blvd. The project includes 7,500 square feet of commercial space, a community center and a 48 slip marina.
- *Palm Aire Associates LP* has completed the first two phases of construction of 907 dwelling units on 84.881 acres on a former golf course on the north side of West Atlantic Blvd. Phase 1, the *Residences at Palm Aire*, is a 404 multifamily unit complex on 26.77 acres. Phase 2, *Atlantico at Palm Aire* is a 210 unit complex on 9.987 acres and is under construction. Phase 3 is 150 single family units on the remaining 36.2962 acres and is currently under construction.
- *Habitat for Humanity of Broward* has started construction on a 78 unit single family development at the SW corner of *Blanche Ely Blvd (NW 6<sup>th</sup> Ave)* and *NW 15<sup>th</sup> Street*. At least a dozen homes have been completed to date.
- *Sabbia Beach*, a *Fernbrook Florida LLLP* 73 unit condo has been completed at 730 N. Ocean Blvd.
- *Avery Place*, a 147 unit apartment building has been constructed at 225 N Federal Highway.
- The *Fairfield at Pompano Beach* is constructing a 6-story 327 unit multi-family apartment complex with non-residential ground floor at 601 N Federal Highway on 2.996 acres immediately adjacent to *Community Park* and *the Amp*.
- The *Adache Group* has approvals to construct a 10-story 280 unit multifamily development called *Old Town Square* at NE 1<sup>st</sup> Ave and NE 3<sup>rd</sup> Street in *old Pompano*.

- The Broadstone at Pompano (WH Pompano, LLC) recently opened a 210 unit development on the west side of A1A at 1333 S Ocean Blvd.
- 1380 S Ocean Blvd FL, LLC obtained site plan approval and an Air Park Obstruction permit to construct 134 residential units and 98 apartment/hotel units on 4.3228 acres at 1380 S Ocean Blvd. The project also includes 11,000 sf of ancillary spa/personal services.
- CG Hillsboro Shores LLC has approvals to construct a 121 unit, 10-story residential development on 2.49 acres at 2629 N Riverside Drive, just south of the Hillsboro Inlet bridge. The project includes 5,115 sf of retail space.
- St. Elizabeth Gardens has gained approvals to construct 153 multi-family residential units at 801 NE 33<sup>rd</sup> Street.
- The *Marquis Apartments* gained approvals to construct 100 multi-family units on 4.05 acres at 1820 Dr. MLK Jr. Blvd.
- Atlantic One Residences gained approvals to construct 278 apartments and 26 townhomes on 4.97 acres at 1736 E Atlantic Blvd
- 105 multi-family units were approved to be constructed at 1116 N Ocean Blvd.
- Avaria East Pompano gained approvals to construct 188 multi-family units on 5.13 acres at 1621 S Dixie Hwy.
- Sports Residence 500 gained approvals to construct 12 townhomes on .86 acres at 500 NW 31<sup>st</sup> Ave
- Sports Residence 620 gained approvals to construct 12 townhomes on .75 acres at 620 NW 31<sup>st</sup> Ave
- The Range at Palm Aire has approvals for a 39 unit multi-family project on 4.379 acres.
- NE 19<sup>th</sup> Avenue LLC has approvals to construct a 37 unit multi-family complex on 0.631 acres at 16 & 24 NE 19<sup>th</sup> Avenue.
- Urbanall Development gained approvals for 28 units in 2 high-rise towers at 1508 N Ocean Blvd.
- John Knox Village is constructing a 7,070 sf Welcome and Innovation Center on the 64.9 acre campus.

### Major City Initiatives

The City gained approvals for/commenced/completed a number of significant improvements and programs during the year to meet the needs of the community. The most significant project/programs/improvements for the fiscal year ending September 30, 2019 included:

- The City completed construction on a new \$11.5 million *Fisher Family Pier* at its main public beach.
- The City rebuilt *Fire Station #24*, a 4-bay 13,465 sf on 1.23 acres at 2001 NE 10<sup>th</sup> Street for \$5.4 million.
- The City constructed the *Charlotte Burrie Civic Center* on 1.07 acres at 2669 N Federal Highway for \$4 million.
- The City completed \$5 million in improvements to the *Atlantic Blvd Bridge* adding decorative sails and underpass walkway from the northeast to the southeast commercial parcels adjacent to the bridge.
- The City completed drainage projects in *Avondale* and *Kendall Lakes* neighborhoods.
- The City completed *bike path improvements* along NE 10<sup>th</sup> Street, from NE 5<sup>th</sup> Avenue to US 1 and along NE 5<sup>th</sup> Avenue from NE 10<sup>th</sup> Street to Copans Road.
- The City completed a sidewalk along SE 2<sup>nd</sup> Street from SE 11<sup>th</sup> Avenue to US1/Federal Hwy.
- The City completed a number of *restroom improvements* in and adjacent to their parks system including: at the golf course, Highlands Park and along the Air Park bike path, near FS #21.

## FINANCIAL POLICIES AND PLANNING

### **Financial Policies:**

***Investment Policy*** – The City has adopted a written comprehensive investment policy to help safeguard against the loss of its assets. Oversight for the investment program lies with the Finance Director under the direction of the City Manager. The City's investment program is established in accordance with the City's investment policy, which was adopted by resolution of the City Commission, and Florida State Statute Chapter 218.415 (Local Government Investment Policies), which establishes investment plan guidelines for local governments in Florida. The City's investment guidelines permit the investment of City funds in United States Treasury securities, United States Government Agency securities with the full faith and credit of the United States Government, Federal Instrumentalities (Government Sponsored Enterprises), Corporate Notes, Commercial Paper, Time Deposits (Certificates of Deposit), Repurchase Agreements, Bankers' Acceptances, State and/or Local Government Taxable and/or Tax-Exempt Debt, Money Market Mutual Funds, Intergovernmental Investment Pools and Savings Accounts of financial institutions that are Qualified Public Depositories in accordance with Florida State Statute Chapter 280.01 (Security for Public Deposits). All securities are purchased on a delivery-versus-payment basis. This requirement assures the City that it has possession of the securities before release of its funds. The investment policy further incorporates additional safeguards, limiting the allocation of the portfolio by sector within each investment type, as well as to the issuer within each sector.

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

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

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

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

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



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

### **COVID-19**

The recent outbreak of the novel strain of the coronavirus known as COVID-19 may affect the City's operations, its suppliers and vendors, and its customer base. The duration and full impacts of the business and social disruptions of COVID-19 are yet unknown and could result in a downturn on the local, state and global economies. Through the prior economic downturn, the City of Pompano Beach maintained its strong financial position through prudent long-term financial planning and fiscal actions to reduce or contain fixed costs. The extent to which COVID-19 may impact the City's financial condition or results of operations is highly uncertain and cannot be predicted.

### **REPORTING ACHIEVEMENT AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2018. The City has received the GFOA's prestigious Certificate of Achievement for Excellence in Financial Reporting award for thirty-six years. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of only one year. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

This report, which conforms to all the latest effective standards of local government financial reporting, could not have been prepared without the extraordinary devotion of the Finance Department team. Their dedication merits special attention. Special thanks to the City's Economic Development Manager, Christopher Clemens for his contributions in providing a comprehensive profile of the City, as well as providing readers with a summary of economic conditions and major initiatives impacting the City and to the City's Budget Officer, Erjeta Diamanti for providing insight into economic factors likely to have an impact on the City's fiscal year 2020 budget.

Sincerely,

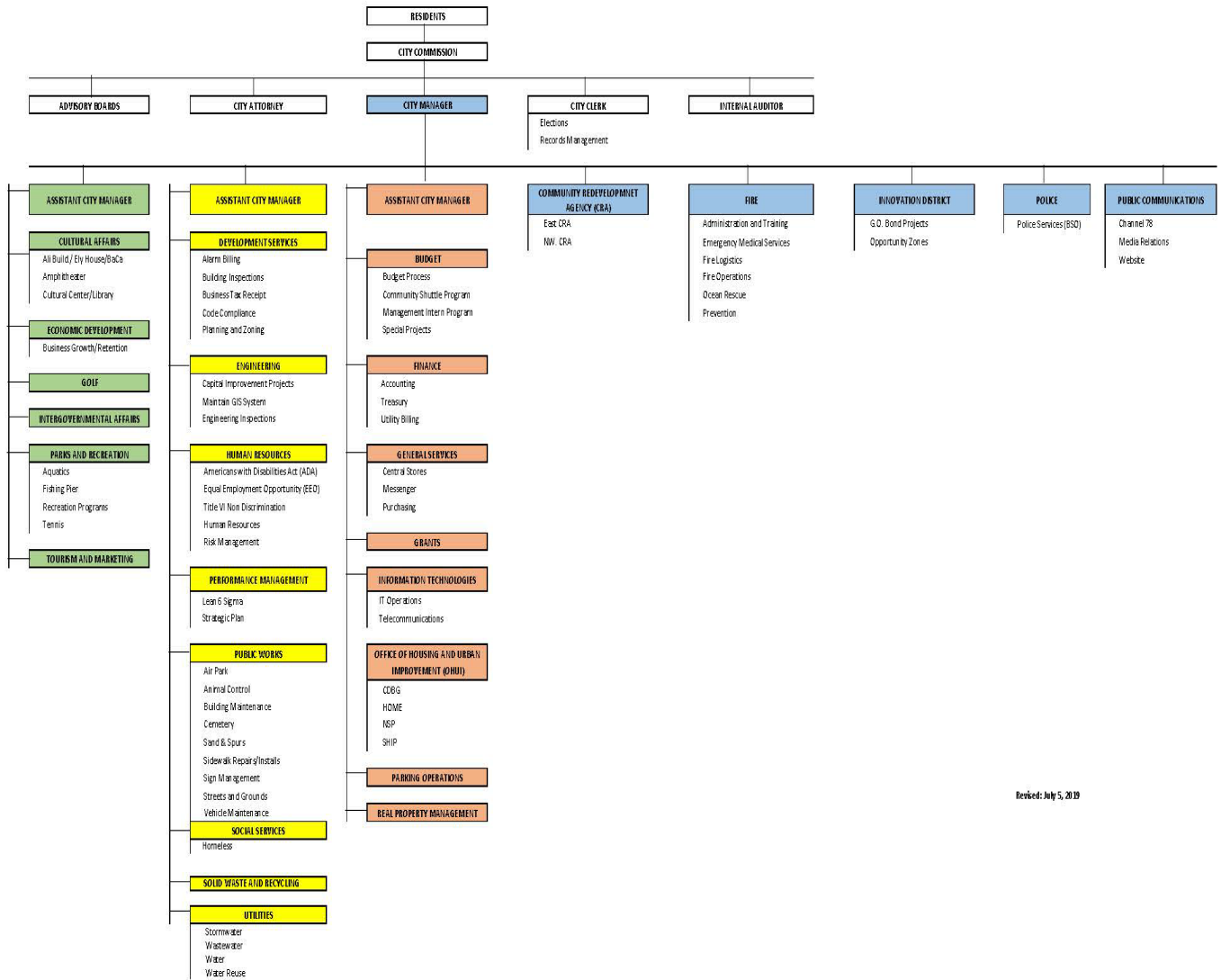


Andrew Jean-Pierre  
Finance Director



Greg Harrison  
City Manager

## Organizational Chart - City of Pompano Beach



Revised: July 5, 2019



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
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Presented to

**City of Pompano Beach  
Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2018**

*Christopher P. Morrell*

Executive Director/CEO

## **FINANCIAL SECTION**



## **INDEPENDENT AUDITORS' REPORT**

To the Honorable Mayor, Members of the City Commission and City Manager  
**City of Pompano Beach, Florida**

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Pompano Beach, Florida (the City), as of and for the fiscal year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City of Pompano Beach General Employees' Retirement System, which represents 36%, 38% and 17%, respectively, of the assets, net position/fund balance and revenues/additions of the aggregate remaining fund information. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the City of Pompano Beach General Employees' Retirement System is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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

### ***Opinions***

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City, as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 18, the schedules of changes in the city's net pension liability and related ratios, the schedules of city contributions, the other post-employment benefits schedule of changes in the city's total OPEB liability and related ratios, and budgetary comparison schedules for the general fund and major special revenue funds on pages 117 through 127 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 the 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.

#### ***Supplementary and Other Information***

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 7, 2020 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Marcum LLP*

Fort Lauderdale, FL  
May 7, 2020

**City of Pompano Beach, Florida**  
**Management Discussion and Analysis for the Fiscal Year Ended September 30, 2019**  
**(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, 2019. We encourage readers to consider the information presented here in conjunction with the letter of transmittal and financial statements.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

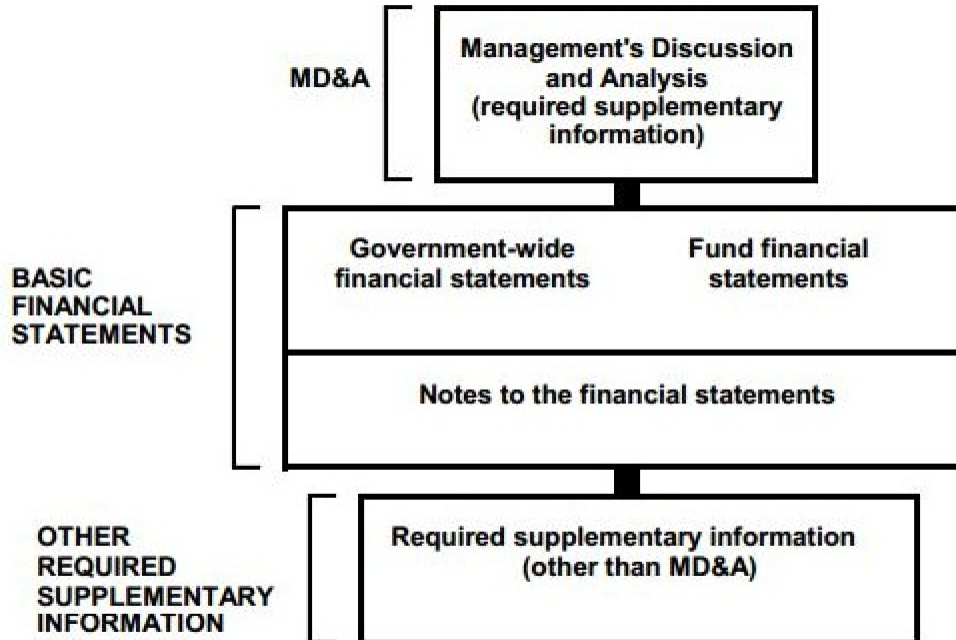
This annual report follows a format consisting of four parts – Management's Discussion and Analysis (this section), the Basic Financial Statements, Required Supplementary Information, and an additional section that presents combining statements for non-major governmental funds, non-major enterprise funds,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

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

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

**City of Pompano Beach, Florida**  
**Management Discussion and Analysis for the Fiscal Year Ended September 30, 2019**  
**(Unaudited)**

**FIGURE 1**



**FINANCIAL HIGHLIGHTS**

The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the fiscal year by \$484.0 million. The City's total net position increased by \$8.1 million. The increase noted was primarily as a result of current year operations in the governmental funds, as discussed in more detail below.

At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$242.0 million, representing a increase of \$113.5 million from the previous fiscal year. The increase noted was primarily due to the net result of the following activity:

- an increase of \$19.9 million in the General Fund balance is primarily due to the reimbursement of expenses from the Capital Project 2018 GO Bonds Fund and the result of current year operations
- an increase of \$5.0 million in the Northwest CRA District Fund balance is primarily due to the timing of capital outlay for the Innovation District that was budgeted but not expended as of September 30, 2019.
- an increase of \$87.6 million in the Capital Project 2018 GO Bonds Fund balance is primarily due to receipt of bond proceeds.

At the close of the current fiscal year the City's enterprise funds reported combined ending net position of \$182.8 million. This represents a decrease of \$0.6 million from the previous fiscal year.

**City of Pompano Beach, Florida**  
**Management Discussion and Analysis for the Fiscal Year Ended September 30, 2019**  
**(Unaudited)**

**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, parking, airpark and pier activities.

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

**FUND FINANCIAL STATEMENTS**

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

**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 \$484.0 million at September 30, 2019. The City's net position increased by \$8.1 million during the current fiscal year. The largest portion of the City's net position, 71.2%, 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.

**City of Pompano Beach, Florida**  
**Management Discussion and Analysis for the Fiscal Year Ended September 30, 2019**  
**(Unaudited)**

Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position. The City utilizes these capital assets to provide services to citizens; consequently these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt and other associated debt related items. It should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves will not be used to liquidate those liabilities. Approximately 32.0% or \$155.1 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, 2019 and 2018**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Totals</b>	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 283,052,920	\$ 168,175,005	\$ 68,830,549	\$ 80,018,633	\$ 351,883,469	\$ 248,193,638
Capital assets	321,573,693	311,457,277	174,242,307	162,012,978	495,816,000	473,470,255
Total assets	604,626,613	479,632,282	243,072,856	242,031,611	847,699,469	721,663,893
Deferred outflows of resources	25,017,967	30,695,930	7,299,017	6,375,998	32,316,984	37,071,928
Long-term liabilities	308,059,555	198,783,856	56,188,215	53,838,026	364,247,770	252,621,882
Other liabilities	12,873,164	12,931,364	9,608,021	10,009,116	22,481,185	22,940,480
Total liabilities	320,932,719	211,715,220	65,796,236	63,847,142	386,728,955	275,562,362
Deferred inflows of resources	7,507,959	6,131,735	1,742,345	1,087,255	9,250,304	7,218,990
Net position:						
Net investment in capital assets	203,060,029	296,451,107	141,661,961	127,840,934	344,721,990	424,292,041
Restricted	150,770,747	54,222,664	4,283,219	4,187,391	155,053,966	58,410,055
Unrestricted	(52,626,874)	(58,192,514)	36,888,112	51,444,887	(15,738,762)	(6,747,627)
Total net position	\$ 301,203,902	\$ 292,481,257	\$ 182,833,292	\$ 183,473,212	\$ 484,037,194	\$ 475,954,469

At September 30, 2019, the City's governmental activities report a negative balance in the unrestricted category primarily due to the Net pension liability for the City's General Employees and Police and Firefighters Pension Plans. The City is able to report positive balances in the remaining categories of net position for its Governmental activities and Business-type activities.

**Governmental Activities** – There was a increase of \$114.9 million in current and other assets for governmental activities, primarily as a result of current year operations, as discussed in detail starting on page 9.

There was an increase of \$10.1 million in capital assets. The increase was primarily due to the net effect of the current fiscal year capital asset activity (as discussed in more detail on page 16) and the recognition of current fiscal year depreciation expense.

The decrease of \$5.7 million in deferred outflows of resources resulted primarily from the recognition of pension expense related to prior year deferred outflows of resources for the City's General Employees and Police and Firefighters Pension Plans. Deferred outflows of resources represents consumption of net position applicable to future periods that will not be recognized as expenditures until the future period to which it applies (i.e. employer contributions made subsequent to the measurement date or projected



**City of Pompano Beach, Florida**  
**Management Discussion and Analysis for the Fiscal Year Ended September 30, 2019**  
**(Unaudited)**

earnings exceeding actual earnings on pension plan investments, changes in assumptions). Refer to Note (III)(C)(2) for additional information.

The increase of \$109.3 million in long-term liabilities is primarily due to the issuance of General Obligation Bonds – Series 2018 (the "Series 2018 Bonds"). The Series 2018 Bonds were issued in the par amount of \$99,375,000. Refer to Note (II)(F) for additional information.

**Business-type Activities** – The decrease of \$11.2 million in current and other assets primarily as a result of current year operations, as discussed in detail starting on page 11.

The increase of \$12.2 million in capital assets is primarily due to the net effect of capital asset acquisitions and dispositions and recognition of current fiscal year depreciation expense (as discussed in more detail on page 16).

The decrease of \$0.9 in deferred outflows of resources primarily resulted from the recognition of a net pension liability in the current fiscal year related to the City's General Employees Pension Plan; partially related to the difference between projected and actual investment earnings for the Plan and differences between expected and changes of assumptions which necessitated the deferral of outflows. Refer to Note (III)(C)(2) for additional information.

**City of Pompano Beach, Florida**  
**Management Discussion and Analysis for the Fiscal Year Ended September 30, 2019**  
**(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, 2019.

**TABLE 2**  
**SUMMARY OF CHANGES IN NET POSITION**  
**FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2019 and 2018**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Totals</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
<b>Revenues</b>						
Program Revenues:						
Charges for services	\$ 59,050,832	\$ 51,888,288	\$ 62,307,487	\$ 58,813,072	\$ 121,358,319	\$ 110,701,360
Operating grants and contribs.	6,287,934	3,925,657	158,542	77,783	6,446,476	4,003,440
Capital grants and contributions	4,837,541	3,719,870	1,024,983	4,386,011	5,862,524	8,105,881
General Revenues						
Taxes	109,533,739	96,142,061	-	-	109,533,739	96,142,061
Pari Mutuel	2,066,464	2,148,790	-	-	2,066,464	2,148,790
Franchise fees	8,426,808	8,226,917	-	-	8,426,808	8,226,917
State revenue sharing	11,284,676	11,108,883	-	-	11,284,676	11,108,883
Gain from sale of capital assets	-	1,764,202	52,904	77,647	52,904	1,841,849
Investment earnings	6,747,746	744,672	2,384,101	448,343	9,131,847	1,193,015
Miscellaneous	772,893	817,412	85,890	54,469	858,783	871,881
Total revenues	<u>209,008,633</u>	<u>180,486,752</u>	<u>66,013,907</u>	<u>63,857,325</u>	<u>275,022,540</u>	<u>244,344,077</u>
<b>Expenses</b>						
General government	35,577,198	31,953,414	-	-	35,577,198	31,953,414
Public safety	111,695,017	106,755,628	-	-	111,695,017	106,755,628
Physical environment	21,377,901	21,206,645	-	-	21,377,901	21,206,645
Transportation	4,628,526	4,469,527	-	-	4,628,526	4,469,527
Economic environment	6,826,343	9,949,169	-	-	6,826,343	9,949,169
Culture and recreation	15,737,373	14,715,289	-	-	15,737,373	14,715,289
Interest costs	4,656,611	633,223	-	-	4,656,611	633,223
Utility	-	-	48,476,314	41,733,935	48,476,314	41,733,935
Sanitation	-	-	9,724,021	8,214,578	9,724,021	8,214,578
Stormwater	-	-	2,180,894	2,062,874	2,180,894	2,062,874
Pier	-	-	179,121	191,798	179,121	191,798
Airpark	-	-	2,461,896	2,254,140	2,461,896	2,254,140
Parking	-	-	3,418,600	3,239,261	3,418,600	3,239,261
Total expenses	<u>200,498,969</u>	<u>189,682,895</u>	<u>66,440,846</u>	<u>57,696,586</u>	<u>266,939,815</u>	<u>247,379,481</u>
Increase (decrease) in net position before transfers	8,509,664	(9,196,143)	(426,939)	6,160,739	8,082,725	(3,035,404)
Transfers	<u>212,981</u>	<u>218,123</u>	<u>(212,981)</u>	<u>(218,123)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	8,722,645	(8,978,020)	(639,920)	5,942,616	8,082,725	(3,035,404)
Net position - beginning	<u>292,481,257</u>	<u>301,459,277</u>	<u>183,473,212</u>	<u>177,530,596</u>	<u>475,954,469</u>	<u>478,989,873</u>
Net position - ending	<u>\$ 301,203,902</u>	<u>\$ 292,481,257</u>	<u>\$ 182,833,292</u>	<u>\$ 183,473,212</u>	<u>\$ 484,037,194</u>	<u>\$ 475,954,469</u>

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**Governmental Activities** – Governmental activities increased the City's net position by \$8.7 million.

Charges for services increased by \$7.2 million primarily due to the following:

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

Operating grants and contributions increased by approximately \$2.4 million, primarily due to an increase in public assistance grant funds from the Federal Emergency Management Agency (FEMA) for Hurricane Irma.

Capital Grants and Contributions increased by approximately \$1.1 million, primarily due to the following transactions.

- In the current fiscal year the City received approximately \$596k from Broward County for the reimbursement of expenditures relating to roadway infrastructure and streetscape improvements at Old Pompano.
- In the current fiscal year the City received approximately \$299k from Broward County for the reimbursement of expenditures relating to traffic signal improvements at Dr. Martin Luther King, Jr. Boulevard and NW 27th Avenue.
- In the current fiscal year the City received approximately \$743k in land conveyances from the Pompano Beach Community Redevelopment Agency.

Tax revenues increased by \$13.4 million primarily due to an increase in ad valorem revenue. Ad valorem revenue is a function of assessed property values, new construction, changes in personal incomes and the City's operating millage rates. Tax increment revenues is a function of the increase in the assessed values of properties within the Pompano Beach Community Redevelopment Agency (CRA) Districts above the base year valuation amounts, as well as the operating millage rate of each taxing district that contributes.

Investment earnings increased by \$6.0 million primarily as a result of the timing of amortization of premiums and discounts relating to the purchase of investments and an increase in interest rates.

Gain from sale of capital assets decreased by \$1.8 million primarily due the sale of surplus property located at 1841 N. Powerline Road in the prior fiscal year.

General government expenses increased by \$3.6 million, primarily due to the following transactions:

- An increase in tax increment payments to the Northwest and East Community Redevelopment Districts (a function of the increase in the assessed values within those districts from the base year formation of the districts and the City's operating millage rate).
- An increase in professional service expenses relating to pollution remediation efforts at the site referred to as the former Sabals Golf Course at 31st Avenue (just north of Atlantic Boulevard and also referred to as "12 acre park").
- An increase in personnel costs for CRA staff who are considered City employees. The personnel costs related to the CRA are reimbursed to the City by the CRA per the interlocal agreement between the City and CRA.

Economic environment expenses decreased by \$3.1 million primarily due to the following:

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- Debris removal costs relating to Hurricane Irma in the prior year.

Interest cost expenses increased by \$4.0 million primarily due to the following:

- The issuance of the Series 2018 Bonds.

**Business-type Activities** - Business-type activities decreased the City's net position by \$0.6 million.

Capital grants and contributions decreased by \$3.4 million, primarily due to capital grants for utility projects, capital grants for stormwater projects, capital grants for airport projects and the contribution of capital assets from developers in the prior fiscal year.

Investment earnings increased by \$1.9 million primarily as a result of the timing of amortization of premiums and discounts relating to the purchase of investments and an increase in interest rates.

Utility operating expenses increased by \$6.7 million primarily due to the following:

- Cost incurred for the damage to our utility infrastructure caused by the subcontractor working for the Florida Department of Transportation which resulted in significant cleanup costs.
- Increased costs associated with wastewater treatment provided by Broward County.
- An increase in the pension expense related to the net pension liability for the General Employees Pension Plan as determined by the pension plan actuary.

Sanitation operating expenses increased by \$1.5 million primarily due to the following:

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

## **REPORTING THE CITY'S MOST SIGNIFICANT FUNDS**

### **Fund Financial Statements**

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

### **Governmental Funds**

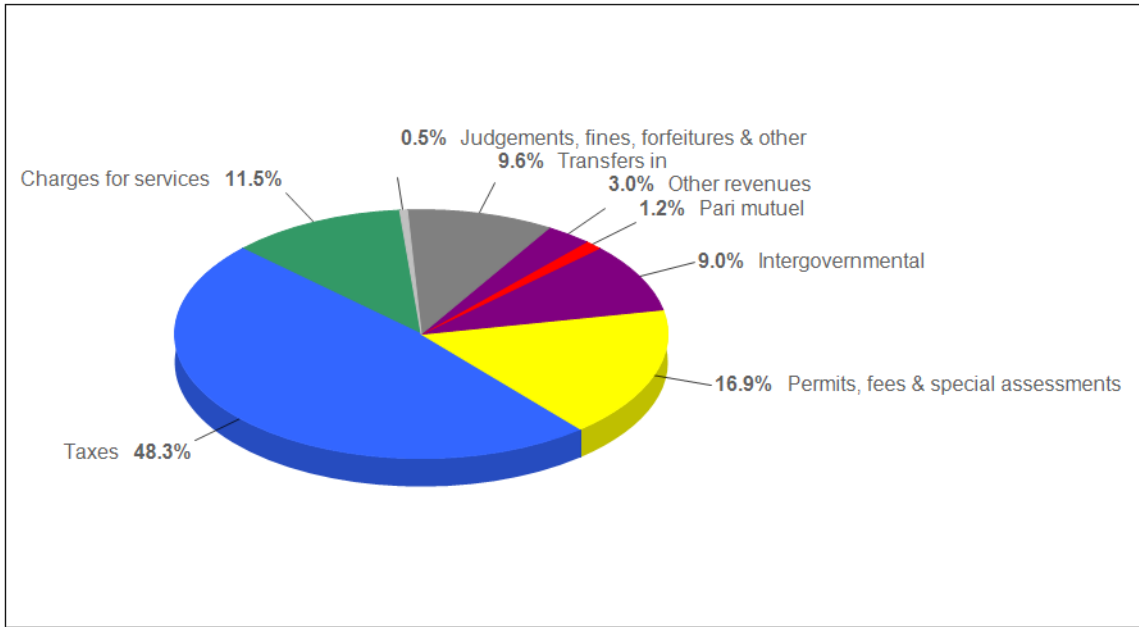
Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash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

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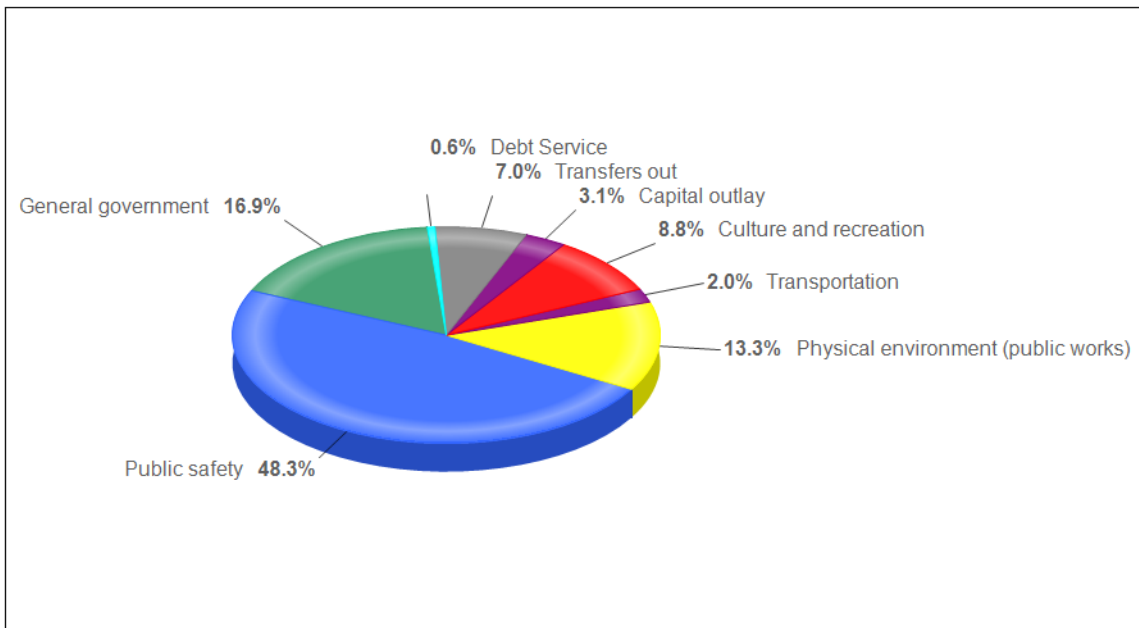
**The General Fund**

The General Fund is the chief operating fund of the City. The following pie charts depict the breakdown of actual receipts by revenue source and expenditures by function, for the fiscal year ended September 30, 2019:

**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 \$47.6 million, while total fund balance was \$55.3 million. The fund balance for the City's General Fund increased by \$19.9 million during the current fiscal year. This was primarily the result of the reimbursement of expenses from the Capital Project 2018 GO Bonds Fund and the result of current year operations.

The increase of \$5.1 million in permits, fees and special assessments is primarily due to an increase in the fire assessment fee.

The increase of \$2.0 million in investment earnings revenue is primarily a result of the timing of amortization of premiums and discounts relating to the purchase of investments and increasing interest rates.

The increase of \$1.9 million in proceeds from capital lease is due to receiving lease purchase financing for the acquisition of certain equipment for the Fire, Parks & Recreation, Development Services and Public Works functions in the current fiscal year.

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

The increase of \$16.1 million in transfers-in is primarily due to the reimbursement of expenditures from the Capital Project 2018 GO Bonds Fund for the Pier project, purchase of the Elks property for the new Youth Sports Complex and cost of issuance for the Series 2018 Bonds.

The increase of \$3.2 million in general government expenditures is primarily the result of an increase in tax increment payments to the Northwest and East Community Redevelopment Districts (a function of the increase in the assessed values within those districts from the base year formation of the districts and the City's operating millage rate). An increase in professional service expenses relating to pollution remediation efforts at the site referred to as the former Sabals Golf Course at 31st Avenue (just north of Atlantic Boulevard and also referred to as "12 acre park"). An increase in personnel costs for CRA staff who are considered City employees. The personnel costs related to the CRA are reimbursed to the City by the CRA per the interlocal agreement between the City and CRA.

The \$3.7 million decrease in capital outlay expenditures is primarily due to the purchase of the Elks property and the capital replacement of motor vehicles in the prior fiscal year.

The increase of \$1.1 million in transfers out is primarily due to the following:

- Transfers to the Capital Project Fund for the purchase of property located at 2671 N. Federal Highway for the Charlotte J. Burrie Civic Center and property located at 1207 E. Atlantic Boulevard, which was the site of the former library now located at the Cultural Center. The increase also arose due to tree replacement at City Hall parking lot and trees lost city-wide due to previous storms.
- Transfers to the EMS Fund to support operating costs, as the General Fund subsidizes the EMS Fund.

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

The fund balance of the Northwest CRA District Fund increased by \$5.0 million primarily due to the timing of capital outlay for the Innovation District that was budgeted but not expended as of September 30, 2019.

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Debt service expenditures decreased by \$1.7 million due to the maturity of the Tax Increment Bond – Series 2003A & 2004A Tax Increment Bonds.

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

The fund balance of the East CRA District Fund decreased by \$1.6 million primarily due to the timing of capital outlay for the Atlantic Boulevard Bridge project.

**Capital Project 2018 GO Bonds**

The fund balance of the Capital Project 2018 GO Bonds Fund increased by \$87.6 million primarily due to the issuance of the Series 2018 Bonds. The Series 2018 Bonds were issued in the par amount of \$99,375,000.

**Capital Projects Fund**

Transfers in increased by \$0.6 million primarily due to transfers from the General Fund for the construction of the Fire Station #63 and other major projects for the fiscal year

Transfers out increased by \$0.9 million primarily due to transfers to the Transfers to the General Fund for the purchase of property located at 2671 N. Federal Highway for the Charlotte J. Burrie Civic Center and property located at 1207 E. Atlantic Boulevard, which was the site of the former library now located at the Cultural Center.

**Building Permit Fund**

The fund balance of the Building Permit Fund increased by \$3.6 million primarily due to an increase in the number of permits issued as well the construction value associated with those permits.

Permits, fees and special assessments increased by \$1.7 million due to an increase in the number of permits issued as well the construction value associated with those permits.

Public Safety expenditures increased by \$1.1 million due to an increase in operational costs necessary to keep pace with increased permit activity.

**Other Grants Fund**

The fund balance of the Other Grants Fund increased by \$2.0 million due to cost reimbursement grants for which the City has received reimbursement from the grantor at fiscal year end.

**2018 G.O. Bonds**

Taxes revenue increased by \$5.8 million as a result of property taxes levied by the debt service millage rate in order to collect funds sufficient to cover annual principal and interest payments due on the Series 2018 Bonds.

Debt service expenditures increased by \$5.7 million due to the issuance of the Series 2018 Bonds.

**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



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balances for internal service funds are reported with governmental activities in the Government-wide financial statements.

**Utility Fund**

Personnel services expenses increased by \$2.2 million primarily due to an increase in the pension expense related to the net pension liability for the General Employees Pension Plan as determined by the pension plan actuary.

Other current expenses increased by \$4.4 million primarily due to increased costs associated with wastewater treatment provided by Broward County and the cost incurred for the damage to our utility infrastructure caused by the subcontractor working for the Florida Department of Transportation which resulted in significant cleanup costs.

Investment earnings increased by \$1.5 million primarily a result of the timing of amortization of premiums and discounts relating to the purchase of investments and increasing interest rates.

Capital grants and contributions decreased by \$1.0 million primarily due to grants for utility projects and the contribution of capital assets from developers in the prior fiscal year.

**Airpark Fund**

Capital grants and contributions decreased by \$2.0 million primarily due to grants for airpark projects in the prior fiscal year.

Personnel services expenses increased by \$1.6 million primarily due to an increase in the pension expense related to the net pension liability for the General Employees Pension Plan as determined by the pension plan actuary.

**Stormwater Fund**

The net position of the Stormwater Fund increased by \$1.7 million primarily due to the following; operating expenses coming in below budget and the timing of debt service relating to projects in the stormwater master plan.

**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 \$9.0 million.

The increase of \$5.8 million in the capital outlay budget is primarily due to appropriation of funds for the purchase of property located at 2671 N. Federal Highway for the Charlotte J. Burrie Civic Center, purchase of property located at 1207 E. Atlantic Boulevard, which was the site of the former library now located at the Cultural Center and the acquisition of certain equipment relating to capital lease for the Fire, Parks & Recreation, Development Services and Public Works functions.

The transfers-in budget increased by approximately \$16.1 million primarily due to the reimbursement of expenditures from the Capital Project 2018 GO Bonds Fund for the Pier project, purchase of the Elks property for the new Youth Sports Complex and cost of issuance for the Series 2018 Bonds.

**Final budget compared to actual**

Intergovernmental revenue was \$1.4 million higher than the final budget due to greater than anticipated

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receipts for state revenue sharing and half-cent sales tax revenue. Both sources are a function of sales and the City's population compared to other jurisdictions which participate in these State of Florida revenue sources.

Investment earnings were \$1.5 million higher than the final budget primarily as a result of the timing of amortization of premiums and discounts relating to the purchase of investments and increasing interest rates.

Capital outlay expenditures were \$1.5 million lower than the final budget primarily due to the timing of acquisition of certain equipment relating to capital lease for the Fire, Parks & Recreation, Development Services and Public Works functions.

**Capital Assets**

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2019, amounts to \$495.8 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, 2019 and 2018

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Totals</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Land	\$ 72,678,948	\$ 68,052,268	\$ 528,717	\$ 528,717	\$ 73,207,665	\$ 68,580,985
Construction in Progress	22,190,439	11,245,655	26,688,342	19,542,296	48,878,781	30,787,951
Buildings	40,101,351	43,234,169	43,240,650	45,480,100	83,342,001	88,714,269
Infrastructure	81,442,286	86,161,476	49,774,217	49,052,636	131,216,503	135,214,112
Improvements	95,899,465	93,990,239	47,563,762	41,295,914	143,463,227	135,286,153
Machinery & Equipment	9,158,798	8,700,094	6,416,619	6,113,315	15,575,417	14,813,409
Art Work	102,406	73,376	30,000	-	132,406	73,376
<b>TOTALS</b>	<b>\$ 321,573,693</b>	<b>\$ 311,457,277</b>	<b>\$ 174,242,307</b>	<b>\$ 162,012,978</b>	<b>\$ 495,816,000</b>	<b>\$ 473,470,255</b>

Major capital assets events during the fiscal year included:

**Governmental Activities**

- Capital projects under construction in governmental activities had a net increase of \$10.9 million, primarily as a result of major activity related to several projects. See capital asset and construction commitments in the notes to the financial statements, Note II (C)

**Business-type activities**

- Capital projects under construction in business-type activities increased by \$7.1 million as a result of major activity related to several projects in the current fiscal year, such as Pier Replacement, Esquire Lakes and Concentrate Deep Well Re-Lining projects.
- Improvements increased by approximately \$6.3 million primarily due to the net effect of the completion of various projects including Avondale Stormwater Draining, Airpark Taxiway and the

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recognition of current fiscal year depreciation expense.

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 \$153,422,588 outstanding compared to \$49,734,277 last year, a 208% increase.

**TABLE 4 - OUTSTANDING DEBT**  
September 30, 2019 and 2018

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Totals</b>	
	2019	2018	2019	2018	2019	2018
Revenue Bonds	\$ -	\$ -	\$ 2,990,000	\$ 5,925,000	\$ 2,990,000	\$ 5,925,000
Certificates of Participation	-	-	23,875,000	23,875,000	23,875,000	23,875,000
General Obligation Bonds	102,865,880	-	-	-	102,865,880	-
Tax increment bonds	10,045,000	11,320,542	-	-	10,045,000	11,320,542
Notes payable	5,023,439	1,361,105	5,913,561	4,928,107	10,937,000	6,289,212
Capital lease payable	2,404,730	2,324,523	304,978	-	2,709,708	2,324,523
Total	<u>\$ 120,339,049</u>	<u>\$ 15,006,170</u>	<u>\$ 33,083,539</u>	<u>\$ 34,728,107</u>	<u>\$ 153,422,588</u>	<u>\$ 49,734,277</u>

At September 30, 2019, the City's Certificates of Participation maintained a credit rating of AA- from Standard and Poor's and A-1 from Moody's. The Series 2018 Bonds maintained a credit rating of AA from Standard and Poor's and Aa2 from Moody's. None of the City's other long term obligations were required to carry a credit rating at fiscal year end.

Required principal, interest and reserves on outstanding debt were provided for during the year. The City's Water & Sewer Bonds are pledged with the revenues from the water and sewer system. The Series 2018 Bonds are pledged with the property taxes levied by the debt service millage. The City fully anticipates that it will meet future debt service requirements for outstanding bond issues based on these pledged revenue sources. Additional information on the City's long-term debt can be found in the notes to the financial statements, Note II (F).

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET RATES**

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

The City's tax base for the upcoming fiscal year (FY) increased by \$698M; a total of \$13,659,649,028. New construction totaled \$89,272,430. As the City continues to invest in its infrastructure, this will attract more private investment, which will increase the City's tax base. Business cycles aside, an increasing tax base allows the City to annually maintain the service levels while maintaining a competitive tax rate.

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The adopted millage rates for FY 2020 are as follows: General Fund operating millage (5.1875), Emergency Medical Services District millage rate (0.5000), and voted debt service millage rate (0.4451). Compared to FY 2019 adopted operating millage rate of 5.1361, the adopted millage rate of 5.1875 represents an increase of 0.0514 mills, or 1%. The adopted aggregate millage rate (City and EMS) of 5.6875 is approximately 0.2927 mills above the rollback rate of 5.3948. The rollback rate is the millage rate at which the City would raise the same amount of property taxes as in the previous fiscal year. The adopted operating millage rate is anticipated to levy approximately \$67.35M in property taxes to support and maintain service levels for the City's residents. Property taxes support about 44% of the total adopted General Fund budget of \$151,969,404. Compared to the FY 2019 adopted voted debt service millage rate of 0.4663, the FY 2020 adopted debt service millage rate of 0.4451 represents a decrease of -0.0212 mills, or -4.55%. The EMS adopted millage rate of .5000 has remained unchanged when compared to FY 2019 rate. Compared to the FY 2019 adopted aggregate millage rate (City, EMS, Voted Debt Service) of 6.1024, the FY 2020 adopted aggregate millage rate of 6.1326 represents an increase of 0.0302 mills or 0.49%.

The total City of Pompano Beach adopted budget for FY 2020 is \$308,097,547; this represents a -15.3% or a -\$55.5M decrease over the FY 2019 adopted budget of \$363,619,793. The major reason for this decrease is due to the budgeting for the three (3) different General Obligation Bond Capital Funds (G.O. Bond) in FY 2019. G.O. Bond capital improvement projects are part of the Five Year Capital Improvement Plan. As such, the funding for each project will continue to roll forward until such time as the funds are expended and the projects are completed. This will be under the supervision of the Finance and Budget Departments.

The General Fund budget accounts for about 49% of the total FY 2020 adopted budget. This is the fund where the majority of tax dollars are appropriated and it is where some of the most visible and vital services are funded; public safety services account for 55% of the total General Fund budget; general government services such as finance, development services 19%; public works 15%; and parks and recreation, tourism and cultural affairs 11%. The FY 2020 Adopted General Fund budget is \$151,969,404. This is approximately \$7.8M or 5% higher than the FY 2019 Adopted General Fund budget of \$144,131,108. The increases in the General Fund budget for FY 2020 can primarily be attributed to: police services (\$2.6M; to include payments for the School Resource Officers (SRO) grant program (\$547K); utilities (\$307K); maintenance (\$567K); recreation (\$444K); capital lease payment (\$627K) to amortize the cost of capital items primarily related to fire, EMS and parks and recreation; TIF increment payments to the Community Redevelopment Agency NW and East Districts) (\$1M); service charges (for example: information technologies charges, risk charges) (\$214K); professional services (\$413K); salaries to include cost of leaving adjustment and merit for general and firefighter employees (\$2.1M) to include additional personnel for the Burrie Center and Pier Division, Fire Department, Cultural Affairs/CRA, and Finance Departments; other benefits related to current and additional positions such as Fica and Veba (\$842K); pension contributions (\$265K). Reductions in other expenses (-\$1.3M) related to the reduction in transfers from the General Fund to the Capital Projects Fund and reductions in capital expenses due to the lease for the capital replacement plan (-\$330K).

#### **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, 2019**

	<b>Governmental Activities</b>	<b>Business- type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 28,711,441	\$ 7,378,852	\$ 36,090,293
Unrestricted investments	100,152,498	46,126,880	146,279,378
Restricted cash and cash equivalents	1,436,940	2,688,741	4,125,681
Restricted investments	92,890,251	4,283,219	97,173,470
Interest receivable	828,072	221,458	1,049,530
Accounts receivables (net)	5,451,263	6,501,602	11,952,865
Notes Receivable	110,000	-	110,000
Internal balances	536,335	(536,335)	-
Due from other governments	7,090,174	1,914,213	9,004,387
Inventories	1,274,820	251,919	1,526,739
Prepays	3,239,209	-	3,239,209
Other assets	128,232	-	128,232
Assets held for resale and redevelopment	41,203,685	-	41,203,685
<b>Capital assets:</b>			
Land and construction in progress	94,869,387	27,217,059	122,086,446
Other capital assets net of accumulated depreciation	226,704,306	147,025,248	373,729,554
Total capital assets net of accumulated depreciation	321,573,693	174,242,307	495,816,000
Total assets	604,626,613	243,072,856	847,699,469
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	-	44,428	44,428
Deferred outflows related to pensions	24,969,415	7,245,152	32,214,567
Deferred outflows related to OPEB	48,552	9,437	57,989
Total deferred outflows of resources	25,017,967	7,299,017	32,316,984

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

**CITY OF POMPANO BEACH, FLORIDA**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2019**

	<b>Governmental Activities</b>	<b>Business- type Activities</b>	<b>Total</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 5,021,854	\$ 6,629,282	\$ 11,651,136
Accrued expenses	2,955,992	541,759	3,497,751
Accrued interest payable	1,091,815	336,121	1,427,936
Customer deposits payable	41,841	-	41,841
Unearned revenue	3,075,001	-	3,075,001
<b>Liabilities payable from restricted assets:</b>			
Customer deposits payable	-	1,927,773	1,927,773
Accounts payable	686,661	173,086	859,747
Long term obligations	-	760,968	760,968
<b>Noncurrent liabilities:</b>			
Due within one year:			
Long term obligations	2,525,280	2,229,032	4,754,312
Notes Payable	469,746	1,135,300	1,605,046
Claims and judgments	3,064,565	-	3,064,565
Compensated absences	192,935	4,299	197,234
Capital lease payable	831,479	60,809	892,288
Certificates of participation payable	-	100,000	100,000
Due in more than one year:			
Long term obligations	110,385,600	-	110,385,600
Notes Payable	4,553,693	4,778,261	9,331,954
Claims and judgments	8,717,435	-	8,717,435
Compensated absences	6,650,794	1,238,216	7,889,010
Total OPEB liability	10,842,991	2,107,416	12,950,407
Capital lease payable	1,573,251	244,169	1,817,420
Certificates of participation payable	-	23,775,000	23,775,000
Net pension liability	158,251,786	19,754,745	178,006,531
Total liabilities	<u>320,932,719</u>	<u>65,796,236</u>	<u>386,728,955</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	7,507,959	1,742,345	9,250,304
<b>NET POSITION</b>			
Net investment in capital assets	203,060,029	141,661,961	344,721,990
<b>Restricted for:</b>			
Renewal and replacement/rate stabilization	-	3,824,452	3,824,452
Capital projects	88,032,730	458,767	88,491,497
Building permit function	16,245,842	-	16,245,842
Community Redevelopment	44,947,887	-	44,947,887
Cultural Arts	472	-	472
Public Safety	1,470,932	-	1,470,932
Debt Service	39,366	-	39,366
Transportation	33,518	-	33,518
Unrestricted	(52,626,874)	36,888,112	(15,738,762)
Total net position	<u>\$ 301,203,902</u>	<u>\$ 182,833,292</u>	<u>\$ 484,037,194</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, 2019**

<u>Functions/Programs</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental Activities:				
General government	\$ 35,577,198	\$ 16,654,780	\$ 10,683	\$ -
Public safety	111,695,017	37,862,409	5,732,255	-
Physical environment	21,377,901	156,286	286,274	2,948,802
Transportation	4,628,526	-	134,530	-
Economic environment	6,826,343	205,575	400	1,888,739
Culture and recreation	15,737,373	4,171,782	123,792	-
Interest on long-term debt	4,656,611	-	-	-
Total governmental activities	<u>200,498,969</u>	<u>59,050,832</u>	<u>6,287,934</u>	<u>4,837,541</u>
Business-Type Activities:				
Utility	48,476,314	45,786,936	-	203,350
Sanitation	9,724,021	8,736,057	-	-
Stormwater	2,180,894	3,740,653	-	-
Pier	179,121	-	-	-
Airpark	2,461,896	1,338,836	158,542	821,633
Parking	3,418,600	2,705,005	-	-
Total business-type activities	<u>66,440,846</u>	<u>62,307,487</u>	<u>158,542</u>	<u>1,024,983</u>
Total government	<u>\$ 266,939,815</u>	<u>\$ 121,358,319</u>	<u>\$ 6,446,476</u>	<u>\$ 5,862,524</u>
General revenues:				
Taxes:				
Property taxes, levied for general purposes				
Sales and use taxes				
Business tax receipts				
Utility taxes				
Communication service taxes				
Tax increment fees - Community Redevelopment Agency				
Pari Mutuel				
Franchise fees				
State revenue sharing				
Gain on sale of capital assets				
Investment earnings				
Miscellaneous revenue				
Transfers				
Total General Revenues and Transfers				
Changes in Net Position				
Net position-beginning				
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>
\$ (18,911,735)	\$ -	\$ (18,911,735)
(68,100,353)	-	(68,100,353)
(17,986,539)	-	(17,986,539)
(4,493,996)	-	(4,493,996)
(4,731,629)	-	(4,731,629)
(11,441,799)	-	(11,441,799)
(4,656,611)	-	(4,656,611)
<u>(130,322,662)</u>	<u>-</u>	<u>(130,322,662)</u>
-	(2,486,028)	(2,486,028)
-	(987,964)	(987,964)
-	1,559,759	1,559,759
-	(179,121)	(179,121)
-	(142,885)	(142,885)
-	(713,595)	(713,595)
<u>-</u>	<u>(2,949,834)</u>	<u>(2,949,834)</u>
<u>(130,322,662)</u>	<u>(2,949,834)</u>	<u>(133,272,496)</u>
75,636,605	-	75,636,605
2,001,987	-	2,001,987
2,181,550	-	2,181,550
13,057,418	-	13,057,418
4,222,546	-	4,222,546
12,433,633	-	12,433,633
2,066,464	-	2,066,464
8,426,808	-	8,426,808
11,284,676	-	11,284,676
-	52,904	52,904
6,747,746	2,384,101	9,131,847
772,893	85,890	858,783
212,981	(212,981)	-
<u>139,045,307</u>	<u>2,309,914</u>	<u>141,355,221</u>
8,722,645	(639,920)	8,082,725
292,481,257	183,473,212	475,954,469
<u>\$ 301,203,902</u>	<u>\$ 182,833,292</u>	<u>\$ 484,037,194</u>

**CITY OF POMPANO BEACH, FLORIDA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2019**

	<b>General</b>	<b>Northwest Community Redevelopment District</b>	<b>East Community Redevelopment District</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,034,761	\$ 5,983,917	\$ 4,417,945
Restricted cash and cash equivalents	1,311,567	-	51,425
Restricted investments	-	-	-
Unrestricted investments	44,372,527	4,186,858	2,138,586
Interest receivable	184,939	14,701	8,957
Accounts receivables, net	2,711,771	-	-
Notes receivable	-	110,000	-
Assets held for resale and redevelopment	-	38,002,738	2,700,404
Advances to other funds	2,262,142	-	-
Due from other funds	3,939,423	-	-
Due from other governments	2,325,535	100,000	-
Inventories	195,862	-	-
Prepays	225,487	10,879	14,448
Other assets	119,758	-	-
Total assets	<u>\$ 59,683,772</u>	<u>\$ 48,409,093</u>	<u>\$ 9,331,765</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 962,625	\$ 98,063	\$ 112,710
Accrued expenditures	1,982,251	-	-
Due to other funds	-	-	-
Advances from other funds	-	2,262,142	-
Deposits	6,178	28,624	6,605
Unearned revenue	1,239,309	4,500	-
Total liabilities:	<u>4,190,363</u>	<u>2,393,329</u>	<u>119,315</u>
Deferred inflows of resources:			
Unavailable revenue	<u>179,869</u>	<u>210,000</u>	<u>-</u>
Fund balances:			
Nonspendable	2,683,491	10,879	14,448
Restricted	-	45,794,885	9,198,002
Committed	-	-	-
Assigned	4,980,796	-	-
Unassigned	<u>47,649,253</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>55,313,540</u>	<u>45,805,764</u>	<u>9,212,450</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 59,683,772</u>	<u>\$ 48,409,093</u>	<u>\$ 9,331,765</u>

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

<b>Emergency Medical Services District</b>	<b>Capital Projects</b>	<b>Capital Project 2018 GO Bonds</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 241,644	\$ 3,486,950	\$ -	\$ 8,733,904	\$ 24,899,121
-	67,510	-	6,438	1,436,940
-	5,244,004	87,580,476	65,771	92,890,251
1,210,520	12,562,145	-	16,797,101	81,267,737
5,586	84,641	366,395	72,290	737,509
2,535,953	203,539	-	-	5,451,263
-	-	-	-	110,000
-	-	-	500,543	41,203,685
-	-	-	-	2,262,142
-	-	-	-	3,939,423
14,391	2,125,890	-	2,513,551	7,079,367
335,129	-	-	-	530,991
-	2,972,180	-	16,215	3,239,209
-	-	-	8,474	128,232
<u>\$ 4,343,223</u>	<u>\$ 26,746,859</u>	<u>\$ 87,946,871</u>	<u>\$ 28,714,287</u>	<u>\$ 265,175,870</u>
\$ 102,602	\$ 2,825,711	\$ 686,661	\$ 592,925	\$ 5,381,297
539,896	37,464	-	246,557	2,806,168
-	-	-	3,274,715	3,274,715
-	-	-	-	2,262,142
-	-	-	434	41,841
-	-	-	1,831,192	3,075,001
<u>642,498</u>	<u>2,863,175</u>	<u>686,661</u>	<u>5,945,823</u>	<u>16,841,164</u>
<u>1,894,664</u>	<u>1,889,332</u>	<u>-</u>	<u>2,152,461</u>	<u>6,326,326</u>
335,129	2,972,180	-	16,215	6,032,342
1,470,932	-	87,260,210	16,319,198	160,043,227
-	-	-	4,392,873	4,392,873
-	19,022,172	-	-	24,002,968
-	-	-	(112,283)	47,536,970
<u>1,806,061</u>	<u>21,994,352</u>	<u>87,260,210</u>	<u>20,616,003</u>	<u>242,008,380</u>
<u>\$ 4,343,223</u>	<u>\$ 26,746,859</u>	<u>\$ 87,946,871</u>	<u>\$ 28,714,287</u>	<u>\$ 265,175,870</u>

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

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Fund Balances - total governmental funds \$ 242,008,380

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	\$ 537,287,085	
Less accumulated depreciation	<u>(217,099,974)</u>	320,187,111

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	1,894,664	
FEMA - Hurricane IRMA	2,108,177	
Broward County - Ad Valorem	55,069	
Broward County - SRO	124,800	
Broward County - Old Pompano Streetscape	595,870	
Broward County - Traffic Signal - MLK Blvd.	299,039	
ETA NU Education Foundation	110,000	
National Endowment for the Arts	100,000	
CDBG/HOME Grants	44,284	
Communication service taxes	<u>994,423</u>	6,326,326

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 & General Obligation bonds	(112,910,880)	
Net pension liability	(158,251,786)	
Deferred outflows of resources related to pensions	24,969,415	
Deferred outflows of resources related to OPEB	46,041	
Deferred inflows of resources related to pensions	(7,507,959)	
Total OPEB liability	(10,282,148)	
Notes payable	(5,023,439)	
Compensated absences	(6,330,041)	
Capital lease payable	(2,404,730)	
Accrued interest payable	<u>(1,091,815)</u>	(278,787,342)

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

Assets and Deferred Outflows	24,931,372	
Liabilities and Deferred Inflows	<u>(13,948,280)</u>	10,983,092

Adjustment for Internal Service Funds look-back		<u>486,335</u>
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Net position of governmental activities		<u><u>\$ 301,203,902</u></u>
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The accompanying notes are an integral  
part of the financial statements.

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

	<b>General</b>	<b>Northwest Community Redevelopment District</b>	<b>East Community Redevelopment District</b>
<b>Revenues</b>			
Taxes	\$ 82,001,774	\$ 9,207,392	\$ 3,226,241
Judgments, fines and forfeitures	858,789	-	-
Permits, fees and special assessments	28,732,832	-	-
Intergovernmental	15,217,665	-	-
Charges for services	19,550,823	148,623	56,952
Pari-Mutuel	2,066,464	-	-
Donations	24,431	400	-
Program income	-	-	-
Investment earnings	2,325,732	155,699	97,217
Other revenue	635,597	56,687	-
Total revenues	<u>151,414,107</u>	<u>9,568,801</u>	<u>3,380,410</u>
<b>EXPENDITURES</b>			
<b>Current:</b>			
General government	25,334,012	-	-
Public safety	72,430,716	-	-
Physical environment	19,974,521	-	-
Transportation	2,960,382	-	-
Economic environment	-	3,576,143	584,022
Culture and recreation	13,129,605	-	-
<b>Debt Service:</b>			
Principal	802,036	585,393	735,000
Interest	57,580	114,077	362,355
<b>Capital outlay</b>	<u>4,634,244</u>	<u>289,690</u>	<u>3,340,774</u>
Total expenditures	<u>139,323,096</u>	<u>4,565,303</u>	<u>5,022,151</u>
Excess (deficiency) of revenues over (under) expenditures	<u>12,091,011</u>	<u>5,003,498</u>	<u>(1,641,741)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of capital assets	122,472	-	-
Proceeds from capital lease	1,913,511	-	-
Transfers in	16,294,181	13,689	-
Transfers out	(10,542,722)	-	-
Issuance of debt	-	-	-
Total other financing sources (uses)	<u>7,787,442</u>	<u>13,689</u>	<u>-</u>
Net change in fund balances	19,878,453	5,017,187	(1,641,741)
Fund balances - beginning	<u>35,435,087</u>	<u>40,788,577</u>	<u>10,854,191</u>
Fund Balances - ending	<u>\$ 55,313,540</u>	<u>\$ 45,805,764</u>	<u>\$ 9,212,450</u>

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

<b>Emergency Medical Services District</b>	<b>Capital Projects</b>	<b>Capital Project 2018 GO Bonds</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 6,199,372	\$ 3,740,272	\$ -	\$ 5,923,787	\$ 110,298,838
-	-	-	-	858,789
-	176,918	-	13,007,158	41,916,908
463,983	14,665	-	2,471,430	18,167,743
3,848,604	1,453,551	-	294,871	25,353,424
-	-	-	-	2,066,464
-	-	-	5,683	30,514
-	-	-	884,042	884,042
85,169	874,119	2,435,440	774,370	6,747,746
-	80,552	-	57	772,893
<u>10,597,128</u>	<u>6,340,077</u>	<u>2,435,440</u>	<u>23,361,398</u>	<u>207,097,361</u>
-	76,333	383,295	60	25,793,700
17,609,437	-	-	9,360,595	99,400,748
-	1,205,081	-	-	21,179,602
-	-	-	339,603	3,299,985
-	-	-	2,646,672	6,806,837
-	-	-	122,200	13,251,805
-	-	-	2,575,000	4,697,429
-	-	-	3,166,429	3,700,441
52,728	11,447,555	4,715,274	2,671,399	27,151,664
<u>17,662,165</u>	<u>12,728,969</u>	<u>5,098,569</u>	<u>20,881,958</u>	<u>205,282,211</u>
<u>(7,065,037)</u>	<u>(6,388,892)</u>	<u>(2,663,129)</u>	<u>2,479,440</u>	<u>1,815,150</u>
-	-	-	-	122,472
-	-	-	-	1,913,511
8,040,018	2,654,015	-	-	27,001,903
-	(860,000)	(15,221,200)	(165,000)	(26,788,922)
-	-	105,503,246	3,920,000	109,423,246
<u>8,040,018</u>	<u>1,794,015</u>	<u>90,282,046</u>	<u>3,755,000</u>	<u>111,672,210</u>
974,981	(4,594,877)	87,618,917	6,234,440	113,487,360
831,080	26,589,229	(358,707)	14,381,563	128,521,020
<u>\$ 1,806,061</u>	<u>\$ 21,994,352</u>	<u>\$ 87,260,210</u>	<u>\$ 20,616,003</u>	<u>\$ 242,008,380</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, 2019**

Net change in fund balances - total governmental funds \$ 113,487,360

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	\$ 27,151,664	
Less depreciation	<u>(16,549,067)</u>	10,602,597

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	1,148,199	
Change in pollution remediation obligation	985,599	
Change in total OPEB liability	(546,110)	
Loss on disposal of capital assets	(216,128)	
Donation of capital assets	743,073	
Change in compensated absences liability	(738,603)	
Change in accrued interest	<u>(1,018,536)</u>	357,494

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.

Proceeds from Long term obligations	105,503,246)	
Amortization of G.O. Bond premiums	62,366	
Proceeds from capital lease	(1,913,511)	
Proceeds from notes	(3,920,000)	
Principal payments	<u>4,697,429</u>	106,576,962)

Changes in the City's net pension liability, deferred outflows of resources and deferred inflows of resources for the current year are not reported in the governmental funds but are reported in the statement of activities.

The governmental funds report bond premiums, discounts and similar items as expenditures when debt is first issued, whereas those amounts are deferred and amortized in the statement of activities.

Change in deferred outflows of resources related to pensions	(5,680,474)	
Change in net pension liability	(3,026,336)	
Change in deferred inflows of resources related to pensions	<u>(1,376,224)</u>	(10,083,034)

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

The change in net position in the internal service funds is reported with governmental funds in the government-wide statement of activities. 1,211,254

Adjustment for Internal Service Funds look-back	(276,064)	
Change in Net Position - Governmental Activities	<u>\$ 8,722,645</u>	

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



**CITY OF POMPANO BEACH, FLORIDA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2019**

	Business-type Activities - Enterprise Funds					Governmental Activities
	Utility	Parking	Stormwater	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>ASSETS</b>						
Current assets:						
Cash and cash equivalents	\$ 5,187,302	\$ 445,298	\$ 1,347,085	\$ 399,167	\$ 7,378,852	\$ 3,812,320
Restricted cash and cash equivalents	2,688,741	-	-	-	2,688,741	-
Interest receivable	172,173	8,674	32,200	8,411	221,458	90,563
Accounts receivables, net	4,476,493	13,419	316,276	1,695,414	6,501,602	-
Due from other governments	284,794	-	442,493	1,186,926	1,914,213	10,807
Inventories	238,028	-	13,891	-	251,919	743,829
Total current assets:	13,047,531	467,391	2,151,945	3,289,918	18,956,785	4,657,519
Noncurrent assets:						
Unrestricted investments	35,630,758	1,748,230	6,748,251	1,999,641	46,126,880	18,884,761
Restricted investments	3,824,452	458,767	-	-	4,283,219	-
Capital assets:						
Land	467,725	-	-	60,992	528,717	-
Construction in progress	7,357,652	-	5,415,875	13,914,815	26,688,342	-
Buildings	50,717,305	22,355,752	-	1,656,670	74,729,727	254,536
Infrastructure	109,282,014	-	8,645,296	6,655,933	124,583,243	-
Improvements	72,505,778	-	13,613,098	21,009,168	107,128,044	423,838
Machinery and equipment	26,742,133	115,828	2,270,692	1,609,055	30,737,708	6,382,078
Art Work	30,000	-	-	-	30,000	-
Less accumulated depreciation	(162,519,207)	(2,314,044)	(10,466,111)	(14,884,112)	(190,183,474)	(5,673,871)
Total capital assets (net of accumulated depreciation)	104,583,400	20,157,536	19,478,850	30,022,521	174,242,307	1,386,581
Total noncurrent assets:	144,038,610	22,364,533	26,227,101	32,022,162	224,652,406	20,271,342
Total assets	157,086,141	22,831,924	28,379,046	35,312,080	243,609,191	24,928,861
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred charge on refunding	44,428	-	-	-	44,428	-
Deferred outflows related to pensions	6,192,388	25,000	191,379	836,385	7,245,152	-
Deferred outflows related to OPEB	7,991	-	457	989	9,437	2,511
Total deferred outflows of resources	6,244,807	25,000	191,836	837,374	7,299,017	2,511

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

**CITY OF POMPANO BEACH, FLORIDA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2019**

	<b>Business-type Activities - Enterprise Funds</b>					<b>Governmental Activities</b>
	<b>Utility</b>	<b>Parking</b>	<b>Stormwater</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total</b>	<b>Internal Service Funds</b>
<b>LIABILITIES</b>						
Current liabilities, unrestricted:						
Accounts payable	4,030,026	70,769	1,110,564	1,591,008	6,802,367	327,217
Accrued expenses	415,934	5,151	24,443	96,231	541,759	149,824
Accrued interest payable	27,028	309,093	-	-	336,121	-
Due to other funds	-	-	-	50,000	50,000	614,708
Compensated absences	3,113	-	1,186	-	4,299	14,589
Claims and judgments	-	-	-	-	-	3,064,565
Current portion of long-term debt	2,229,032	-	-	-	2,229,032	-
Notes payable	958,558	-	176,742	-	1,135,300	-
Capital lease payable	-	-	-	60,809	60,809	-
Certificates of participation payable	-	100,000	-	-	100,000	-
Total current liabilities, unrestricted	<u>7,663,691</u>	<u>485,013</u>	<u>1,312,935</u>	<u>1,798,048</u>	<u>11,259,687</u>	<u>4,170,903</u>
Current liabilities payable from restricted assets:						
Customer deposits payable	1,927,773	-	-	-	1,927,773	-
Current portion of long-term debt	760,968	-	-	-	760,968	-
Total current liabilities payable from restricted assets	<u>2,688,741</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,688,741</u>	<u>-</u>
Total current liabilities	<u>10,352,432</u>	<u>485,013</u>	<u>1,312,935</u>	<u>1,798,048</u>	<u>13,948,428</u>	<u>4,170,903</u>
Noncurrent liabilities:						
Compensated absences	937,116	1,193	42,788	257,119	1,238,216	499,099
Total OPEB liability	1,784,506	-	101,972	220,938	2,107,416	560,843
Claims and judgments	-	-	-	-	-	8,717,435
Notes payable	3,036,627	-	1,741,634	-	4,778,261	-
Capital lease payable	-	-	-	244,169	244,169	-
Certificates of participation payable	-	23,775,000	-	-	23,775,000	-
Net pension liability	16,495,139	-	358,667	2,900,939	19,754,745	-
Total noncurrent liabilities	<u>22,253,388</u>	<u>23,776,193</u>	<u>2,245,061</u>	<u>3,623,165</u>	<u>51,897,807</u>	<u>9,777,377</u>
Total liabilities	<u>32,605,820</u>	<u>24,261,206</u>	<u>3,557,996</u>	<u>5,421,213</u>	<u>65,846,235</u>	<u>13,948,280</u>
Deferred inflows related to pensions	1,507,462	-	46,670	188,213	1,742,345	-
<b>NET POSITION</b>						
Net investment in capital assets	97,642,642	(3,258,697)	17,560,474	29,717,542	141,661,961	1,386,581
Restricted:						
Renewal & replacement/rate stabilization	3,824,452	-	-	-	3,824,452	-
Capital Projects	-	458,767	-	-	458,767	-
Unrestricted	<u>27,750,572</u>	<u>1,395,648</u>	<u>7,405,741</u>	<u>822,486</u>	<u>37,374,447</u>	<u>9,596,511</u>
Total net position	<u>\$ 129,217,666</u>	<u>\$ (1,404,282)</u>	<u>\$ 24,966,215</u>	<u>\$ 30,540,028</u>	<u>\$ 183,319,627</u>	<u>\$ 10,983,092</u>

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

**CITY OF POMPANO BEACH, FLORIDA**

**RECONCILIATION OF THE ENTERPRISE FUNDS STATEMENT OF NET POSITION  
TO THE GOVERNMENTWIDE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2019**

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Net Position - Enterprise Funds	\$183,319,627
Adjustment to Enterprise Funds for Internal Service Funds look-back	(486,335)
Net Position - Business-type Activities	<u>\$182,833,292</u>

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

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

	Business-type Activities - Enterprise Funds					Governmental Activities
	Utility	Parking	Stormwater	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>OPERATING REVENUES</b>						
Charges for services	\$ 45,786,936	\$ 2,362,333	\$ 3,738,737	\$ 10,074,893	\$ 61,962,899	\$ 25,646,312
Fines and forfeitures	-	267,672	-	-	267,672	-
Miscellaneous	-	110,590	-	50,000	160,590	151,127
Total operating revenues	<u>45,786,936</u>	<u>2,740,595</u>	<u>3,738,737</u>	<u>10,124,893</u>	<u>62,391,161</u>	<u>25,797,439</u>
<b>OPERATING EXPENSES</b>						
Personnel services	12,309,724	36,973	322,574	3,693,868	16,363,139	3,593,857
Other current expenses	28,789,284	1,364,862	1,103,264	7,393,287	38,650,697	21,642,030
Depreciation and amortization	<u>7,313,374</u>	<u>768,265</u>	<u>768,655</u>	<u>1,323,288</u>	<u>10,173,582</u>	<u>350,916</u>
Total operating expenses	<u>48,412,382</u>	<u>2,170,100</u>	<u>(2,194,493)</u>	<u>12,410,443</u>	<u>65,187,418</u>	<u>25,586,803</u>
Operating income (loss)	<u>(2,625,446)</u>	<u>570,495</u>	<u>1,544,244</u>	<u>(2,285,550)</u>	<u>(2,796,257)</u>	<u>210,636</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Investment earnings	1,865,284	98,740	348,098	71,979	2,384,101	926,295
Miscellaneous revenue	-	-	-	-	-	1,627
Interest expense and fiscal agent fees	(273,486)	(1,251,473)	-	(2,317)	(1,527,276)	-
Operating grants and contributions	-	-	-	158,542	158,542	-
Gain or (loss) from disposition of capital assets	<u>44,628</u>	<u>-</u>	<u>-</u>	<u>8,276</u>	<u>52,904</u>	<u>11,629</u>
Total nonoperating revenues (expenses)	<u>1,636,426</u>	<u>(1,152,733)</u>	<u>348,098</u>	<u>236,480</u>	<u>1,068,271</u>	<u>939,551</u>
Income (loss) before contributions and transfers	(989,020)	(582,238)	1,892,342	(2,049,070)	(1,727,986)	1,150,187
Capital grants and contributions	203,350	-	-	821,633	1,024,983	61,067
Transfers out	<u>-</u>	<u>-</u>	<u>(212,981)</u>	<u>-</u>	<u>(212,981)</u>	<u>-</u>
Change in net position	<u>(785,670)</u>	<u>(582,238)</u>	<u>1,679,361</u>	<u>(1,227,437)</u>	<u>(915,984)</u>	<u>1,211,254</u>
Total net position - beginning	<u>130,003,336</u>	<u>(822,044)</u>	<u>23,286,854</u>	<u>31,767,465</u>	<u>184,235,611</u>	<u>9,771,838</u>
Total net position - ending	<u>\$ 129,217,666</u>	<u>\$ (1,404,282)</u>	<u>\$ 24,966,215</u>	<u>\$ 30,540,028</u>	<u>\$ 183,319,627</u>	<u>\$ 10,983,092</u>

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

**CITY OF POMPANO BEACH, FLORIDA****RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION OF ENTERPRISE FUNDS TO THE  
STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

---

Net change in Net Position - Enterprise Funds	\$ (915,984)
Adjustment to Enterprise Funds for Internal Service Funds look-back	<u>276,064</u>
Change in Net Position - Business-type Activities	<u>\$ (639,920)</u>

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

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

	<b>Business-type Activities - Enterprise Funds</b>					<b>Governmental Activities</b>
	<b>Utility</b>	<b>Parking</b>	<b>Stormwater</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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,443,146
Receipts from customers	45,319,366	2,767,260	3,666,280	9,282,005	61,034,911	3,355,071
Payments to suppliers/Insurer	(28,826,503)	(1,453,466)	(593,049)	(8,182,887)	(39,055,905)	(18,861,943)
Payments to employees	(10,118,430)	(55,629)	(539,440)	(2,028,977)	(12,742,476)	(3,435,226)
Claims paid	-	-	-	-	-	(2,399,471)
Net cash provided (used) by operating activities	<u>6,374,433</u>	<u>1,258,165</u>	<u>2,533,791</u>	<u>(929,859)</u>	<u>9,236,530</u>	<u>1,101,577</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Advances from other funds	-	-	-	50,000	50,000	2,840
Interest paid on utility deposits	(5,832)	-	(212,981)	-	(218,813)	-
Net cash provided (used) by noncapital financing activities	<u>(5,832)</u>	<u>-</u>	<u>(212,981)</u>	<u>50,000</u>	<u>(168,813)</u>	<u>2,840</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Acquisition and construction of capital assets	(11,237,663)	-	(6,103,132)	(5,216,318)	(22,557,113)	(522,326)
Operating grants and contributions	-	-	-	129,488	129,488	-
Capital grants and contributions	203,350	-	-	976,268	1,179,618	-
Proceeds from capital debt	-	-	2,006,747	285,000	2,291,747	-
Proceeds from the sale of surplus materials/capital assets	45,132	-	-	9,379	54,511	12,570
Principal paid on bonds/notes	(3,867,922)	-	(88,371)	(13,653)	(3,969,946)	-
Payments to fiscal agents	-	(1,525)	-	-	(1,525)	-
Interest paid on bonds/notes	(224,121)	(1,249,948)	-	(2,317)	(1,476,386)	-
Net cash provided (used) by capital and related financing activities	<u>(15,081,224)</u>	<u>(1,251,473)</u>	<u>(4,184,756)</u>	<u>(3,832,153)</u>	<u>(5,393,346)</u>	<u>(509,756)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Calls/maturities of investments	(14,135,348)	(790,686)	(2,417,650)	(716,396)	(18,060,080)	(6,765,714)
Purchase of investments	22,913,502	850,460	4,224,404	4,972,010	32,960,376	6,811,958
Interest earnings	1,865,625	97,342	349,850	84,589	2,397,406	907,344
Net cash provided (used) by investing activities	<u>10,643,779</u>	<u>157,116</u>	<u>2,156,604</u>	<u>4,340,203</u>	<u>17,297,702</u>	<u>953,588</u>
Net increase (decrease) in cash and cash equivalents	1,931,156	163,808	292,658	(371,809)	2,015,813	1,548,249
Cash and cash equivalents, beginning of the year	<u>5,944,887</u>	<u>281,490</u>	<u>1,054,427</u>	<u>770,976</u>	<u>8,051,780</u>	<u>2,264,071</u>
Cash and cash equivalents, end of the year	<u>\$ 7,876,043</u>	<u>\$ 445,298</u>	<u>\$ 1,347,085</u>	<u>\$ 399,167</u>	<u>\$ 10,067,593</u>	<u>\$ 3,812,320</u>
Cash and cash equivalents, unrestricted	\$ 5,187,302	\$ 445,298	\$ 1,347,085	\$ 399,167	\$ 7,378,852	\$ 3,812,320
Cash and cash equivalents, restricted	<u>2,688,741</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,688,741</u>	<u>-</u>
Cash and cash equivalents, end of the year	<u>\$ 7,876,043</u>	<u>\$ 445,298</u>	<u>\$ 1,347,085</u>	<u>\$ 399,167</u>	<u>\$ 10,067,593</u>	<u>\$ 3,812,320</u>
<b>Non-cash transactions (Investing Activities):</b>						
Changes in fair value of investments	836,716	42,118	156,275	40,653	919,487	428,990

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, 2019**

	<b>Business-type Activities - Enterprise Funds</b>					<b>Governmental Activities</b>
	<b>Utility</b>	<b>Parking</b>	<b>Stormwater</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)	\$ (2,625,446)	\$ 570,495	\$ 1,544,244	\$ (2,285,550)	\$ (2,796,257)	\$ 210,636
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation and amortization expense	7,313,374	768,265	768,655	1,323,288	10,173,582	350,916
Non-cash pension expense	2,050,265	(25,000)	(223,163)	1,576,578	3,378,680	-
<b>Changes in assets and liabilities:</b>						
<b>(Increase) decrease in assets:</b>						
Accounts receivables	(286,030)	26,665	(72,457)	(963,398)	(1,295,220)	-
Due from other governments	(202,990)	-	-	120,510	(82,480)	778
Inventories	(50,822)	-	(3,906)	-	(54,728)	51,529
<b>Increase (decrease) in liabilities:</b>						
Accounts and other payables	(81,177)	(88,604)	508,705	(801,334)	(462,410)	(154,700)
Accrued expenses	32,410	5,151	(1,551)	19,556	55,566	25,049
Customer deposits payable	21,450	-	-	-	21,450	-
Other Post Employment Benefits (OPEB)	94,780	-	5,416	11,734	111,930	29,787
Compensated absences	108,619	1,193	7,848	68,757	186,417	133,582
Estimated claims payable	-	-	-	-	-	454,000
<b>Net cash provided (used) by operating activities</b>	<b>\$ 6,374,433</b>	<b>\$ 1,258,165</b>	<b>\$ 2,533,791</b>	<b>\$ (929,859)</b>	<b>\$ 9,236,530</b>	<b>\$ 1,101,577</b>

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, 2019**

	<b>Employee Retirement Plans</b>	<b>Agency Fund</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 138,037	\$ 884,473
Receivables:		
Accrued interest and dividends	570,809	-
Due from brokers	1,975,978	-
Other	221,493	-
Miscellaneous receivable	65,986	-
Total receivables	2,834,266	-
Other assets	6,438	-
Investments:		
US Government obligations	28,301,855	-
Mortgage backed securities	19,922,348	-
Municipal obligations	425,182	-
Corporate obligations	31,681,543	-
Equity securities	165,921,681	-
Mutual funds and collective trusts	80,196,783	-
Hedge funds & private equity funds	63,563,166	-
Real estate funds	29,409,852	-
Money market funds	12,707,930	-
Pompano Beach Investors LLC	3,000,000	-
Total investments	435,130,340	-
Prepayments and other assets	1,753,583	-
Property & equipment, net of accumulated depreciation	194,035	-
Total assets	440,056,699	884,473
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	392,400	-
Due to brokers	2,641,067	-
Deposits, sales tax & payroll taxes payable	-	884,473
Total liabilities	3,033,467	\$ 884,473
<b>NET POSITION</b>		
Restricted for pension benefits	\$ 437,023,232	\$ -

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, 2019**

	<b>Employee Retirement Plans</b>
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 15,161,977
Broward County Sheriff's Office	5,201,501
Broward County - Library	17,572
Members	4,738,267
State	2,559,937
Total contributions:	<u>27,679,254</u>
Investment income	
Net appreciation in fair value of investments	7,653,243
Interest and dividends	9,356,057
Other	174,978
Total investment income	<u>17,184,278</u>
Less: investment expenses	<u>2,087,448</u>
Net Investment Income	<u>15,096,830</u>
Total	<u>42,776,084</u>
<b>DEDUCTIONS</b>	
Participant benefit payments	38,155,567
Benefits paid from DROP	3,625,326
Refunds of participant contributions	347,171
Administrative expenses	1,196,071
Total	<u>43,324,135</u>
Net change in net position	(548,051)
<b>Net position restricted for pension benefits</b>	
Beginning of the year	<u>437,571,283</u>
End of the year	<u><u>\$ 437,023,232</u></u>

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

## **Notes to the Financial Statements**

**CITY OF POMPANO BEACH, FLORIDA  
INDEX TO  
NOTES TO THE FINANCIAL STATEMENTS  
FISCAL YEAR ENDED SEPTEMBER 30, 2019**

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**CITY OF POMPANO BEACH, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**(I) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

Internal service funds of a government (which provide services primarily to other funds of the government) are presented as part of the proprietary fund financial statements. Since the principal users of the internal services are the City's governmental activities, financial statements of internal service funds are primarily included in the governmental column when presented at the government-wide level. The costs of these services are allocated to the appropriate functional activity.

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

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

**(A) The Financial Reporting Entity**

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

- City of Pompano Beach General Employees' Retirement System (GERS), 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, 2019**

**(B) Blended Component Unit Disclosure**

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

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

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

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

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

**(C) Government-wide and Fund Financial Statements**

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

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

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

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

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

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

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

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

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

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The City reports the following major governmental funds:

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

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

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

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

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

Capital Project 2018 GO Bonds accounts for the resources accumulated and expenditures made for the acquisition or construction of long term capital assets for the General Obligation Bonds – Series 2018.

The City reports the following major proprietary funds:

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

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

The Stormwater Fund which accounts for the provision of stormwater services to residents of the City and surrounding areas.

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

Additionally, the City reports the following fund types:

**Internal Service Funds**

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

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**Fiduciary Funds:**

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

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

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

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

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

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

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

**(E) Cash and Cash Equivalents**

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

**(F) Investments**

Investments in participating interest-earning contracts that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost. All other investments, including pension trust fund and component unit investments, are reported at fair value or amortized cost. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the



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

#### **(G) Inventories/Prepays**

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

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

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

#### **(I) Capital Assets**

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

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

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

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

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

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Art Work

5-50 Years

Major outlays for capital assets and improvements are capitalized as projects are constructed

**(J) Deferred Inflows & Outflows of Resources**

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

**(K) Risk Management**

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

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

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

**(L) Compensated Absences**

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

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**(M) Long-term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts and gain/loss on bond refunding are deferred and amortized over the life of the bonds using the straight line method, which is not materially different than the effective interest method. Bonds payable are reported net of the unamortized amount of the applicable bond premium/discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Payments on debt are recorded as expenditures. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Debt issuance costs, except any portion related to prepaid insurance costs, are recognized as an expense in the period incurred in government-wide and proprietary fund statements. Prepaid insurance costs are reported as an asset and recognized as an expense over the duration of the related debt.

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

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

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

At September 30, 2019 the City recorded a net pension liability related to the General Employees Retirement Plan and a net pension liability related to the Police and Firefighters' Retirement Plan in its government-wide and enterprise fund statements of net position, as applicable. For governmental activities it is expected that the net pension liability will be liquidated by the General and EMS Funds. For business-type activities, the enterprise funds will be responsible for liquidating that component of the City's net pension liability and the net pension liability is recorded within these individual fund financial statements to reflect this, in accordance with accounting recognition criteria. The

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

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

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

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

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

**(P) Pollution Remediation Obligations**

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

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

The City measures pollution remediation obligations using the expected cash flow

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technique. Estimates of a pollution remediation liability are adjusted when benchmarks are met or when new information indicates changes in estimated outlays due to, for example, changes in the remediation plan or operating conditions. These changes may include the type of equipment, facilities, and services that will be used, price increases or reductions for specific outlay elements such as ongoing monitoring requirements, changes in technology, and changes in legal or regulatory requirements. The City has adopted a minimum reporting threshold of \$100,000, per obligating event. Therefore only remediation sites with outlays estimated to meet or exceed that amount are reported in the financial statements. The City has not recorded any pollution remediation obligations at September 30, 2019.

#### **(Q) Unearned/Unavailable**

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

#### **(R) Fund Equity/Net Position**

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

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

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assigned for those specific purposes.

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

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

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

**(S) Restricted Net Position**

Restricted Net Position consists of amounts restricted to comply with grant contracts and other externally imposed constraints or by legislation that are legally enforceable. At September 30, 2019, the Government-wide statement of net position reports \$155,053,966 in restricted net position. Of this amount, \$61,266,613 is restricted as a result of enabling legislation.

**(T) Accounting Estimates**

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

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

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

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

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

The following are components of the cash, cash equivalents and investments at September 30, 2019:

	<b>Unrestricted</b>		<b>Restricted</b>		<b>Total cash, cash equivalents and investments</b>
	<b>Cash and cash equivalents</b>	<b>Investments</b>	<b>Cash and cash equivalents</b>	<b>Investments</b>	
Governmental activities:					
General	\$ 2,034,761	\$ 44,372,527	\$ 1,311,567	\$ -	\$ 47,718,855
Northwest Community					
Redevelopment District	5,983,917	4,186,858	-	-	10,170,775
East Community					
Redevelopment District	4,417,945	2,138,586	51,425	-	6,607,956
Emergency Medical Services					
District	241,644	1,210,520	-	-	1,452,164
Capital Projects	3,486,950	12,562,145	67,510	5,244,004	21,360,609
Capital Project 2018 GO Bonds	-	-	-	87,580,476	87,580,476
Nonmajor Governmental Funds	8,733,904	16,797,101	6,438	65,771	25,603,214
Internal Service Funds	3,812,320	18,884,761	-	-	22,697,081
Total governmental	28,711,441	100,152,498	1,436,940	92,890,251	223,191,130
Business-type activities:					
Utility	5,187,302	35,630,758	2,688,741	3,824,452	47,331,253
Parking	445,298	1,748,230	-	458,767	2,652,295
Stormwater	1,347,085	6,748,251	-	-	8,095,336
Nonmajor Enterprise Funds	399,167	1,999,641	-	-	2,398,808
Total business-type	7,378,852	46,126,880	2,688,741	4,283,219	60,477,692
Fiduciary Funds	1,022,510	435,130,340	-	-	436,152,850
Total	\$ 37,112,803	\$ 581,409,718	\$ 4,125,681	\$ 97,173,470	\$ 719,821,672

**Public Deposits:**

At September 30, 2019, the book balance of the City's deposits was \$41,238,484 and the bank balance was \$41,689,357. 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

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

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



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

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

<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% <sup>(1)</sup>	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% <sup>(2)</sup>	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

<sup>(1)</sup> 10% for treasury strips

<sup>(2)</sup> excludes one (1) business day agreements and overnight sweep agreements

NA-not applicable

At September 30, 2019 the City held investments in Florida Cooperative Liquid Assets Securities System (FLCLASS) 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 FLCLASS is the responsibility of a Board of Trustees who are selected from the ranks of elected officials of governmental entities participating in the respective investment pools.

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

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

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

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

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

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**Security:**

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

**Fair Value Measurement**

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

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

The City has the following recurring fair value measurements as of September 30, 2019:

		<b>Fair Value Hierarchy</b>		
		<b>Quotes Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
<b>Investments by fair value level</b>	<b>Reported Value</b>			
U.S. Treasury Notes	\$ 82,888,867	\$ -	\$ 82,888,867	\$ -
U.S. Sponsored Agencies	97,070,840	-	97,070,840	-
Asset Backed Securities	9,037,494	-	9,037,494	-
Corporate Bonds	52,206,393	-	52,206,393	-
Total investments by fair value level	241,203,594	<u>\$ -</u>	<u>\$ 241,203,594</u>	<u>\$ -</u>
Intergovernmental Investment Pool	2,249,252			
Demand Deposits	24,915,319			
Money Market Mutual Funds	16,185,130			
Total Government-wide & Agency Fund	<u>\$ 284,553,295</u>			

**CITY OF POMPANO BEACH, FLORIDA**  
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**GERS Fair Value Measurements**

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

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

Mutual funds: Valued at the daily closing price as reported by the Plan. Mutual funds held by the Plan are open-ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

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

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

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

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

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The following table presents the Plan's fair value hierarchy for investments at fair value as of September 30, 2019:

Investments by fair value level	Reported Value	Fair Value Hierarchy		
		(Level 1)	(Level 2)	(Level 3)
Equity securities:				
Common stocks	\$ 37,910,268	\$ 37,910,268	\$ -	\$ -
Mutual funds	80,196,783	80,196,783	-	-
Total equity securities	118,107,051	118,107,051	-	-
Debt securities:				
U.S. treasury securities	2,839,131	2,839,131	-	-
U.S. agency securities	7,848,012	-	7,848,012	-
Corporate bonds	14,113,287	-	14,113,287	-
Total debt securities	24,800,430	2,839,131	21,961,299	-
Total investments by fair value level	142,907,481	\$ 120,946,182	\$ 21,961,299	\$ -
<b>Investments measured at the net asset value (NAV) (1)</b>				
Real estate	29,409,852			
Private equity	14,098,949			
Total investments measured at NAV	43,508,801			
Money market funds (exempt)	5,275,095			
Total investments	\$ 191,691,377			

(1) As required by GAAP, certain investments that are measured at net asset value have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the total investment line item in the statement of fiduciary net position.

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

Investment Type	Reported Value	Unfunded Commitment	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Real estate (1)	\$ 22,660,466	\$ -	Quarterly	45 Days
Real estate (2)	6,749,386	-	Quarterly	10 Days
Private equity (3)	3,095,642	136,594	N/A	N/A
Private equity (3)	11,003,307	-	N/A	N/A
Total investments measured at the NAV	\$ 43,508,801	\$ 136,594		

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

(2) Real estate fund: This fund is an open-end, commingled investment vehicle with a multidisciplinary investment strategy. Diversified nationally, the foundation of the portfolio is to acquire yield-driven assets consisting of all property types. The investment is valued at NAV and redemption request must be received by the fund 10 days prior to quarter end.

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

**PFRS Fair Value Measurements**

The PFRS categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

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

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

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

The following is a description of the fair value techniques for the Plan's investments:

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

Money market funds are reported at amortized cost.

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

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

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

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The following is a summary of the fair value hierarchy of the fair value of investments as of September 30, 2019:

<b>Investments by fair value level</b>	<b>Reported Value</b>	<b>Fair Value Hierarchy</b>		
		<b>(Level 1)</b>	<b>(Level 2)</b>	<b>(Level 3)</b>
Debt securities:				
U.S. Government agency obligations	\$ 17,614,712	\$ -	\$ 17,614,712	\$ -
Mortgage backed securities	19,922,348	-	19,922,348	-
Municipal obligations	425,182	-	425,182	-
Corporate obligations	17,568,256	-	17,568,256	-
Total debt securities	55,530,498	-	55,530,498	-
Equity securities:				
Common stock	76,610,336	76,610,336	-	-
ADR's	28,959,448	28,959,448	-	-
Partnerships publicly traded	6,187,888	-	6,187,888	-
Foreign stock	10,994,224	10,994,224	-	-
Mutual fund equities	4,095,832	4,095,832	-	-
Preferred stock	523,827	523,827	-	-
REITS	639,858	639,858	-	-
Total equity securities	128,011,413	121,823,525	6,187,888	-
Pompano Beach Investors, LLC	3,000,000	-	3,000,000	-
Total investments by fair value level	186,541,911	\$ -	\$ -	\$ -
<b>Investments measured at the net asset value (NAV)</b>				
Fund of hedge funds	22,829,457			
Core real estate fund	17,936,286			
Private equity fund of funds	8,698,474			
Total investments measured at NAV	49,464,217			
Money market funds (exempt)	7,432,835			
Total investments	<u>\$ 243,438,963</u>			



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

<b>Investments measured at the (NAV)</b>	<b>Reported Value</b>	<b>Unfunded Commitment</b>	<b>Redemption Frequency (if Currently Eligible)</b>	<b>Redemption Notice Period</b>
Fund of hedge funds - multi strategy (1)	\$ 12,146,093	\$ -	Semi-Annual	95 Days
Fund of hedge funds - multi strategy (2)	10,683,364	-	Quarterly	95 Days
Core real estate fund (3)	17,936,286	-	Quarterly	45 Days
Private equity fund of funds (4)	3,468,628	1,725,000	N/A	N/A
Private equity fund of funds (4)	3,056,821	870,000	N/A	N/A
Private equity fund of funds (5)	1,261,620	347,374	N/A	N/A
Private equity fund of funds (6)	911,405	712,569	N/A	N/A
Total investments measured at the NAV	<u>\$ 49,464,217</u>			

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

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

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

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

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

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

**Risk Disclosures:**

*Interest Rate Risk* – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an

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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.

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, 2019:

<b>Investment Type</b>	<b>Reported 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. Treasury Notes	\$ 82,888,867	\$42,340,728	\$25,129,836	\$ 3,907,285	\$ 6,733,191	\$4,777,827	\$ -
U.S. Sponsored Agencies	97,070,840	48,730,240	14,778,770	2,488,412	3,654,304	5,016,570	22,402,544
Asset Backed Securities	9,037,494	-	1,940,082	2,195,463	1,254,159	3,647,790	-
Corporate Bonds	52,206,393	19,986,296	17,025,015	9,525,159	3,688,678	1,981,245	-
Intergovernmental Investment Pool	<u>2,249,252</u>	<u>2,249,252</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 243,452,846</u>	<u>\$ 13,306,516</u>	<u>\$58,873,703</u>	<u>\$ 18,116,319</u>	<u>\$15,330,332</u>	<u>\$ 5,423,432</u>	<u>\$22,402,544</u>
Breakdown Government-wide							
Investments --							
(subject to interest rate risk)	\$ 243,452,846						
Deposits --							
(not subject to interest rate risk)							
Money Market Savings	7,939,271						
Cash & Cash Equivs. (other deposits)	<u>33,161,178</u>						
Total Government-wide &							
Agency Fund	<u>\$ 284,553,295</u>						

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

The General Employees Retirement System (the GERS) plan exposure to foreign currency risk derives mainly from its investments in international equity funds. The Plan owns participation in international equity funds as well as individual securities. The investment policy limits the foreign investments to no more than 25% of the Plan's investment balance. As of year-end, the foreign investments represented 11.66% of total investments.

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, 2019:

Investment Type	Remaining Maturity (in years)				
	Reported Value	Less than 1	1 to 5	6 to 10	More than 10
Corporate Bonds	\$ 14,113,287	\$ 1,237,867	\$ 9,931,143	\$ 2,797,827	\$ 146,450
US Treasuries	2,839,131	1,375,537	417,036	1,046,558	-
US Agencies	7,848,012	-	308,038	148,647	7,391,327
	24,800,430	<u>\$ 2,613,404</u>	<u>\$ 10,656,217</u>	<u>\$ 3,993,032</u>	<u>\$ 7,537,777</u>
<b>Investment types not subject to interest rate risk:</b>					
Common Stock	37,910,268				
Real Estate	29,409,852				
Mutual Funds	80,196,783				
Private Equity	14,098,949				
Money Market funds	5,275,095				
Total Investments	<u>\$ 191,691,377</u>				

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

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Information about the sensitivity of the fair values of the investments for the PFRS to market interest rate fluctuations is provided by the following table which shows the distribution of the plan's investments by remaining maturity at September 30, 2019:

Investment Type	Remaining Maturity (in years)				
	Reported Value	Less than 1	1 to 5	6 to 10	More than 10
U.S. Treasuries, notes and bonds	\$ 16,771,984	\$ 962,703	\$ 8,394,905	\$ 2,685,715	\$ 4,728,661
U.S. Federal agencies	485,879	-	485,879	-	-
US Mortgage backed securities	13,557,237	-	5,300	67,208	13,484,729
U.S. Treasury/Inflation protected securities	356,849	-	299,019	-	57,830
Municipal obligations	425,182	258,496	-	-	166,686
Corporate obligations	17,568,256	407,193	6,462,312	5,887,402	4,811,349
Collateralized mortgage obligations	6,365,111	-	-	1,724,150	4,640,961
	55,530,498	\$ 1,628,392	\$ 15,647,415	\$ 10,364,475	\$ 27,890,216
<b>Investment types not subject to interest rate risk:</b>					
Equity securities	128,011,413				
Hedge funds & private equity	31,527,931				
Real estate	20,936,286				
Money market funds	7,432,835				
Total Investments	<u>\$ 243,438,963</u>				

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

# CITY OF POMPANO BEACH, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2019

Corporate notes limits (25%) and commercial paper limits (25%) are established with additional asset allocation limits for the sector (10%) and issuer (2%). The following table discloses composite credit ratings by investment type for the City as rated by Moody's or Standard & Poor's (Fitch for LGIP) at September 30, 2019:

Investment Type	Rating at September 30, 2019				
	Reported Value	Aaa/AAA/Aa1/Aa2			
		AAAm	P-1	Aa3/A1/A2/A3	AAAf/S2
U.S. Treasury Notes	\$ 82,888,867	\$ -	\$ -	\$ 82,888,867	\$ -
U.S. Sponsored Agencies	97,070,840	-	16,248,029	80,822,811	-
Asset Backed Securities	9,037,494	-	-	9,037,494	-
Corporate Bonds	52,206,393	-	-	52,206,393	-
Money Market Mutual Funds	1,115,823	1,115,823	-	-	-
Local Gov't Investment Pool (LGIP)	2,249,252	2,249,252	-	-	-
<b>Total Investments with Credit Risk</b>	<b>244,568,669</b>	<b>\$ 3,365,075</b>	<b>\$ 16,248,029</b>	<b>\$ 224,955,565</b>	<b>\$ -</b>
Demand Deposits	39,984,626				
<b>Total City Portfolio</b>	<b>\$ 284,553,295</b>				

The City's General Employees Retirement Plan utilizes portfolio diversification, as well as minimum credit ratings in order to control credit risk. The Plan limits investment in the securities of any one issuer, other than the U.S. Government and its agencies, to no more than 5% of fiduciary net position. The Plan had no such investments as of September 30, 2019.

The following table discloses credit ratings by investment type for the General Employees Retirement Plan at September 30, 2019, as applicable:

	Reported Value	Percentage of Portfolio
Quality rating of credit risk debt securities		
A1	\$ 695,222	2.80%
A2	3,571,462	14.40%
A3	3,900,796	15.73%
AA1	155,964	0.63%
AA2	232,065	0.94%
AA3	918,481	3.70%
AAA	3,643,149	14.69%
BAA1	2,462,041	9.93%
BAA2	1,206,874	4.87%
BAA3	322,954	1.30%
Not rated	7,691,422	31.01%
Total credit risk debt securities	24,800,430	100.00%
Total fixed income securities	\$ 24,800,430	100.00%

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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 Baa3 are limited to 15% of the fixed income portfolio. The fixed income investments credit ratings for the fiscal year ended September 30, 2019 ranged between AAA and Baa3 and below ratings. All of the fixed income investments for the fiscal year ended September 30, 2019 met the ratings requirements of the investment policy or an approved exception thereto.

	<b>Reported Value</b>	<b>Corporate</b>	<b>Bond Fund</b>	<b>Municipal</b>	<b>U.S. Government</b>
U.S. government guaranteed*	<u>\$36,090,428</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,090,428</u>
Quality rating of credit risk debt securities:					
AAA	1,725,706	1,725,706	-	-	-
Aa1	232,901	166,235	-	66,666	-
Aa2	421,978	386,917	-	35,061	-
Aa3	472,077	472,077	-	-	-
A1	1,250,014	1,185,055	-	64,959	-
A2	2,476,894	2,476,894	-	-	-
A3	3,701,081	3,701,081	-	-	-
Baa1 and Below	7,554,334	7,295,838	-	258,496	-
Not rated	<u>1,605,085</u>	<u>1,605,085</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total credit risk debt securities	<u>19,440,070</u>	<u>19,014,888</u>	<u>-</u>	<u>425,182</u>	<u>-</u>
Total fixed income securities	<u>\$55,530,498</u>	<u>\$19,014,888</u>	<u>\$ -</u>	<u>\$ 425,182</u>	<u>\$ 36,090,428</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, 2019.

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, 2019.

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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). The Invesco Core Real Estate U.S.A. LP investment is 7.3% of the System's net position restricted for pension benefits.

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

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**SEPTEMBER 30, 2019**

**(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 \$948,113, are as follows:

<b>Governmental</b>	<b>General</b>	<b>NW CRA</b>	<b>EMS</b>	<b>Capital Projects</b>	<b>Non-Major Govt'l</b>	<b>Internal Service</b>	<b>Total</b>
Receivables:							
Electric franchise tax	\$ 1,594,036	\$ -	\$ -	19,155	\$ -	\$ -	1,613,191
Electric utility tax	814,159	-	-	184,384	-	-	998,543
EMS transport fees	-	-	3,481,302	-	-	-	3,481,302
Utility tax	150,685	-	-	-	-	-	150,685
Slot machine revenue	141,404	-	-	-	-	-	141,404
Other	14,251	110,000	-	-	-	-	124,251
Less: Allowance for uncollectibles	(2,764)	-	(945,349)	-	-	-	(948,113)
Total governmental receivables (net)	<u>\$ 2,711,771</u>	<u>\$110,000</u>	<u>\$ 2,535,953</u>	<u>\$ 203,539</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,561,263</u>
Due from other governments:							
State half cents sales tax	1,155,392	-	-	-	-	-	1,155,392
State local option gas tax	192,088	-	-	110,113	80,746	-	382,947
Motor fuel tax	-	-	-	-	-	10,807	10,807
State of Florida - Division of Emergency Mgmt	-	-	-	-	102,390	-	102,390
State of Florida - NEA Grant	-	100,000	-	-	-	-	100,000
FL Communications service ta	676,634	-	-	1,120,868	-	-	1,797,502
Broward County court fines	4,843	-	-	-	-	-	4,843
Broward County - ad valorem taxes	94,806	-	14,391	-	675	-	109,872
Broward County - OES	64,693	-	-	-	-	-	64,693
Broward County - Old Pompano Streetscape	-	-	-	595,870	-	-	595,870
Broward County - MLK Traffic Light	-	-	-	299,039	-	-	299,039
Broward County - Art Work	-	-	-	-	9,525	-	9,525
Broward Sheriff's Office	12,279	-	-	-	-	-	12,279
Broward Sheriff's Office -SRO	124,800	-	-	-	-	-	124,800
FEMA	-	-	-	-	2,185,674	-	2,185,674
CDBG - HUD	-	-	-	-	90,256	-	90,256
Home - HUD	-	-	-	-	44,285	-	44,285
Total due from other governments	<u>\$ 2,325,535</u>	<u>\$100,000</u>	<u>\$ 14,391</u>	<u>\$ 2,125,890</u>	<u>\$ 2,513,551</u>	<u>\$ 10,807</u>	<u>\$ 7,090,174</u>



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<b>Business-type</b>	<b>Utility</b>	<b>Parking</b>	<b>Storm Water</b>	<b>Nonmajor Enterprise</b>	<b>Total</b>
Receivables:					
Water /sewer customer charges	\$4,542,331	\$ -	\$ -	-	\$4,542,331
Solid waste service charges	-	-	-	1,711,351	1,711,351
Stormwater customer charges	-	-	359,258	-	359,258
Parking Fees	-	183,368	-	-	183,368
Less: Allowance for uncollectibles	(65,838)	(169,949)	(42,982)	(15,937)	(294,706)
Total business-type receivables (net)	<u>\$4,476,493</u>	<u>\$ 13,419</u>	<u>\$ 316,276</u>	<u>\$1,695,414</u>	<u>\$6,501,602</u>
Due from other governments:					
Broward County OES	\$ 10,764	\$ -	\$ 142,493	\$ 257,710	\$ 410,967
State of Florida - Dept of Environmental Protection	74,030	-	300,000	-	374,030
US Dept of Transportation	-	-	-	47,868	47,868
FDOT -Aviation Grant	-	-	-	881,348	881,348
Broward County	200,000	-	-	-	200,000
Total due from other governments	<u>\$ 284,794</u>	<u>\$ -</u>	<u>\$ 442,493</u>	<u>\$1,186,926</u>	<u>\$1,914,213</u>

**Mortgages**

The Northwest Community Redevelopment District (the Northwest District) provided qualified individuals with loans/grants to build new homes at the Canal Point (10 year amortization period), Sabal Chase (30 year amortization period), and Ortanique Estates (30 year amortization period) subdivisions which were reported as community redevelopment expenses/expenditures. In addition, the Northwest District also provided similar grants for various infill housing projects during the current fiscal year. The Northwest District has placed a mortgage lien on these new homes with a covenant that the owner must reside at the property for the respective period of time in order to remain eligible for the grant. The Northwest District's reasonable assumption is that the homeowner will reside at the home for the stipulated period. The Northwest District maintains a memorandum record of the outstanding mortgage amounts related to these grants. These amounts are reduced ratably over the 10 year period as it relates to the grants for the Canal Point subdivision and the infill housing projects. Should the homeowner move, sell or refinance, the Northwest District is paid a prorated amount of the initial grant. After the 10 year period the amounts relating to these mortgages are forgiven. As it relates to the Sabal Chase and Ortanique Estates grants, these amounts are not amortized over the 30 year period. After the 30 year period the amounts relating to these mortgages are forgiven. During fiscal year 2019, 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, 2019 the unamortized amount outstanding related to these grants was \$2,038,873. Due to the reasonable assumption made above of expected homeowner residence for the grant period a receivable has not been recorded.

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**Notes Receivable**

- On May 15, 2018 the City provided a \$150,000 economic development loan to the ETA NU Education Foundation. The loan is non-interest bearing as it is provided to carry out the objectives for the NW Community Redevelopment Agency.

The loan payments are as follows:

<b>Fiscal Year Ending</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ 18,600	\$ -	\$ 18,600
2021	18,600	-	18,600
2022	18,600	-	18,600
2023	18,600	-	18,600
2024	18,600	-	18,600
2025	17,000	-	17,000
Total	<u>\$ 110,000</u>	<u>\$ -</u>	<u>\$ 110,000</u>

**Assets Held for Resale for Redevelopment**

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

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

**CITY OF POMPANO BEACH, FLORIDA**

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requirements. The cost basis of assets held for resale and development in this category include all costs incurred by the City to acquire and redevelop or rehabilitate the homes or properties up to a marketable, safe, and habitable condition. These assets are recorded at the lower of cost or net realizable value.

Assets held for resale and redevelopment activity for the year ended September 30, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Assets held for resale and redevelopment	\$ 38,873,307	\$ 3,984,726	\$ 1,654,348	\$ 41,203,685
Total	<u>\$ 38,873,307</u>	<u>\$ 3,984,726</u>	<u>\$ 1,654,348</u>	<u>\$ 41,203,685</u>

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

Capital asset activity for the fiscal year ended September 30, 2019 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	\$ 68,052,268	\$ 4,712,560	\$ 85,880	\$ 72,678,948
Construction in progress	<u>11,245,655</u>	<u>22,349,184</u>	<u>11,404,400</u>	<u>22,190,439</u>
Total capital assets, not being depreciated	<u>79,297,923</u>	<u>27,061,744</u>	<u>11,490,280</u>	<u>94,869,387</u>
Capital assets, being depreciated:				
Buildings	76,653,834	703,160	1,853,088	75,503,906
Infrastructure	156,394,328	987,054	-	157,381,382
Improvements other than buildings	165,009,365	7,972,216	-	172,981,581
Machinery and equipment	41,316,794	3,110,598	939,460	43,487,932
Art Work	<u>76,349</u>	<u>47,000</u>	<u>-</u>	<u>123,349</u>
Total capital assets being depreciated	<u>439,450,670</u>	<u>12,820,028</u>	<u>2,792,548</u>	<u>449,478,150</u>
Less accumulated depreciation for:				
Buildings	33,419,665	1,982,890	-	35,402,555
Infrastructure	70,232,852	5,706,244	-	75,939,096
Improvements other than buildings	71,019,126	6,062,990	-	77,082,116
Machinery and equipment	32,616,700	3,129,889	1,417,455	34,329,134
Art Work	<u>2,973</u>	<u>17,970</u>	<u>-</u>	<u>20,943</u>
Total accumulated depreciation	<u>207,291,316</u>	<u>16,899,983</u>	<u>1,417,455</u>	<u>222,773,844</u>
Total capital assets being depreciated, net	<u>232,159,354</u>	<u>(4,079,955)</u>	<u>1,375,093</u>	<u>226,704,306</u>
Governmental activities capital assets, net	<u>\$ 311,457,277</u>	<u>\$ 22,981,789</u>	<u>\$ 12,865,373</u>	<u>\$ 321,573,693</u>

**CITY OF POMPANO BEACH, FLORIDA**

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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	\$ 467,725	\$ -	\$ -	\$ 467,725
Construction in progress	2,811,967	8,941,079	4,395,394	7,357,652
Total capital assets, not being depreciated	<u>3,279,692</u>	<u>8,941,079</u>	<u>4,395,394</u>	<u>7,825,377</u>
Capital assets, being depreciated:				
Buildings	50,717,305	-	-	50,717,305
Infrastructure	108,397,014	885,000	-	109,282,014
Improvement other than buildings	68,480,845	4,024,933	-	72,505,778
Machinery and equipment	25,423,377	1,742,845	424,089	26,742,133
Art Work	-	30,000	-	30,000
Total capital assets being depreciated	<u>253,018,541</u>	<u>6,682,778</u>	<u>424,089</u>	<u>259,277,230</u>
Less accumulated depreciation for:				
Buildings	26,995,350	1,457,471	-	28,452,821
Infrastructure	67,821,669	651	-	67,822,320
Improvements other than buildings	40,830,671	4,381,757	-	45,212,428
Machinery and equipment	19,981,728	1,473,495	423,585	21,031,638
Total accumulated depreciation	<u>155,629,418</u>	<u>7,313,374</u>	<u>423,585</u>	<u>162,519,207</u>
Utility Fund capital assets, being depreciated, net	97,389,123	(630,596)	504	96,758,023
<b>Utility Fund capital assets, net</b>	<u>\$ 100,668,815</u>	<u>\$ 8,310,483</u>	<u>\$ 4,395,898</u>	<u>\$ 104,583,400</u>
<b>Parking Fund:</b>				
Capital assets, being depreciated:				
Buildings	\$ 22,355,752	\$ -	\$ -	\$ 22,355,752
Machinery and equipment	115,828	-	-	115,828
Total capital assets being depreciated	<u>22,471,580</u>	<u>-</u>	<u>-</u>	<u>22,471,580</u>
Less accumulated depreciation for:				
Buildings	1,481,697	745,099	-	2,226,796
Machinery and equipment	64,082	23,166	-	87,248
Total accumulated depreciation	<u>1,545,779</u>	<u>768,265</u>	<u>-</u>	<u>2,314,044</u>
Parking Fund capital assets, being depreciated, net	20,925,801	(768,265)	-	20,157,536
<b>Parking Fund capital assets</b>	<u>\$ 20,925,801</u>	<u>\$ (768,265)</u>	<u>\$ -</u>	<u>\$ 20,157,536</u>

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	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Stormwater:</b>				
Capital assets, not being depreciated:				
Construction in progress	\$ 3,541,774	\$ 5,660,198	\$ 3,786,097	\$ 5,415,875
Capital assets, being depreciated:				
Infrastructure	8,645,296	-	-	8,645,296
Improvements other than buildings	9,827,001	3,786,097	-	13,613,098
Machinery and equipment	1,832,071	442,480	3,859	2,270,692
Total capital assets being depreciated	20,304,368	4,228,577	3,859	24,529,086
Less accumulated depreciation for::				
Infrastructure	593,224	104,635	-	697,859
Improvements other than buildings	7,824,546	388,067	-	8,212,613
Machinery and equipment	1,283,545	275,953	3,859	1,555,639
Total accumulated depreciation	9,701,315	768,655	3,859	10,466,111
Stormwater Fund capital assets, being depreciated, net	10,603,053	3,459,922	-	14,062,975
<b>Stormwater Fund capital assets</b>	<b>\$ 14,144,827</b>	<b>\$ 9,120,120</b>	<b>\$ 3,786,097</b>	<b>\$ 19,478,850</b>
<b>Nonmajor Enterprise Funds:</b>				
Capital assets, not being depreciated				
Land	\$ 60,992	\$ -	\$ -	\$ 60,992
Construction in progress	13,188,555	4,989,958	4,263,698	13,914,815
Total capital assets, not being depreciated	13,249,547	4,989,958	4,263,698	13,975,807
Capital assets, being depreciated:				
Buildings	1,656,670	-	-	1,656,670
Infrastructure	6,655,933	-	-	6,655,933
Improvements other than buildings	16,745,470	4,263,698	-	21,009,168
Machinery and equipment	1,582,828	82,776	56,549	1,609,055
Total capital assets being depreciated	26,640,901	4,346,474	56,549	30,930,826
Less accumulated depreciation for:				
Buildings	772,580	36,880	-	809,460
Infrastructure	6,230,714	58,133	-	6,288,847
Improvements other than buildings	5,102,185	1,037,056	-	6,139,241
Machinery and equipment	1,511,434	191,219	56,089	1,646,564
Total accumulated depreciation	13,616,913	1,323,288	56,089	14,884,112
Nonmajor Enterprise Funds capital assets, being depreciated, net	13,023,988	3,023,186	460	16,046,714
<b>Nonmajor Enterprise Funds capital assets, net</b>	<b>26,273,535</b>	<b>8,013,144</b>	<b>4,264,158</b>	<b>30,022,521</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 162,012,978</b>	<b>\$ 24,675,482</b>	<b>\$ 12,446,153</b>	<b>\$ 174,242,307</b>

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

**Governmental activities:**

General government	\$ 8,791,228
Public safety	3,135,163
Transportation	1,284,889
Physical environment	1,275,230
Culture and recreation	2,413,473
Total depreciation expense - governmental activities	<u>\$ 16,899,983</u>

**Business-type activities:**

Utilities	\$ 7,313,375
Parking	768,265
Pier	53,821
Airpark	1,126,517
Sanitation	142,950
Stormwater	768,654
Total depreciation expense - business-type activities	<u>\$ 10,173,582</u>

**CITY OF POMPANO BEACH, FLORIDA**

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The City has active construction projects as of September 30, 2019. Significant projects that were ongoing as of September 30, 2019 for governmental activities with significant commitments, were as follows:

<b>Project</b>	<b>Expended through September 30, 2019</b>	<b>Remaining Commitment</b>
Old Pompano Area Improvements	\$ 3,016,401	\$ 934,349
A1A Underground Electric	1,329,448	4,730
Charlotte J. Burrie Community Center	4,231,382	1,210,133
Fire Station #24	5,472,129	422,045
Martin Luther King Jr. Boulevard Reconstruction	855,239	-
Waterfront Promenade	759,136	-
CRA McNab House	115,775	511,300
Aquatic Center Pump Room	512,230	911,443
HUD Old Pompano Area	650,411	647,471
CRA Atlantic Blvd Bridge	1,541,151	-
CRA Bridge Water Front	2,740,000	-
GOB AIA Improvement	78,830	1,425,023
GOB Dixie HWY Improvement	174,674	2,320,666
GOB McNab Road Improvement	171,598	804,462
GOB Palm Aire Improvement	121,465	453,593
GOB McNair Pk Improvement	57,132	590,436
GOB Senior Citizens	143,509	560,958
GOB Youth Sports	330,675	312,603
GOB Fire Emergency Operations	124	1,320,300
GOB Fire Station 61	237,669	5,516,835
GOB Lifeguard Tower	661,036	887,778
	<u>\$ 23,200,014</u>	<u>\$ 18,834,125</u>

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Significant projects that were ongoing as of September 30, 2019 for business-type activities with significant commitments were as follows:

<b>Project</b>	<b>Expended through September 30, 2019</b>	<b>Remaining Commitment</b>
HUD Old Pompano Area	\$ 829,491	\$ 193,456
Hurricane Prep WTP	416,946	247,989
Water Treatment Plant-Concentrate Deep Well Lining	4,675,048	5,992,097
Water Treatment Plant - Transfer St Rehab	605,784	2,338,490
Lyons Park SW Improvement	662,131	154,620
Esquire Lakes Stormwater	2,811,378	409,285
HUD Old Pompano Area	623,847	89,048
Kendell Lakes	336,534	225,221
Stormwater Pipe Lining	456,424	192,985
Airpark Building Renovation	908,986	160,603
Pier Replacement	12,951,711	336,426
	<u>\$ 25,278,280</u>	<u>\$ 10,340,220</u>



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**(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	\$ 1,197,754	\$ -	\$ -	\$ -	\$ -	\$ 1,197,754
Law Enforcement Trust Fund	-	-	-	-	1,448,776	1,448,776
Unredeemed Gift Cards	40,115	-	-	-	-	40,115
Prepaid Rent	-	4,500	-	-	-	4,500
Cultural Foundation	1,440	-	-	-	-	1,440
Pompano Beach Pier Art Work	-	-	-	-	9,525	9,525
SHIP Grant Funds	-	-	-	-	372,891	372,891
Total unearned revenue	<u>\$ 1,239,309</u>	<u>\$ 4,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,831,192</u>	<u>\$ 3,075,001</u>
Unavailable revenue:						
FEMA-Hurricane Irma Grant	-	-	-	-	2,108,177	2,108,177
Broward County - Ad Valorem	55,069	-	-	-	-	55,069
Broward Sheriff Office - SRO	124,800	-	-	-	-	124,800
Communications Service Tax	-	-	-	994,423	-	994,423
EMS Transport Fees	-	-	1,894,664	-	-	1,894,664
ETA Nu	-	110,000	-	-	-	110,000
National Endowment for the Arts	-	100,000	-	-	-	100,000
Home - HUD	-	-	-	-	44,284	44,284
Broward County - Old Pompano Streetscape	-	-	-	595,870	-	595,870
Broward County - Traffic Signal - MLK Blvd	-	-	-	299,039	-	299,039
Total unavailable revenue	<u>\$ 179,869</u>	<u>\$ 210,000</u>	<u>\$ 1,894,664</u>	<u>\$ 1,889,332</u>	<u>\$ 2,152,461</u>	<u>\$ 6,326,326</u>

**(E) Interfund Loans and Transfers**

The composition of interfund balances as of September 30, 2019, is as follows:

**Due to/from other funds:**

<b><u>Receivable</u></b>	<b><u>Payable</u></b>	<b><u>Amount</u></b>
General Fund	Internal Service Fund	\$ 614,708 (a)
General Fund	Other Grants	3,274,715 (b)
General Fund	Airpark Fund	50,000 (b)
		<u>\$ 3,939,423</u>

- (a) This is a short-term non-interest bearing receivable and payable to cover a negative cash balance at fiscal year end in the central stores fund.

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- (b) These amounts represents a short-term non-interest bearing receivable and payable to cover negative cash balances related to cost reimbursement grants for which the City has not yet received reimbursement from the grantor at fiscal year end.

**Advances to/from other funds:**

<b><u>Advances to Fund</u></b>	<b><u>Advances From Fund</u></b>	<b><u>Amount</u></b>
Northwest CRA District Fund	General Fund	\$ 2,262,142

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

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

	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2020	\$ 155,889	\$ 65,828	\$ 221,717
2021	119,099	61,292	180,391
2022	122,565	57,826	180,391
2023	126,132	54,260	180,392
2024	129,802	50,589	180,391
2025	1,608,655	89,737	1,698,392
	<b><u>\$ 2,262,142</u></b>	<b><u>\$ 379,532</u></b>	<b><u>\$ 2,641,674</u></b>

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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 \$536,335), 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:**

Transfers out	Transfers In:					Total
	General Fund	EMS	NW CRA	Capital Projects	Subtotal Gov't'l Activities	
General Fund	\$ -	\$ 8,040,018	\$ 13,689	\$ 2,489,015	\$ 10,542,722	\$ 10,542,722
Capital Projects	860,000	-	-	-	860,000	860,000
2018 G.O. Bonds Capital Projects Fund	15,221,200	-	-	-	15,221,200	15,221,200
Nonmajor Gov't'l Funds	-	-	-	165,000	165,000	165,000
Nonmajor Enterprise Funds	212,981	-	-	-	212,981	212,981
	<u>\$ 16,294,181</u>	<u>\$ 8,040,018</u>	<u>\$ 13,689</u>	<u>\$ 2,654,015</u>	<u>\$ 27,001,903</u>	<u>\$ 27,001,903</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 is due to potential future CIP projects as needed. Transfers from Capital Projects Fund to General Fund were to funds costs relating to the purchase of 1207 E. Atlantic Blvd. The transfer from 2018 G.O. Bonds Capital Projects Fund were to reimburse the General Fund due to the purchase of the Elks property and the Pier project.

**(F) Long-term Obligations**

Summarized below are the City's debt issued to finance the acquisition of properties for community development and capital projects, which were outstanding at September 30, 2019.

**Governmental Activities Debt:**

- On June 26, 2018 the City Commission authorized the issuance of General Obligation Bonds – Series 2018 (the "Series 2018 Bonds"), per City Ordinance No 2018-58. The Series 2018 Bonds were subsequently issued on October 2, 2018.

## **CITY OF POMPANO BEACH, FLORIDA**

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

The Series 2018 Bonds were issued in order to (i) finance certain capital projects of the City, and (ii) pay costs of issuance on the bonds. The Series 2018 Bonds were issued in the par amount of \$99,375,000.

The Series 2018 Bonds are payable solely from Ad Valorem Taxes levied each year by the City and payable through 2048. Interest on the Series 2018 Bonds range from 4% to 5% with a true interest cost of 3.65% through July 1, 2048, the scheduled maturity of the bonds.

At September 30, 2019, the City had \$96,800,000 outstanding related to this obligation. Principal and interest paid for the current fiscal year and total tax revenues were \$1,097,355 and \$3,226,241, respectively. At September 30, 2019, total principal and interest remaining on the bonds is \$167,493,450 payable through February 2030.

- 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. Proceeds of these draws were used to finance the current refunding of the Agency's Special Obligation Bonds – Series 1999, the cost of redevelopment projects in the Northwest District Redevelopment Area and costs of issuance. Interest on the 2003A Bond is at a fixed rate of 5.34%, with a final maturity date of November 1, 2018. Principal and interest on the Series 2003A Bond is due and payable on the Tax Increment Bonds quarterly. At September 30, 2019 the Agency had \$0 outstanding related to this line of credit as fiscal year 2019 was the final year of debt payments.
- On January 21, 2004, the Agency authorized the issuance of – 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

## **CITY OF POMPANO BEACH, FLORIDA**

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Agency's Northwest District Redevelopment Area boundaries, on a parity with the Agency's Series 2003A Bond, as discussed above. Proceeds of these draws were used to finance the cost of redevelopment projects in the Northwest District Redevelopment Area. Interest on the Series 2004A Bond is at a fixed rate of 5.34%, with a final maturity date of November 1, 2018. Principal and interest on the Series 2004A Bond is due and payable quarterly. At September 30, 2019 the Agency had \$0 outstanding related to this line of credit as fiscal year 2019 was the final year of debt payments.

For the Series 2003A & 2004A bonds, principal and interest paid for the current fiscal year and total tax increment revenues were \$547,752 and \$9,207,392, respectively. At September 30, 2019, total principal and interest remaining on the bonds is \$0 as fiscal year 2019 was the final year of debt payments. .

- 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, 2019, the City had \$10,045,000 outstanding related to this obligation. Principal and interest paid for the current fiscal year and total tax increment revenues were \$1,097,355 and \$3,226,241, respectively. At September 30, 2019, total principal and interest remaining on the bonds is \$12,088,543 payable through February 2030.

#### **Business-type Activities Debt:**

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

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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 30 percent of net revenues. Principal and interest paid for the current fiscal year and total water and sewer net revenue were \$3,034,540 and \$14,827,304, respectively. The total principal and interest remaining to be paid on the bonds is \$3,040,232.

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

The Certificates are payable solely from legally available revenues as budgeted and appropriated each year by the City to make rent payments under the lease agreement and are payable through 2040. Interest on the Certificates range from 3.058% to 5.579% through January 1, 2040, the scheduled maturity of the Certificates. The total principal and interest remaining to be paid on the Certificates is \$41,803,996.

**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, 2019, total principal and interest remaining related to Governmental Activities was \$1,168,297 and \$4,230,019 was related to Business-type Activities. Interest on the loan is fixed at 2.72%, with a final maturity date of August 12, 2023. Principal and interest is due and payable quarterly.

**Conduit Debt:**

- On December 14, 2010 the City Commission authorized the issuance of Health Facilities Revenue Refunding Bonds, Series 2010, in an amount not exceeding

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\$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, 2019, total principal and interest outstanding related to this debt issue was \$20,160,000, and \$5,187,450 respectively.

- On January 13, 2015 the City Commission authorized the issuance of Revenue Bonds, Series 2015, in an amount not exceeding \$40 million, for the purpose of loaning the proceeds to John Knox Village of Florida, Inc. (the Village) in order to finance or reimburse the costs of certain capital improvements to the senior living and healthcare facilities owned and operated by the Village, fund any necessary reserves, and pay the costs of issuance of the bonds. The 2015 Series bonds were subsequently issued on February 12, 2015 in the amount of \$29,470,000. The bonds are limited obligations of the City payable from the loan payments due from the Village. The City is not obligated to pay the principal or interest on the bonds except from the loan payments made by the Village, and neither the faith and credit nor the taxing power of the City is pledged to the payment of the principal and interest on the bonds. At September 30, 2019, total principal and interest outstanding related to this debt issue was \$27,175,000 and \$19,370,563 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>					
<b>General Obligation Bonds</b>					
Series 2018	\$ -	\$ 99,375,000	\$ 2,575,000	\$ 96,800,000	\$ 1,670,000
Add: Bond premiums	-	6,128,246	62,366	6,065,880	90,280
Total GO bonds payable	-	105,503,246	2,637,366	102,865,880	1,760,280
Direct borrowings and direct placements					
Bonds payable CRA:					
Tax increment bonds-East District	10,780,000	-	735,000	10,045,000	765,000
Tax increment bonds-NW District	540,542	-	540,542	-	-
Total bonds payable	11,320,542	-	1,275,542	10,045,000	765,000
Notes payable:					
Energy Equipment	1,361,105	-	257,666	1,103,439	264,746
HUD Section 108	-	3,920,000	-	3,920,000	205,000
Total notes payable	1,361,105	3,920,000	257,666	5,023,439	469,746
Capital lease payable:					
Building	1,288,934	-	1,288,934	-	-
Fleet Equipment 2016	1,035,589	-	456,244	579,345	468,354
Fleet Equipment 2019	-	1,712,276	81,248	1,631,028	329,462
Enterprise	-	201,235	6,878	194,357	33,663
Total capital lease payable	2,324,523	1,913,511	1,833,304	2,404,730	831,479
Total direct borrowings	15,006,170	5,833,511	3,366,512	17,473,169	2,066,225
Claims and judgments	11,328,000	3,307,471	2,853,471	11,782,000	3,064,565
Net pension liability:					
PFRS	104,598,541	30,331,067	28,544,107	106,385,501	-
GERS	50,626,909	8,270,301	7,030,925	51,866,285	-
Total net pension liability	155,225,450	38,601,368	35,575,032	158,251,786	-
Total OPEB liability	10,267,094	1,061,941	486,044	10,842,991	-
Pollution remediation obligation	985,599	-	985,599	-	-
Compensated absences	5,971,541	6,110,833	5,238,646	6,843,728	192,935
Long-term liabilities	<u>\$ 198,783,854</u>	<u>\$160,418,370</u>	<u>\$ 51,142,670</u>	<u>\$ 308,059,554</u>	<u>\$ 7,084,005</u>
<b>Business-type activities:</b>					
Direct borrowings and direct placements					
Water & sewer revenue bonds	\$ 5,925,000	\$ -	\$ 2,935,000	\$ 2,990,000	\$ 2,990,000
Certificates of Participation	23,875,000	-	-	23,875,000	100,000
Fleet Equipment 2019	-	287,724	13,652	274,072	55,361
Enterprise capital lease	-	33,630	2,724	30,906	5,448
Notes payable - Energy Equipment	4,928,107	-	932,922	3,995,185	958,558
Notes payable - SRF Loan	-	2,006,747	88,371	1,918,376	176,742
Total direct borrowings and direct placements	34,728,107	2,328,101	3,972,669	33,083,539	4,286,109
Net pension liability (GERS)	16,058,335	24,665,948	20,969,538	19,754,745	-
Total OPEB liability	1,995,486	206,396	94,466	2,107,416	-
Compensated absences	1,056,098	862,021	675,604	1,242,515	4,299
Business-type activity					
Long-term liabilities	53,838,026	28,062,466	25,712,277	56,188,215	4,290,408
Total long-term liabilities	<u>\$ 252,621,880</u>	<u>\$188,480,836</u>	<u>\$ 76,854,947</u>	<u>\$ 364,247,769</u>	<u>\$ 11,374,413</u>



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**Direct borrowings and direct placements**

The City's outstanding liabilities from direct borrowings and direct placements related to governmental activities was \$17,473,169 as of September 30, 2019.

The tax increment bonds are secured by a gross lien on tax increment revenues generated within the Agency's East District's Redevelopment Area on parity with the 2013A Bonds. The bond resolution contains events of default provisions such as payment defaults; and breaches of bond covenant, agreements and provisions in the bonds. The occurrence of a material adverse effect and certain bankruptcy events provides the bondholders the authority to pursue action in court to enforce collection, however it is not construed as granting the Bondholder to any lien on any real property of the City.

The energy, fleet equipment and enterprise lease/note obligations are subject to annual appropriation by the City. The lease-purchase agreement contains events of default provisions such as payment defaults and breach of terms in the agreement. In the event of a default the lessor may demand immediate possession of any and all equipment in the lease.

The HUD section 108 note is secured by grant allocations made by the U.S. Department of Housing and Urban Development (HUD) for the Community Development Block Grant to the City. The note agreement contains events of default provisions such as payment defaults and breach of terms in the agreement. In the event of a default HUD may withhold future funding and pursue action in court to enforce collection.

The City's outstanding liabilities from direct borrowings and direct placements related to business-type activities was \$33,083,539 as of September 30, 2019.

The City has pledged future water and sewer customer gross revenues, net of specified operating expenses (net revenues), to repay the Series 2014 bonds Water & Sewer Revenue Bonds. The bond resolution contains events of default provisions such as payment defaults, breaches of the bond covenant, agreements and provisions in the bonds. In the event of default the bond resolution provides the registered owners of the bond the authority to pursue action in court to enforce collection, however it is not construed as granting the registered owners to any lien on any real property of the City.

The Certificates of Participation are payable solely from legally available revenues as budgeted and appropriated each year by the City. The lease-purchase agreement contains events of default provisions such as payment defaults; and breaches of bond covenant, agreements and a provision that in the event of any default all outstanding amounts would be due and payable immediately upon written request of the majority of the owners of the certificates. In the event of a default the City would be required to return possession of the parking garage to the Pompano Beach Finance Corporation.

The energy, fleet equipment and enterprise lease/note obligations are subject to annual appropriation by the City. The lease-purchase agreement contains events of default provisions such as payment defaults and breach of terms in the agreement. In the event of a default the lessor may demand immediate possession of any and all equipment in the lease.

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The City has pledged future stormwater revenues, net of specified operating expenses (net revenues), to repay the State Revolving Fund (SRF) loan. The loan agreement contains events of default provisions such as payment defaults and breach of terms in the agreement. In the event of a default the lender has several remedies available which include establishing rates, collecting fees accelerating the repayment schedule and pursuing action in court to enforce collection.

The City has no lines of credit. Debt service requirements on long-term debt at September 30, 2019, are as follows:

Fiscal Year	Governmental Activities				Business-Type Activities	
	Bonds		Direct Borrowings and Direct Placements		Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 1,670,000	\$ 4,108,850	\$ 2,060,536	\$ 410,564	\$ 4,286,109	\$ 1,404,640
2021	1,750,000	4,025,350	1,755,096	363,680	1,723,671	1,316,750
2022	1,840,000	3,937,850	1,692,324	320,351	1,751,983	1,270,803
2023	1,925,000	3,845,850	1,740,601	276,102	1,781,067	1,223,010
2024	2,025,000	3,749,600	1,408,612	231,820	771,043	1,182,766
2025 - 2029	11,765,000	17,123,250	6,025,000	623,616	4,638,710	5,458,530
2030 - 2034	14,820,000	14,055,900	2,481,000	18,792	6,230,956	4,227,104
2035 - 2039	18,070,000	10,812,600	310,000	-	9,485,000	2,085,012
2040 - 2044	21,980,000	6,897,800	-	-	2,415,000	67,366
2045 - 2048	20,955,000	2,136,400	-	-	-	-
	<u>\$ 96,800,000</u>	<u>\$ 70,693,450</u>	<u>\$ 17,473,169</u>	<u>\$ 2,244,925</u>	<u>\$ 33,083,539</u>	<u>\$ 18,235,981</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; pension liabilities, compensated absences and OPEB liabilities are generally liquidated by the General Fund and EMS Funds. Pension contributions are paid by the General Fund and EMS Funds as actuarially determined by the actuaries of the pension plans.

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 \$3,824,452 at September 30, 2019.

The City Charter limits the amount of net general obligation bonded debt to 15% of the assessed property valuation. At September 30, 2019, the statutory limit for the City was approximately \$1.9 million providing a legal debt margin of approximately \$1.9 million, as the City had no general obligation debt outstanding at September 30, 2019.

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, 2019 the City had negative arbitrage related to all outstanding bond issues. Amounts to be rebated, if any, depend on net results of arbitrage

**CITY OF POMPANO BEACH, FLORIDA**  
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calculations in future years.

The annual requirements to pay principal and interest on bonds and notes at September 30, 2019 are as follows:

**GO Bonds Series 2018**

	<b>Governmental Activities</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ 1,670,000	\$ 4,108,850	\$ 5,778,850
2021	1,750,000	4,025,350	5,775,350
2022	1,840,000	3,937,850	5,777,850
2023	1,925,000	3,845,850	5,770,850
2024	2,025,000	3,749,600	5,774,600
2025 - 2029	11,765,000	17,123,250	28,888,250
2030 - 2034	14,820,000	14,055,900	28,875,900
2035 - 2039	18,070,000	10,812,600	28,882,600
2040 - 2044	21,980,000	6,897,800	28,877,800
2045 - 2048	20,955,000	2,136,400	23,091,400
	<u>\$ 96,800,000</u>	<u>\$ 70,693,450</u>	<u>\$167,493,450</u>

**CRA Bonds:**

	<b>Governmental Activities</b>		
	<b>East CRA District</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ 765,000	\$ 336,255	\$ 1,101,255
2021	790,000	309,198	1,099,198
2022	820,000	281,184	1,101,184
2023	845,000	252,213	1,097,213
2024	875,000	222,285	1,097,285
2025 - 2029	4,870,000	623,616	5,493,616
2030 - 2030	1,080,000	18,792	1,098,792
	<u>\$10,045,000</u>	<u>\$ 2,043,543</u>	<u>\$ 12,088,543</u>

**Water & sewer revenue bonds:**

	<b>Business-type Activities</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ 2,990,000	\$ 50,232	\$ 3,040,232
	<u>\$ 2,990,000</u>	<u>\$ 50,232</u>	<u>\$ 3,040,232</u>

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**Notes:**

On November 12, 2010 the City entered into a loan agreement which allowed the City to be reimbursed for the purchase of energy equipment up to a maximum of \$13,500,000. At September 30, 2019, the City's obligation under the note, inclusive of accrued interest was \$5,398,316 and allocated between Governmental and Business-type Activities was as follows:

	<b>Governmental Activities</b>			<b>Business-type Activities</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ 264,746	\$ 27,328	\$ 292,074	\$ 958,558	\$ 98,947	\$ 1,057,505
2021	272,021	20,054	292,075	984,898	72,607	1,057,505
2022	279,496	12,579	292,075	1,011,961	45,543	1,057,504
2023	287,176	4,897	292,073	1,039,768	17,737	1,057,505
	<u>\$ 1,103,439</u>	<u>\$ 64,858</u>	<u>\$ 1,168,297</u>	<u>\$ 3,995,185</u>	<u>\$ 234,834</u>	<u>\$ 4,230,019</u>

On November 23, 2015 the City received a \$4,308,000 loan commitment from the U.S. Department of Housing and Urban Development (HUD) Section 108 Loan Guarantee Program. HUD will raise the funds via a public offering of its trust certificates at a future date. In the interim the City may elect to be advanced funds via interim financing from a financial institution selected by HUD. As of September 30, 2019, the City has received \$4,308,000 in interim financing related to the \$4,308,000 loan commitment from HUD. The balance on the loan as of September 30, 2019 is \$3,920,000. The purpose of this loan is to maximize existing right-of-ways to add sidewalks where they may be missing or widen existing sidewalks wherever possible to provide a better pedestrian experience; improve and upgrade existing water, sewer and drainage facilities that promote opportunities for future growth and encourage private investment; add lush landscaping features and pedestrian-friendly light fixtures; and, implement traffic calming features to inspire a safer environment. The project will expand on recent improvements carried out by the Pompano Beach Community Redevelopment Agency (CRA) in Downtown Pompano and will span the following areas:

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

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

**CITY OF POMPANO BEACH, FLORIDA**  
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HUD after the conversion of the loan.

**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 \$44,428 at September 30, 2019. This amount is reported as a deferred outflow of resources at September 30, 2019.

**Certificates of Participation**

The annual requirements to pay principal and interest on certificates of participation at September 30, 2019 are as follows:

	<b>Business-type Activities</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ 100,000	\$ 1,248,431	\$ 1,348,431
2021	500,000	1,238,335	1,738,335
2022	500,000	1,220,700	1,720,700
2023	500,000	1,201,990	1,701,990
2024	540,000	1,181,528	1,721,528
2025-2029	3,755,000	5,458,530	9,213,530
2030-2034	6,080,000	4,227,104	10,307,104
2035-2039	9,485,000	2,085,012	11,570,012
2040	2,415,000	67,366	2,482,366
	<u>\$ 23,875,000</u>	<u>\$ 17,928,996</u>	<u>\$ 41,803,996</u>

**CITY OF POMPANO BEACH, FLORIDA**  
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**State Revolving Loan**

On October 10, 2016 the City adopted Resolution No. 2017-25 approving a construction loan to City for an amount not to exceed \$3,534,839 from the State of Florida Department of Environmental Protection Clean Water State Revolving Fund Program. The City has received \$2,006,747 in financing related to the \$3,534,839 loan. The balance on the loan as of September 30, 2019 is \$3,920,000. The loan is non-interest bearing with principal payments of \$88,371 due on March and September of each year beginning September 2019. A schedule of principal payments will be provided once the project has been certified and the full loan proceeds have been received by the City.

**Capital Leases**

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

On June 18, 2019 the Agency exercised its right to purchase the property for the agreed amount of \$1,200,000. On September 25, 2019 the property was acquired and the liability was removed from the government-wide statement of net assets. The present value of minimum lease payments at the time of acquisition was \$1,244,082.

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

Future minimum lease obligations are as follows:

<b>Fiscal Year Ending September 30,</b>	<b>Governmental Activities</b>
2020	\$ 468,354
2021	117,088
Total minimum lease payments	585,442
Less: Amount represent interest	6,097
Present value of minimum lease payments	<u>\$ 579,345</u>

On February 12, 2019 the City entered into a Master Lease Purchase agreement as lessee for the lease of approximately thirteen (13) vehicles of various types to be used for the City's various departments. The lease is for five (5) years with an annual interest rate on the lease based on

**CITY OF POMPANO BEACH, FLORIDA**

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

the 3 year t-bill rate at acquisition plus 300 basis points. 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:

<b>Fiscal Year Ending September 30,</b>	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
2020	\$ 41,942	\$ 6,931	\$ 48,873
2021	41,942	6,931	48,873
2022	41,942	6,931	48,873
2023	41,942	6,931	48,873
2024	66,293	9,856	76,149
Total minimum lease payments	234,061	37,580	271,641
Less: Amount represent interest	39,704	6,674	46,378
Present value of minimum lease payments	<u>\$ 194,357</u>	<u>\$ 30,906</u>	<u>\$ 225,263</u>

On May 14, 2019 the City entered into an agreement as lessee for the lease of certain equipment to be used for certain equipment for Fire, Parks & Recreation, Solid Waste and Public Works functions operations. The lease is for five (5) years with an annual interest rate on the lease is 2.19%. 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:

<b>Fiscal Year Ending September 30,</b>	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
2020	\$ 362,474	\$ 60,909	\$ 423,383
2021	362,474	60,909	423,383
2022	362,474	60,909	423,383
2023	362,474	60,909	423,383
2024	271,855	45,681	317,536
Total minimum lease payments	1,721,751	289,317	2,011,068
Less: Amount represent interest	90,723	15,245	105,968
Present value of minimum lease payments	<u>\$ 1,631,028</u>	<u>\$ 274,072</u>	<u>\$ 1,905,100</u>

**CITY OF POMPANO BEACH, FLORIDA**  
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**(G) Operating Leases**

The City is a lessee in a long-term land lease in order to receive access to a tract of land at the Hillsboro Inlet. The lease expires in 54 years and is adjusted for changes in the Consumer Price Index every three years.

The lease payments are as follows:

<b>Fiscal Year Ending September 30,</b>	<b>Governmental Activities</b>
2020	\$ 377,418
2021	377,418
2022	377,418
2023	377,418
2024	377,418
2025 - 2029	1,887,090
2030 - 2034	1,887,090
2035 - 2039	1,887,090
2040 - 2044	1,887,090
2045 - 2049	1,887,090
2050 - 2054	1,887,090
2055 - 2059	1,887,090
2060 - 2064	1,887,090
2065 - 2069	1,887,090
2070 - 2073	1,509,672
Total lease payments	<u><u>\$ 20,380,572</u></u>

**(H) Governmental Fund - Fund Balance**

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

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



# CITY OF POMPANO BEACH, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2019

Below is a table of fund balance categories and classifications at September 30, 2019 for the City's governmental funds:

	General	NW CRA District	East CRA District	Emergency Medical Services	Capital Projects	Capital Project 2018 GO Bonds	Non-major Gov't'l Funds
<b>Fund Balances:</b>							
<b>Non-spendable</b>							
Inventories	\$ 195,862	\$ -	\$ -	\$ 335,129	\$ -	\$ -	-
Prepays	225,487	10,879	14,448	-	2,972,180	-	16,215
Advances to other funds	2,262,142	-	-	-	-	-	-
<b>Restricted:</b>							
Building Permit Function	-	-	-	-	-	-	16,245,842
Emergency Medical Services	-	-	-	1,470,932	-	-	-
GO Bonds Debt Service	-	-	-	-	-	-	39,366
Transportation	-	-	-	-	-	-	33,518
Cultural Arts	-	-	-	-	-	-	472
Community Redevelopment	-	45,794,885	9,198,002	-	-	-	-
<b>Committed:</b>							
Cemetery Care	-	-	-	-	-	-	1,196,477
Disaster Relief	-	-	-	-	-	-	405,503
Affordable Housing	-	-	-	-	-	-	2,106,578
Tree Canopy Landscape/ Tricentennial/Nautica Flea Mkt.	-	-	-	-	-	-	650,644
Beach Area Parking	-	-	-	-	-	-	5,861
Emergency Medical Services	-	-	-	-	-	-	27,810
Streets, Sidewalks, Bridges and Streetscaping	-	-	-	-	-	42,251,549	-
Public Safety	-	-	-	-	-	15,492,961	-
Parks, Recreation and Leisure	-	-	-	-	-	29,515,700	-
<b>Assigned:</b>							
Fire Stations	-	-	-	-	741,160	-	-
Culture, Recreation & Leisure	-	-	-	-	4,163,276	-	-
Canal Dredging/Seawall Repairs	-	-	-	-	217,843	-	-
General Government Bldg. Improvs.	-	-	-	-	1,027,722	-	-
City Landscaping\Signage\Lighting	-	-	-	-	2,831,396	-	-
Bridge Repairs\Enhancements	-	-	-	-	2,046,839	-	-
Traffic Signals	-	-	-	-	3,924	-	-
Underground Utilities/Traffic Signals	-	-	-	-	2,684,995	-	-
Railroad Crossing Repairs	-	-	-	-	136,480	-	-
Road/Sidewalks/Parking Lots	-	-	-	-	4,294,600	-	-
Art in Public Places	-	-	-	-	461,580	-	-
Capital Reserves	-	-	-	-	412,357	-	-
General Government (Encumbrances)	881,292	-	-	-	-	-	-
Public Safety (Encumbrances)	383,818	-	-	-	-	-	-
Physical Environment (Encumbrances)	520,974	-	-	-	-	-	-
Culture & Recreation (Encumbrances)	142,329	-	-	-	-	-	-
Subsequent Year's Expenditures	3,052,383	-	-	-	-	-	-
<b>Unassigned</b>							
General Government	47,649,253	-	-	-	-	-	-
Reimbursable Grants	-	-	-	-	-	-	(112,283)
<b>Total Fund Balances</b>	<b>\$ 55,313,540</b>	<b>\$ 45,805,764</b>	<b>\$ 9,212,450</b>	<b>\$ 1,806,061</b>	<b>\$ 21,994,352</b>	<b>\$ 87,260,210</b>	<b>\$ 20,616,003</b>

**CITY OF POMPANO BEACH, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

**(I) Property Taxes**

The City levies property taxes each October 1, which becomes a lien on real and personal property located in the City. Property taxes are based on the assessed values determined by the Broward County Property Appraiser as of the prior January 1. The current year's levy is based on assessed property values totaling approximately \$13.0 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 5.1361 mills for the General Fund and .5000 mills for the EMS District for the fiscal year ended September 30, 2019.

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, 2019 were approximately 95.9% of the total tax levy.

**(J) Post Employment Benefits Other Than Pensions**

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

**Benefits Provided** - Retirees pay 100% of the blended (active and retiree combined) equivalent premium rates. The blended rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. The OPEB Plan does not issue a separate stand alone financial report. The City is financing the post employee benefits on a pay-as-you go basis. For fiscal year 2019, 57 retirees received health care benefits. Annual payments amounted to \$1,882,443 for the current fiscal year, towards which the City made \$580,510 (implicit subsidy) in benefit payments. Retirees made the remaining payments of \$1,301,933 for the fiscal year ended September 30, 2019.

At September 30, 2019, the following employees were covered by the benefit terms:

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

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

The City's total OPEB liability of \$12,950,407 was measured as of September 30, 2019, and was determined by an actuarial valuation as of October 1, 2017.

**Actuarial assumptions and other inputs.** The total OPEB liability as of September 30, 2019 (reporting date) was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

***Discount rate***

3.58% per annum; this rate was used to discount all future benefit payments and is based on the return on the S&P Municipal Bond 20-year High Grade Index as of the measurement date.

***Salary increases***

3.00% per annum.

***Cost-of-living increases***

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

***Healthcare cost trend rates***

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

***Age-related morbidity***

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

***Implied subsidy***

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

***Retirement***

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

***Other decrements***

Assumed employment termination is based on the Scale 155 table; assumed disability is based on the Wyatt 1985 Disability study (Class 1 for general employees and Class 4 for

**CITY OF POMPANO BEACH, FLORIDA**  
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firefighters and police officers).

***Coverage election***

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

***Spouses and dependents***

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

***COBRA***

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

***Mortality rates***

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

**Changes in the Total OPEB Liability**

	<b>Total OPEB Liability</b>
<b>Balance at 9/30/2018</b>	<b><u>\$ 12,262,580</u></b>
<b>Changes for the year:</b>	
Service cost	747,137
Expected interest growth	455,448
Benefit payments	(580,510)
Assumption changes	<u>65,752</u>
<b>Net changes</b>	<b><u>687,827</u></b>
<b>Balance at 9/30/2019</b>	<b><u>\$ 12,950,407</u></b>

Since the prior measurement date, the discount rate was changed from 3.64% per annum to 3.58% per annum.

**CITY OF POMPANO BEACH, FLORIDA**

**NOTES TO THE FINANCIAL STATEMENTS  
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**Sensitivity of Total OPEB Liability**

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

	<b>1% Decrease (2.58%)</b>	<b>Discount Rate (3.58%)</b>	<b>1% Increase (4.58%)</b>
Total OPEB liability	\$ 14,082,926	\$ 12,950,407	\$ 11,929,931

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

	<b>1% Decrease (7.0% decreasing to 4.0%)</b>	<b>Healthcare Cost Trend Rates (8.0% decreasing to 5.0%)</b>	<b>1% increase (9.0% decreasing to 6.0%)</b>
Total OPEB liability	\$ 11,445,863	\$ 12,950,407	\$ 14,728,449

For the year ended September 30, 2019, the City recognized OPEB expense of \$629,838. At September 30, 2019, the City reported deferred outflows of resources related to OPEB as follows.

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes of assumptions or other inputs	\$ 57,989	\$ -

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

<b>Fiscal Year</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
2020	\$ 7,763	\$ -
2021	7,763	-
2022	7,763	-
2023	7,763	-
2024	7,763	-
Thereafter	19,174	-
	<u>\$ 57,989</u>	<u>\$ -</u>

**CITY OF POMPANO BEACH, FLORIDA**  
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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 except for the money market funds which are reported at amortized cost. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Net appreciation (depreciation) in fair value of investments includes realized and unrealized gains and losses. Realized gains and losses are determined on the basis of specific cost. Interest and dividends are recorded as earned. Purchases and sales of investments are recorded on a trade date basis. Dividends are recorded on the ex-dividend date. For more detail regarding the methods used to measure the fair value of investments, refer to the fair value hierarchy discussed in Note (II)(A).

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

**2. Plan Description and Contribution Information**

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

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

All full time employees of the police and fire departments, who are classified as sworn

## **CITY OF POMPANO BEACH, FLORIDA**

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

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 retirees who have been retired at least 5 years. An additional increase of up to 1% may be paid to those same retirees under certain circumstances.

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

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

Pre-retirement death benefits for service related deaths are payable to the member's surviving spouse until death or remarriage (for life if the member was killed in the line of duty). Benefits are calculated as \$5,000 lump sum payment plus 75% of the member's

## CITY OF POMPANO BEACH, FLORIDA

### NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2019

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, 2018, the date of the latest actuarial valuation:

Inactive Plan members or beneficiaries currently receiving benefits	403
Inactive plan members entitled but not yet receiving benefits	3
Active plan members	179
Total	<u>585</u>

*Deferred Retirement Option Plan (Drop) Plan* - Any member who is eligible to receive a normal retirement pension and prior to attaining 25 years of service may elect to participate in a deferred retirement option plan ("DROP") while continuing his or her active employment as a police officer or firefighter. The maximum DROP participation period is five years for police officers and eight years for firefighters. A member with 25 years of credited service, who is not yet eligible for normal retirement may elect to participate in the DROP upon reaching normal retirement. Upon participation in the DROP, the member becomes a retiree for all PFRS purposes so that he or she ceases to accrue any further benefits under the pension plan. Normal retirement payments that would have been payable to the member as a result are accumulated and invested in the DROP plan to be distributed to the member upon his or her termination of employment. Participation in the DROP plan ceases for a member after 5 years for police officers and 8 years for firefighters. As of September 30, 2019, the balance in the DROP account was \$14,097,667 with 54 DROP participants. These amounts are included in the total investment balance presented on the statement of fiduciary net position.



**CITY OF POMPANO BEACH, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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*Drop Loan Program* - The PFRS allowed participants to borrow from their DROP account. The loan limit is up to 50% of participant's account balance, subject to a minimum of \$5,000 and a maximum of \$50,000. The interest rate charged is the "prime rate" in effect on the day of loan application and the repayment schedule and maturity date may not exceed five years. At September 30, 2019, the balance of DROP loans outstanding was \$221,493.

*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, 2019, the balance in the share plan account was \$5,911,972. This amount is included in the total investment balance presented on the statement of fiduciary net position.

Effective February 28, 2017, a Supplemental Retirement Benefit Plan for police officer members was established in accordance with Chapter 185, Florida statutes. Under this Plan, a portion of monies received from the Chapter 185 contributions is set aside to provide special benefits to eligible police officer members. Annually, Chapter 185 contributions exceeding \$876,088 are allocated 50% to a police Share Plan and 50% to reduce the unfunded actuarial liability of the Plan. In accordance with a policy adopted on July 10, 2018, police officer members who were vested with a minimum of ten years of service as of February 28, 2017 were each given a share. The Share Plan funds are allocated to all eligible police members at the end of each fiscal year and distributed to retired police officers annually on December 1. Share Plan funds are held in an account with posted earnings for the remaining active police members until retirement pay status is attained. As of September 30, 2019, the balance in the police officers' Share Plan account was \$211,941, and the manner of allocation and distribution has not yet been determined. This amount is included in the total investment balance presented on the statement of fiduciary net position.

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

In accordance with Florida Statutes, and in the absence of mutual consent, additional premium tax revenues in excess of a base amount are reserved 50%, to fund minimum

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benefits or benefits in excess of minimums, and 50% to fund a Share Plan. As of the October 1, 2018 actuarial valuation, the cumulative balance of additional premium tax revenues reserved to provide Share Plan benefits to firefighter members (Chapter 175 funds) totaled \$432,454 and was allocated to the members' Share Plan accounts on January 1, 2019. As of the October 1, 2018 actuarial valuation, the cumulative balance of additional premium tax revenues used to provide Share Plan benefits to police officer members (Chapter 185 funds) totaled \$500,119. Chapter 185 premium tax funds in excess of the minimum received in 2019 totaled \$403,288 of which \$201,644 was allocated to reduce the unfunded actuarial liability of the Plan and \$201,644 was allocated to the members' Share Plan accounts on September 30, 2019.

**3. Due to Brokers**

Pending trades payable amounting to \$2,641,067 at September 30, 2019 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.

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

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

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

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

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**2. Plan Description**

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

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

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

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

***Participants***

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

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

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

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***Membership***

At September 30, 2019, pension plan membership consisted of the following:

Inactive members or their beneficiaries currently receiving benefits	444
Inactive members entitled to but not yet receiving benefits	27
Active members	<u>523</u>
Total	<u><u>994</u></u>

***Pension Benefits***

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

***Tier One members***

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

***Tier Two members***

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

***Deferred Retirement Option Plan (DROP)***

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

***Cost of Living Adjustment (COLA)***

***Tier One members***

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

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payment (October 1). All retirees and their beneficiaries are eligible for the COLA once they have been retired for one year.

#### **Tier Two members**

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

#### ***Funding Requirements and Funding Status of Plan***

##### **Member Contributions:**

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

##### **City Contributions:**

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

##### **County Contributions:**

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

#### ***Investments***

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

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**(C) Other Pension Information**

**1. Contribution Rates and Actual Contributions**

	<b>Police and Firefighters'</b>	<b>General Employees</b>
Contributions:		
Plan members:		
General Employees	-	10.00% <sup>1</sup>
Police	8.60%	-
Fire	11.60%	-
Contributions made:		
Employer	\$ 11,050,554	\$ 9,330,496
Plan members	1,857,469	2,880,798
State	2,559,937 <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.

Beginning in fiscal year 1998, the State, by passage of Chapters 175 and 185 of Florida Statutes, limited the allowable premium tax credit to the base amount received by the Plan in 1997 plus any fire supplemental payments received from the State subsequent to 1997. The City is allowed to take an additional credit for any improved benefits (approved by City Ordinance) provided to the firefighters resulting in additional costs to the Plan. The annual credit taken, which is equal to the sum of the 1997 base amount plus additional fire supplemental payments received and additional costs incurred from improved benefits cannot exceed the actual premium taxes received for that fiscal year. For the fiscal year ended September 30, 2019 the Plan received \$2,559,937 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.

**2. Net Pension Liability**

***Police and Firefighters***

The City's net pension liability was measured as of September 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2018. Update procedures were used to roll forward the total pension liability to the measurement date. The components of the net pension liability of

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the City at September 30, 2019 were as follows:

Total pension liability	\$351,449,439
Plan fiduciary net position	<u>245,063,938</u>
Net pension liability	<u>\$106,385,501</u>
Plan fiduciary net position as a percentage of the total pension liability	69.73%

***General Employees***

The City's net pension liability was measured as of September 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2017. Update procedures were used to roll forward the total pension liability to the measurement date. The components of the net pension liability of the City at September 30, 2019 were as follows:

Total pension liability	\$262,840,687
Plan fiduciary net position	<u>191,219,657</u>
Net pension liability	<u>\$ 71,621,030</u>
Plan fiduciary net position as a percentage of the total pension liability	72.75%

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**Actuarial Methods and Assumptions**

***Police and Firefighters***

The total pension liability was determined by an actuarial valuation as of October 1, 2018 updated to September 30, 2019 using the following actuarial assumptions applied to all measurement periods:

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

Mortality rates were based on the Florida Retirement System special risk mortality projected with scale BB generationally. Mortality rates for the disabled were based on the Florida Retirement System disabled mortality (no projection scale). The most recent study was completed in August 2019 taking into account 6 years of data experience.

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Equity	50.00%	6.42%
Fixed income	22.50%	1.80%
Real estate	7.50%	5.30%
Hedge funds and private equity	15.00%	3.39%
Master Limited Partnership	5.00%	5.90%
Short-term investments	-%	1.40%
Cash	-%	1.00%
Total	100.00%	



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**General Employees**

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

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

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

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

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

**Discount Rate:**

**Police and Firefighters**

The discount rate used to measure the total pension liability was 7.40%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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**General Employees**

The discount rate used to measure the total pension liability was 7.80. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Changes in the Net Pension Liability:**

Changes in the City's net pension liability for the Police and Firefighters and General Employees Plans for the fiscal year ended September 30, 2019 is as follows:

	<b>Police and Firefighters</b>			<b>General Employees</b>		
	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position (a)</b>	<b>Net Pension Liability</b>	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
<b>Beginning Balances</b>	<u>\$ 350,950,167</u>	<u>\$ 246,351,626</u>	<u>\$ 104,598,541</u>	<u>\$ 244,011,049</u>	<u>\$ 177,325,805</u>	<u>\$ 66,685,244</u>
<b>Changes for the year:</b>						
Service cost	4,367,560	-	4,367,560	4,718,048	-	4,718,048
Interest	25,340,433	-	25,340,433	19,113,699	-	19,113,699
Changes of assumptions	-	-	-	2,726,764	-	2,726,764
Differences between expected and actual experience	(3,449,843)	-	(3,449,843)	5,838,209	-	5,838,209
Contributions - employer	-	11,050,554	(11,050,554)	-	8,301,969	(8,301,969)
Contributions - member	-	1,857,469	(1,857,469)	-	2,663,296	(2,663,296)
Contributions - nonemployer contributing member	-	2,559,937	(2,559,937)	-	-	-
Net investment income (loss)	-	9,533,689	(9,533,689)	-	17,035,198	(17,035,198)
Benefit payments, including refunds						
of member contributions	(25,758,878)	(25,758,878)	-	(13,342,113)	(13,342,113)	-
Refunds of contributions	-	-	-	(224,969)	(224,969)	-
Administrative expense	-	(623,074)	623,074	-	(539,529)	539,529
Other changes	-	92,615	(92,615)	-	-	-
<b>Net changes</b>	<u>499,272</u>	<u>(1,287,688)</u>	<u>1,786,960</u>	<u>18,829,638</u>	<u>13,893,852</u>	<u>4,935,786</u>
<b>Ending Balances</b>	<u><u>\$ 351,449,439</u></u>	<u><u>\$ 245,063,938</u></u>	<u><u>\$ 106,385,501</u></u>	<u><u>\$ 262,840,687</u></u>	<u><u>\$ 191,219,657</u></u>	<u><u>\$ 71,621,030</u></u>

(a) The PFRS Plan fiduciary net position noted above as of September 30, 2019 does not include investment adjustments in the amount of \$96,470 recorded by the Plan and included in the Statement of Net Position subsequent to the production of the actuarial GASB Nos. 67-68 Report.

The City's aggregate net pension liability for the Police and Firefighters Plan measured at September 30, 2019 and General Employees Plan measured at September 30, 2018 was \$178,006,531 for the fiscal year ended September 30, 2019.

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

***Police and Firefighters***

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

	<b>1% Decrease (6.40%)</b>	<b>Current Discount Rate (7.40%)</b>	<b>1% Increase (8.40%)</b>
City's net pension liability	\$ 145,530,126	\$ 106,385,501	\$ 73,864,105

***General Employees***

The following presents the net pension liability, calculated using the discount rate of 7.80%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.80%) or 1-percentage-point higher (8.80%) than the current rate:

	<b>1% Decrease (6.80%)</b>	<b>Current Discount Rate (7.80%)</b>	<b>1% Increase (8.80%)</b>
City's net pension liability	\$ 102,183,291	\$ 71,621,030	\$ 46,018,470

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

For the year ended September 30, 2019, the City recognized pension expense related to the pension plans as follows:

	<b>Police and Firefighters</b>	<b>General Employees</b>	<b>Total</b>
Pension expense	\$ 22,830,257	\$ 13,618,485	\$ 36,448,742

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At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pension plans from the following sources:

	<b>Police and Firefighters</b>		<b>General Employees</b>		<b>Total</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,173,050	\$ 2,299,895	\$ 5,043,341	\$ 864,889	\$ 6,216,391	\$ 3,164,784
Changes of assumptions	1,179,240	-	13,417,177	-	14,596,417	-
Net difference between projected and actual earnings on pension plan investments	2,071,263	-	-	6,085,520	2,071,263	6,085,520
Employer contributions subsequent to the measurement date	-	-	9,330,496	-	9,330,496	-
<b>Total</b>	<b>\$ 4,423,553</b>	<b>\$ 2,299,895</b>	<b>\$ 27,791,014</b>	<b>\$ 6,950,409</b>	<b>\$ 32,214,567</b>	<b>\$ 9,250,304</b>

The City reported \$9,330,496 as part of the deferred outflows of resources relating to pensions. This amount resulted from City contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<b>Police and Firefighters</b>		<b>General Employees</b>	
<b>Fiscal year ending September 30:</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
2020	\$ 1,973,340	\$ 1,149,948	\$ 6,619,789	\$ 656,410
2021	(331,625)	1,149,947	6,378,887	3,141,852
2022	1,141,859	-	4,510,181	2,522,037
2023	1,639,979	-	951,661	630,110
	<b>\$ 4,423,553</b>	<b>\$ 2,299,895</b>	<b>\$ 18,460,518</b>	<b>\$ 6,950,409</b>

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

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

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The International City Management Association Retirement Corporation acts as agent for the City in administering the Contribution Plan. As a result of Ordinance 2008-16, there are no required contributions to the plan. For fiscal year 2019 employer contributions totaled \$0 and employee contributions also totaled \$0.

**(E) Risk Management**

The City is exposed to various risks and losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and group health. The City is self-insured except for commercial insurance purchased for airport liability and group health insurance, and purchases of excess commercial insurance beyond the self-insured retention for general liability, auto liability, property damage and workers' compensation and has not incurred a reduction in insurance coverage. No workers' compensation settlements exceeded the City's self-insured retention in fiscal year 2019.

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, 2019 reflect management's loss estimate of \$11,782,000, which includes reported claims and claims incurred but not reported (IBNR).

Changes in the fund's estimated claims payable amount in fiscal years 2019 and 2018 were:

<b>Fiscal Year</b>	<b>Liability October 1</b>	<b>New Claims and Changes in Estimates</b>	<b>Claims Payments</b>	<b>Liability September 30</b>
2019	\$ 11,328,000	\$ 3,307,471	\$ 2,853,471	\$ 11,782,000
2018	\$ 12,492,000	\$ 2,334,099	\$ 3,498,099	\$ 11,328,000

**(F) Contingencies/Risks/Uncertainties**

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

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

The City's pension plans (PFRS and GERS-the Plans) invest in various investment securities. Investment securities are exposed to various risks such as interest rate,

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market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of the investment securities will occur in the near term, and those changes could materially affect the amounts reported in the statement of plan net position for each Plan. The Plans, through investment advisors, monitor plan investments and the risks associated therewith on a regular basis, which the Plans believe serve to minimize these risks.

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

On September 10, 2017, the President issued a major disaster declaration (FEMA DR-4337) for the State of Florida as a result of Hurricane Irma. The declaration authorized public assistance and hazard mitigation grants for eligible states. The State of Florida received public assistance grant funds from the Federal Emergency Management Agency (FEMA) and is authorized to sub-grant a portion of such funds to the City of Pompano Beach pursuant to the requirements of federal and state law. As of September 30, 2019 the City has submitted \$5.5 million in claims for qualifying expenditures associated with costs incurred as a direct result of Hurricane Irma.

**(G) New Accounting Pronouncements**

**GASB 83, *Certain Asset Retirement Obligations***, is effective for financial statements for periods beginning after June 15, 2018. The objective of this statement is to address accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The implementation of this pronouncement had no impact on the City's financial statements for the fiscal year ended September 30, 2019.

**GASB 84, *Fiduciary Activities***, is effective for financial statements for periods beginning after December 15, 2018. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The City is aware of this requirement and will assess its impact to ensure timely implementation.

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

**CITY OF POMPANO BEACH, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

requirement and will assess its impact to ensure timely implementation.

**GASB 88, Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placement**, is effective for reporting periods beginning after June 15, 2018. The objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. This Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The implementation of this pronouncement had no significant impact on the City's financial statements for the fiscal year ended September 30, 2019.

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

**GASB 90, Majority Equity Interests - An Amendment of GASB Statement No. 14 and No. 16**, is effective for reporting periods beginning after December 15, 2018. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis. The primary objectives of this Statement are to improve

## CITY OF POMPANO BEACH, FLORIDA

### NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2019

the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. The City is aware of this requirement and will assess its impact to ensure timely implementation.

**GASB Statement No. 91, Conduit Debt Obligations**, is effective for reporting periods beginning after December 15, 2020. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements. This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period. The City is aware of this requirement and will assess its impact to ensure timely implementation.

**GASB Statement No. 92, Omnibus 2020**, is effective for reporting period beginning June 15, 2020. Earlier application is encouraged and is permitted. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following the effective date of Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, for interim financial reports. Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan. The applicability of Statements No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, Financial



**CITY OF POMPANO BEACH, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits. The City is aware of this requirement and will assess its impact to ensure timely implementation.

**(H) Deficit Fund Equity**

At September 30, 2019, the following funds had deficit fund equity:

	<b>Amount</b>
Governmental funds	
Other Grants	\$ 112,283
Enterprise funds	
Parking	\$ 1,404,282
Internal Service Funds	
Central Stores	\$ 63,728

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

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

Central stores will be reduced as part of the fiscal year 2021 adopted budget by adjusting the charges currently charged to other City departments.

**(I) Subsequent Event**

The following information describes a certain event that occurred subsequent to the City's fiscal year end of September 30, 2019.

The COVID-19 outbreak in the United States has caused business disruption through mandatory and voluntary closing of businesses across the country for non-essential services. While the disruption is currently expected to be temporary, there is considerable uncertainty about the duration of closings. The City has been able to continue most of its operations in a remote environment, however, at this point, the extent to which COVID-19 may impact the City's financial condition or results of operations is uncertain.

## **REQUIRED SUPPLEMENTARY INFORMATION**

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Total pension liability						
Service cost	\$ 3,645,948	\$ 3,645,948	\$ 3,703,207	\$ 4,117,315	\$ 4,342,954	\$ 4,367,560
Interest	21,340,649	21,555,235	21,977,143	24,421,412	25,088,027	25,340,433
Changes of benefit terms (1)	-	(6,900)	-	-	-	-
Differences between expected and actual experience	(1,213,699)	2,419,307	(983,846)	3,702,653	742,156	(3,449,843)
Changes of assumptions (2)	-	-	29,606,755	-	3,537,718	-
Benefit payments, including refunds of member contributions	<u>(20,678,837)</u>	<u>(21,144,686)</u>	<u>(22,946,120)</u>	<u>(21,308,109)</u>	<u>(25,849,524)</u>	<u>(25,758,878)</u>
Net change in total pension liability	3,094,061	6,468,904	31,357,139	10,933,271	7,861,331	499,272
Total pension liability - beginning	<u>291,235,461</u>	<u>294,329,522</u>	<u>300,798,426</u>	<u>332,155,565</u>	<u>343,088,836</u>	<u>350,950,167</u>
Total pension liability - ending (a)	<u>294,329,522</u>	<u>300,798,426</u>	<u>332,155,565</u>	<u>343,088,836</u>	<u>350,950,167</u>	<u>351,449,439</u>
Plan fiduciary net position						
Contributions - employer	9,722,948	8,129,211	8,154,934	8,142,644	10,775,021	11,050,554
Contributions - employee	1,422,685	1,453,342	1,492,330	1,632,948	1,708,166	1,857,469
Contributions - nonemployer contributing member	2,219,537	2,255,095	2,273,774	2,336,040	2,501,946	2,559,937
Net investment income (loss)	22,149,737	(3,955,004)	16,233,979	23,717,202	19,886,454	9,533,689
Benefit payments, including refunds of member contributions	<u>(20,678,837)</u>	<u>(21,144,686)</u>	<u>(22,946,120)</u>	<u>(21,308,109)</u>	<u>(25,849,524)</u>	<u>(25,758,878)</u>
Administrative expenses	<u>(581,767)</u>	<u>(563,224)</u>	<u>(604,460)</u>	<u>(530,291)</u>	<u>(626,768)</u>	<u>(623,074)</u>
Other	<u>17,738</u>	<u>43,955</u>	<u>10,775</u>	<u>75,815</u>	<u>18,569</u>	<u>92,615</u>
Net change in plan fiduciary net position	14,272,041	(13,781,311)	4,615,212	14,066,249	8,413,864	(1,287,688)
Plan fiduciary net position - beginning	<u>218,765,571</u>	<u>233,037,612</u>	<u>219,256,301</u>	<u>223,871,513</u>	<u>237,937,762</u>	<u>246,351,626</u>
Plan fiduciary net position - ending (b)	<u>233,037,612</u>	<u>219,256,301</u>	<u>223,871,513</u>	<u>237,937,762</u>	<u>246,351,626</u>	<u>245,063,938</u>
City's net pension liability - ending (a) - (b)	<u>\$ 61,291,910</u>	<u>\$ 81,542,125</u>	<u>\$ 108,284,052</u>	<u>\$ 105,151,074</u>	<u>\$ 104,598,541</u>	<u>\$ 106,385,501</u>
Plan fiduciary net position as a percentage of the total pension liability	79.18%	72.89%	67.40%	69.35%	70.20%	69.73%
Covered payroll	\$ 12,948,557	\$ 13,065,752	\$ 13,061,612	\$ 13,527,197	\$ 14,353,623	\$ 14,705,355
City's net pension liability as a percentage of covered payroll	473.35%	624.09%	829.03%	777.33%	728.73%	723.45%

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

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

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

(3) The Plan fiduciary net position noted above as of September 30, 2019 does not include investment adjustments in the amount of \$96,470 recorded by the Plan and included in the Statement of Net Position subsequent to the production of the actuarial GASB Nos. 67-68 Report.

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Actuarially determined contribution	\$ 6,828,542	\$ 6,085,623	\$ 5,527,605	\$ 8,121,441	\$ 9,722,948	\$ 8,129,211	\$ 8,154,934	\$ 8,142,644	\$ 10,775,021	\$ 11,050,554
Contributions in relation to the actuarially determined contribution	<u>6,828,542</u>	<u>6,085,623</u>	<u>5,527,605</u>	<u>8,121,441</u>	<u>9,722,948</u>	<u>8,129,211</u>	<u>8,154,934</u>	<u>8,142,644</u>	<u>10,775,021</u>	<u>11,050,554</u>
Covered payroll	\$ 16,804,153	\$ 15,514,029	\$ 14,432,987	\$ 13,137,295	\$ 12,948,557	\$ 13,065,752	\$ 13,061,612	\$ 13,527,197	\$ 14,353,623	\$ 14,705,355
Contributions as a percentage of covered payroll	40.64%	39.23%	38.30%	61.82%	75.09%	62.22%	62.43%	60.19%	75.07%	75.15%

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

Methods and assumptions used to determine contribution rates:

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

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

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Total pension liability</b>					
Service cost	\$ 4,002,187	\$ 3,971,996	\$ 4,065,485	\$ 4,125,985	\$ 4,718,048
Interest	15,228,081	15,876,511	16,453,581	17,193,735	19,113,699
Benefit changes	-	-	62,449	-	-
Difference between actual & expected experience	-	372,468	1,438,845	(1,530,189)	5,838,209
Assumption changes (1)	-	-	-	19,985,869	2,726,764
Benefit payments	10,047,279	12,286,072	12,536,330	(12,997,314)	(13,342,113)
Refunds	(362,250)	(238,755)	(198,760)	(122,787)	(224,969)
Net change in total pension liability	8,820,739	7,696,148	9,285,270	26,655,299	18,829,638
Total pension liability - beginning	91,553,593	00,374,332	08,070,480	217,355,750	244,011,049
Total pension liability - ending (a)	<u>00,374,332</u>	<u>08,070,480</u>	<u>17,355,750</u>	<u>244,011,049</u>	<u>262,840,687</u>
<b>Plan fiduciary net position</b>					
Contributions - employer	6,697,862	6,669,132	6,545,407	6,755,068	8,301,969
Contributions - member	2,515,665	2,562,901	2,593,355	2,617,652	2,663,296
Net investment income	12,478,865	(235,039)	14,289,309	21,126,562	17,035,198
Benefit payments	10,047,279	12,286,072	12,536,330	(12,997,314)	(13,342,113)
Refunds of contributions	(362,250)	(238,755)	(198,760)	(122,787)	(224,969)
Administrative expenses	(491,959)	(530,248)	(526,236)	(475,674)	(539,529)
Net change in plan fiduciary net position	10,790,904	(4,058,081)	10,166,745	16,903,507	13,893,852
Plan fiduciary net position - beginning	43,522,730	54,313,634	50,255,553	160,422,298	177,325,805
Plan fiduciary net position - ending (b)	<u>54,313,634</u>	<u>50,255,553</u>	<u>60,422,298</u>	<u>177,325,805</u>	<u>191,219,657</u>
<b>City's net pension liability - ending (a) - (b)</b>	<u>\$46,060,698</u>	<u>\$57,814,927</u>	<u>\$56,933,452</u>	<u>\$ 66,685,244</u>	<u>\$ 71,621,030</u>
Plan fiduciary net position as a percentage of the total pension liability	77.01%	72.21%	73.81%	72.67%	72.75%
Covered payroll	\$26,048,410	\$27,015,680	\$27,957,210	\$ 28,647,136	\$ 31,178,459
City's net pension liability as a percentage of covered payroll	176.83%	214.01%	203.64%	232.78%	229.71%

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

(1) **Changes in Assumptions:** For fiscal year 2017 the assumption for mortality rates was changed due to a Florida legislative change which mandated that local governments utilize the State of Florida's mortality tables to measure pension liabilities. Commencing on the October 1, 2017 actuarial valuation, the assumed rate of investment return will be lowered from 7.90% to 7.50% in increments of 0.10% per year over the course of a five-year phase-in.

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Actuarially determined contribution	\$ 4,338,870	\$ 5,351,521	\$ 5,801,971	\$ 6,332,731	\$ 6,697,862	\$ 6,669,132	\$ 6,545,407	\$ 6,755,068	\$ 8,301,969	\$ 9,329,902
Contributions in relation to the actuarially determined contribution	<u>4,338,870</u>	<u>5,351,521</u>	<u>5,801,971</u>	<u>6,332,731</u>	<u>6,697,862</u>	<u>6,669,132</u>	<u>6,545,407</u>	<u>6,755,068</u>	<u>8,301,969</u>	<u>9,329,902</u>
Covered payroll	\$ 26,596,532	\$ 26,238,403	\$ 25,833,472	\$ 25,922,708	\$ 26,048,410	\$ 27,015,680	\$ 27,957,210	\$ 28,647,135	\$ 31,178,459	\$ 34,586,429
Contributions as a percentage of covered payroll	16.31%	20.40%	22.46%	24.43%	25.71%	24.69%	23.41%	23.58%	26.63%	26.98%

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level of percentage payroll, closed
Amortization period	30 years
Asset valuation method	5-year smoothed market
Inflation	3.50 percent
Salary increase	4.25 - 7.50 percent, including inflation
Investment rate of return	7.80 percent, net of plan investment expense, including inflation
Mortality rates:	RP2000 Generational for males and females

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

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	2018	2019
<b>Total OPEB liability</b>		
Service cost	\$ 739,573	\$ 747,137
Interest	440,274	455,448
Benefit payments	(541,412)	(580,510)
Assumption Changes	-	65,752
Net change in total OPEB liability	638,435	687,827
Total OPEB liability - beginning	11,624,145	12,262,580
Total OPEB liability - ending	<u>\$ 12,262,580</u>	<u>\$ 12,950,407</u>
 Covered payroll	 \$ 45,542,532	 \$ 45,542,532
 Total OPEB liability as a percentage of covered payroll	 26.9%	 28.4%

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

**CITY OF POMPANO BEACH, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE (UNAUDITED) - BUDGETARY BASIS**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget -</b>
	<b>Original</b>	<b>Final</b>	<b>Actual (Budgetary Basis)</b>	<b>Positive (Negative)</b>
<b>REVENUES</b>				
Taxes	\$ 81,597,928	\$ 81,597,928	\$ 82,001,774	\$ 403,846
Judgments, fines and forfeitures	897,500	897,500	858,789	(38,711)
Permits, fees and special assessments	27,691,263	27,691,263	28,732,832	1,041,569
Intergovernmental	13,370,937	13,769,245	15,217,665	1,448,420
Charges for services	18,926,663	18,926,663	19,550,823	624,160
Pari-mutuel	2,400,000	2,400,000	2,066,464	(333,536)
Donations	25,400	25,400	24,431	(969)
Investment earnings	823,373	823,373	2,325,732	1,502,359
Other revenue	650,000	650,000	635,597	(14,403)
Total revenues	146,383,064	146,781,372	151,414,107	4,632,735
<b>EXPENDITURES</b>				
Current:				
General government	10,089,839	9,792,741	9,401,524	391,217
Finance	3,381,806	3,276,853	3,233,371	43,482
Development services	5,031,762	5,471,458	5,258,493	212,965
Police	47,084,372	48,477,751	48,440,540	37,211
Fire department	24,000,268	24,113,645	23,914,381	199,264
Public works	22,343,340	23,297,810	23,106,107	191,703
Non departmental	9,106,066	10,427,734	10,242,555	185,179
Culture and recreation	11,621,561	11,588,116	11,381,075	207,041
Capital outlay	1,130,010	6,950,361	5,413,847	1,536,514
Debt Service:				
Principal	1,403,910	802,036	802,036	-
Interest & other charges	155,519	57,580	57,580	-
Total expenditures	135,348,453	144,256,085	141,251,509	3,004,576
Excess (deficiency) of revenues over (under) expenditures	11,034,611	2,525,287	10,162,598	7,637,311
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	95,000	95,000	122,472	27,472
Proceeds from capital lease	201,235	1,913,511	1,913,511	-
Transfers in	212,981	16,294,181	16,294,181	-
Transfers out	(10,442,910)	(10,542,722)	(10,542,722)	-
Total other financing sources (uses)	(9,933,694)	7,759,970	7,787,442	27,472
Net change in fund balance	\$ 1,100,917	\$ 10,285,257	17,950,040	\$ 7,664,783
<b>FUND BALANCE - BEGINNING</b>			35,435,087	
<b>FUND BALANCE - ENDING</b>			\$ 53,385,127	

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, 2019**

	<b>Budgeted Amounts</b>		<b>Actual (Budgetary Basis)</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes	\$ 9,335,056	\$ 9,335,056	\$ 9,207,392	\$ (127,664)
Charges for services	173,666	173,666	148,623	(25,043)
Investment earnings	30,000	30,000	155,699	125,699
Other revenue	20,000	20,000	57,087	37,087
Total revenues	<u>9,558,722</u>	<u>9,558,722</u>	<u>9,568,801</u>	<u>10,079</u>
<b>EXPENDITURES</b>				
Current:				
Economic environment	3,666,742	4,861,154	4,039,616	821,538
Capital outlay	8,491,192	8,144,210	393,350	7,750,860
Debt service:				
Principal	1,212,340	889,655	588,689	300,966
Interest & other charges	887,887	887,887	117,507	770,380
Total expenditures	<u>14,258,161</u>	<u>14,782,906</u>	<u>5,139,162</u>	<u>9,643,744</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,699,439)</u>	<u>(5,224,184)</u>	<u>4,429,639</u>	<u>9,653,823</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	13,689	13,689	-
Total other financing sources (uses)	-	13,689	13,689	-
Net change in fund balance	<u>\$ (4,699,439)</u>	<u>\$ (5,210,495)</u>	<u>4,443,328</u>	<u>\$ 9,653,823</u>
<b>FUND BALANCE - BEGINNING</b>			<u>40,788,577</u>	
<b>FUND BALANCE - ENDING</b>			<u>\$ 45,231,905</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, 2019**

	<b>Budgeted Amounts</b>		<b>Actual (Budgetary Basis)</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes	\$ 3,270,041	\$ 3,270,041	\$ 3,226,241	\$ (43,800)
Investment earnings	40,000	40,000	97,217	57,217
Charges for services	57,315	57,315	56,952	(363)
Total Revenues	<u>3,367,356</u>	<u>3,367,356</u>	<u>3,380,410</u>	<u>13,054</u>
<b>EXPENDITURES</b>				
Current:				
Economic environment	1,034,862	1,103,824	854,780	249,044
Debt service:				
Principal	735,000	735,000	735,000	-
Interest & other charges	362,355	362,355	362,355	-
Capital outlay	6,000,000	9,222,349	3,852,074	5,370,275
Total expenditures	<u>8,132,217</u>	<u>11,423,528</u>	<u>5,804,209</u>	<u>5,619,319</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,764,861)</u>	<u>(8,056,172)</u>	<u>(2,423,799)</u>	<u>5,632,373</u>
Net Change in Fund Balance	<u>\$ (4,764,861)</u>	<u>\$ (8,056,172)</u>	<u>(2,423,799)</u>	<u>\$ 5,632,373</u>
<b>FUND BALANCE - BEGINNING</b>			10,854,191	
<b>FUND BALANCE - ENDING</b>			<u>\$ 8,430,392</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, 2019**

	<b>Budgeted Amounts</b>		<b>Actual (Budgetary Basis)</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes	\$ 6,248,870	\$ 6,248,870	\$ 6,199,372	\$ (49,498)
Intergovernmental	403,500	403,500	463,983	60,483
Charges for services	3,500,000	3,500,000	3,848,604	348,604
Investment earnings	48,758	48,758	85,169	36,411
Total revenues	<u>10,201,128</u>	<u>10,201,128</u>	<u>10,597,128</u>	<u>396,000</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	18,040,807	18,152,225	17,667,036	485,189
Capital outlay	-	67,468	66,274	1,194
Total expenditures	<u>18,040,807</u>	<u>18,219,693</u>	<u>17,733,310</u>	<u>486,383</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,839,679)</u>	<u>(8,018,565)</u>	<u>(7,136,182)</u>	<u>882,383</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	8,040,018	8,040,018	8,040,018	-
Total other financing sources (uses)	<u>8,040,018</u>	<u>8,040,018</u>	<u>8,040,018</u>	<u>-</u>
Net change in fund balance	<u>\$ 200,339</u>	<u>\$ 21,453</u>	<u>903,836</u>	<u>\$ 882,383</u>
<b>FUND BALANCE - BEGINNING</b>			<u>831,080</u>	
<b>FUND BALANCE - ENDING</b>			<u>\$ 1,734,916</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, 2019**

**Budgetary Information**

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

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

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

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

Budgets have been legally adopted for all governmental and proprietary fund types except for the Special Purpose, Law Enforcement Trust, Affordable Housing Trust, and Cultural Arts Foundation, Capital Projects fund and the Capital Project 2018 GO Bonds fund. Budgets are adopted for capital outlay expenditures on a project basis. Presentation of this information on an annual basis is not considered meaningful.

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

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

**CITY OF POMPANO BEACH, FLORIDA**

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

**SEPTEMBER 30, 2019**

Adjustments necessary to convert the general fund and the major special revenue fund results of operations and change in fund balances at September 30, 2019 from the accounting principles generally accepted in the United States of America basis of accounting to the budget basis are as follows:

	<b>Revenues/ Other Financing Sources</b>	<b>Expenditures/ Other Financing Uses</b>	<b>Change in Fund Balances</b>
<b><u>General Fund</u></b>			
GAAP Basis	\$ 169,744,271	\$ 149,865,818	\$ 19,878,453
Encumbrances	-	1,928,413	(1,928,413)
Budgetary Basis	<u>\$ 169,744,271</u>	<u>\$ 151,794,231</u>	<u>\$ 17,950,040</u>
<b><u>Northwest Community Redevelopment District</u></b>			
GAAP Basis	\$ 9,582,490	\$ 4,565,303	\$ 5,017,187
Encumbrances	-	573,859	(573,859)
Budgetary Basis	<u>\$ 9,582,490</u>	<u>\$ 5,139,162</u>	<u>\$ 4,443,328</u>
<b><u>East Community Redevelopment District</u></b>			
GAAP Basis	\$ 3,380,410	\$ 5,022,151	\$ (1,641,741)
Encumbrances	-	782,058	(782,058)
Budgetary Basis	<u>\$ 3,380,410</u>	<u>\$ 5,804,209</u>	<u>\$ (2,423,799)</u>
<b><u>EMS</u></b>			
GAAP Basis	\$ 18,637,146	\$ 17,662,165	\$ 974,981
Encumbrances	-	71,145	(71,145)
Budgetary Basis	<u>\$ 18,637,146</u>	<u>\$ 17,733,310</u>	<u>\$ 903,836</u>

**Excess of Expenditures Over Appropriations**

For the year ended September 30, 2019, expenditures did not exceed appropriations in any governmental fund departments (the legal level of budgetary control).

## **COMBINING AND INDIVIDUAL FUND STATEMENTS**

## **NONMAJOR GOVERNMENTAL FUNDS**

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

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

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

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

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

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

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

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

**2018 G.O. Bonds** - accounts for property taxes collected for the repayment of principal and interest on the City's 2018 Series general obligation bonds.

**CITY OF POMPANO BEACH, FLORIDA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2019**

	<b>Special Revenue Funds</b>			
	<b>Building Permit</b>	<b>Special Purpose</b>	<b>LETF</b>	<b>SHIP</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,740,063	\$ 179,385	\$ 240,117	\$ 374,475
Restricted cash and cash equivalents	-	-	-	-
Restricted investments	-	33,518	-	-
Unrestricted investments	13,726,409	865,114	1,202,874	-
Interest receivable	66,505	-	5,785	-
Assets held for resale and redevelopment	-	-	-	-
Due from other governments	-	80,746	-	-
Prepays	16,215	-	-	-
Other assets	-	-	-	-
Total assets	<u>\$ 16,549,192</u>	<u>\$ 1,158,763</u>	<u>\$ 1,448,776</u>	<u>\$ 374,475</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	60,271	35,427	-	863
Accrued expenditures	226,864	-	-	721
Due to other funds	-	-	-	-
Unearned revenue	-	-	1,448,776	372,891
Deposits	-	-	-	-
Total liabilities	<u>287,135</u>	<u>35,427</u>	<u>1,448,776</u>	<u>374,475</u>
<b>Deferred inflows of resources:</b>				
Unavailable revenue	-	-	-	-
<b>Fund balances:</b>				
Nonspendable	16,215	-	-	-
Restricted	16,245,842	33,518	-	-
Committed	-	1,089,818	-	-
Unassigned	-	-	-	-
Total fund balances	<u>16,262,057</u>	<u>1,123,336</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 16,549,192</u>	<u>\$ 1,158,763</u>	<u>\$ 1,448,776</u>	<u>\$ 374,475</u>



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**Special Revenue Funds**

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<b>Other Grants</b>	<b>Affordable Housing</b>	<b>Cultural Arts Foundation</b>	<b>Cemetery</b>	<b>2018 G.O. Bonds</b>	<b>Total Non-major Governmental Funds</b>
\$ 3,239,297	\$ 1,759,935	\$ 472	\$ 200,160	\$ -	\$ 8,733,904
-	-	-	-	6,438	6,438
-	-	-	-	32,253	65,771
-	-	-	1,002,704	-	16,797,101
-	-	-	-	-	72,290
-	500,543	-	-	-	500,543
2,432,130	-	-	-	675	2,513,551
-	-	-	-	-	16,215
8,474	-	-	-	-	8,474
<u>\$ 5,679,901</u>	<u>\$ 2,260,478</u>	<u>\$ 472</u>	<u>\$ 1,202,864</u>	<u>\$ 39,366</u>	<u>\$ 28,714,287</u>
337,906	152,071	-	6,387	-	592,925
17,143	1,829	-	-	-	246,557
3,274,715	-	-	-	-	3,274,715
9,525	-	-	-	-	1,831,192
434	-	-	-	-	434
<u>3,639,723</u>	<u>153,900</u>	<u>-</u>	<u>6,387</u>	<u>-</u>	<u>5,945,823</u>
<u>2,152,461</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,152,461</u>
-	-	-	-	-	16,215
-	-	472	-	39,366	16,319,198
-	2,106,578	-	1,196,477	-	4,392,873
(112,283)	-	-	-	-	(112,283)
<u>(112,283)</u>	<u>2,106,578</u>	<u>472</u>	<u>1,196,477</u>	<u>39,366</u>	<u>20,616,003</u>
<u>\$ 5,679,901</u>	<u>\$ 2,260,478</u>	<u>\$ 472</u>	<u>\$ 1,202,864</u>	<u>\$ 39,366</u>	<u>\$ 28,714,287</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, 2019**

	<b>Special Revenue Funds</b>			
	<b>Building Permit</b>	<b>Special Purpose</b>	<b>LETF</b>	<b>SHIP</b>
<b>REVENUES</b>				
Taxes	\$ -	\$ 148,089	\$ -	\$ -
Permits, fees and special assessments	12,244,267	-	-	-
Intergovernmental	-	134,530	-	277,780
Charges for services	-	292,771	-	-
Donations	-	683	-	-
Program income	-	-	-	8,494
Investment earnings	714,434	21,744	649	3,436
Other revenue	-	-	-	-
Total revenues	<u>12,958,701</u>	<u>597,817</u>	<u>649</u>	<u>289,710</u>
<b>EXPENDITURES</b>				
<b>Current:</b>				
General government	-	-	-	-
Public safety	9,359,946	-	649	-
Transportation	-	339,603	-	-
Economic environment	-	-	-	289,710
Culture and recreation	-	122,200	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	22,830	-	-	-
Total expenditures	<u>9,382,776</u>	<u>461,803</u>	<u>649</u>	<u>289,710</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,575,925</u>	<u>136,014</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	(163,000)	-	-
Issuance of debt	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(163,000)</u>	<u>-</u>	<u>-</u>
Net change in fund balances (deficit)	3,575,925	(26,986)	-	-
Fund balances - beginning	12,686,132	1,150,322	-	-
Fund balances - ending	<u>\$ 16,262,057</u>	<u>\$ 1,123,336</u>	<u>\$ -</u>	<u>\$ -</u>

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**Special Revenue Funds**

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<u>Other Grants</u>	<u>Affordable Housing</u>	<u>Cultural Arts Foundation</u>	<u>Cemetery</u>	<u>2018 G.O. Bonds</u>	<u>Total Non-major Governmental Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 5,775,698	\$ 5,923,787
-	762,891	-	-	-	13,007,158
2,059,120	-	-	-	-	2,471,430
-	-	-	2,100	-	294,871
-	5,000	-	-	-	5,683
347,284	528,264	-	-	-	884,042
19,668	9,342	-	-	5,097	774,370
57	-	-	-	-	57
<u>2,426,129</u>	<u>1,305,497</u>	<u>-</u>	<u>2,100</u>	<u>5,780,795</u>	<u>23,361,398</u>
-	-	60	-	-	60
-	-	-	-	-	9,360,595
-	-	-	-	-	339,603
1,832,202	524,760	-	-	-	2,646,672
-	-	-	-	-	122,200
-	-	-	-	2,575,000	2,575,000
-	-	-	-	3,166,429	3,166,429
<u>2,475,021</u>	<u>-</u>	<u>-</u>	<u>173,548</u>	<u>-</u>	<u>2,671,399</u>
<u>4,307,223</u>	<u>524,760</u>	<u>60</u>	<u>173,548</u>	<u>5,741,429</u>	<u>20,881,958</u>
<u>(1,881,094)</u>	<u>780,737</u>	<u>(60)</u>	<u>(171,448)</u>	<u>39,366</u>	<u>2,479,440</u>
-	-	-	(2,000)	-	(165,000)
<u>3,920,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,920,000</u>
<u>3,920,000</u>	<u>-</u>	<u>-</u>	<u>(2,000)</u>	<u>-</u>	<u>3,755,000</u>
2,038,906	780,737	(60)	(173,448)	39,366	6,234,440
(2,151,189)	1,325,841	532	1,369,925	-	14,381,563
<u>\$ (112,283)</u>	<u>\$ 2,106,578</u>	<u>\$ 472</u>	<u>\$ 1,196,477</u>	<u>\$ 39,366</u>	<u>\$ 20,616,003</u>

**CITY OF POMPANO BEACH, FLORIDA****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUILDING PERMIT FUND - NONMAJOR  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	<b>Budgeted Amounts</b>		<b>Actual (Budgetary Basis)</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Permits, fees and special assessments	\$ 7,446,000	\$ 7,446,000	\$ 12,244,267	\$ 4,798,267
Investment earnings	45,587	45,587	714,434	668,847
Total Revenues	<u>7,491,587</u>	<u>7,491,587</u>	<u>12,958,701</u>	<u>5,467,114</u>
<b>EXPENDITURES</b>				
Current:				
Development services	9,147,484	9,702,843	9,505,631	197,212
Capital outlay	189,264	215,988	194,527	21,461
Total expenditures	<u>9,336,748</u>	<u>9,918,831</u>	<u>9,700,158</u>	<u>218,673</u>
Excess (deficiency) of revenues over (under) expenditures	\$ (1,845,161)	\$ (2,427,244)	3,258,543	\$ 5,248,441
Net change in fund balance	<u>\$ (1,845,161)</u>	<u>\$ (2,427,244)</u>	<u>3,258,543</u>	<u>\$ 5,248,441</u>
<b>FUND BALANCE - BEGINNING</b>			<u>12,686,132</u>	
<b>FUND BALANCE - ENDING</b>			<u>\$ 15,944,675</u>	

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

**CITY OF POMPANO BEACH, FLORIDA****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
SHIP FUND - NONMAJOR  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 652,789	\$ 277,780	\$ (375,009)
Program income	-	11,930	11,930	-
Total revenues	-	664,719	289,710	(375,009)
<b>EXPENDITURES</b>				
Current:				
Economic environment	-	664,719	289,710	375,009
Total expenditures	-	664,719	289,710	375,009
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	-	\$ -
<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  
OTHER GRANTS FUND - NONMAJOR  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	<b>Budgeted Amounts</b>		<b>Actual (Budgetary Basis)</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Intergovernmental	\$ 1,492,053	\$ 5,746,028	\$ 2,059,120	\$ (3,686,908)
Program Income	-	1,087,158	347,284	(739,874)
Investment earnings	-	18,317	19,668	1,351
Other revenue	-	57	57	-
Total Revenues	<u>1,492,053</u>	<u>6,851,560</u>	<u>2,426,129</u>	<u>(4,425,431)</u>
<b>EXPENDITURES</b>				
Current:				
Economic environment	1,292,053	4,151,422	2,443,751	1,707,671
Debt service				
Principal	200,000	6,417	-	6,417
Interest & other charges	-	4,943	4,377	566
Capital outlay	-	3,413,845	3,413,845	-
Total expenditures	<u>1,492,053</u>	<u>7,576,627</u>	<u>5,861,973</u>	<u>1,714,654</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>(725,067)</u>	<u>(3,435,844)</u>	<u>\$ (2,710,777)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from notes payable		-	3,920,000	3,920,000
Total other financing sources (uses)		-	3,920,000	3,920,000
Net change in fund balance	<u>\$ 27,799</u>	<u>\$ (697,268)</u>	<u>511,955</u>	<u>\$ (2,710,777)</u>
<b>FUND BALANCE - BEGINNING</b>			<u>(2,151,189)</u>	
<b>FUND BALANCE - ENDING</b>			<u>\$ (1,639,234)</u>	

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

**CITY OF POMPANO BEACH, FLORIDA****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
CEMETERY FUND - NONMAJOR  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Charges for services	\$ -	\$ -	\$ 2,100	\$ 2,100
Total revenues	-	-	2,100	2,100
<b>EXPENDITURES</b>				
Current:				
Capital outlay	300,000	403,000	328,598	74,402
Total expenditures	(300,000)	(403,000)	(328,598)	(74,402)
Excess of revenues over (under)				
expenditures	(300,000)	\$ (403,000)	(326,498)	(72,302)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	(2,000)	(2,000)	-
Total other financing sources (uses)	-	(2,000)	(2,000)	-
Net change in fund balance	(300,000)	(405,000)	(328,498)	(72,302)
<b>FUND BALANCE - BEGINNING</b>			1,369,925	
<b>FUND BALANCE - ENDING</b>			<u>\$ 1,041,427</u>	

**CITY OF POMPANO BEACH, FLORIDA****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
2018 G.O BONDS FUND - NONMAJOR  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes	\$ 5,740,964	\$ 5,740,964	\$ 5,775,698	\$ 34,734
Investment earnings	-	-	5,097	5,097
Total Revenues	<u>5,740,964</u>	<u>5,740,964</u>	<u>5,780,795</u>	<u>39,831</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	2,575,000	2,575,000	2,575,000	-
Interest & other charges	<u>3,166,429</u>	<u>3,166,429</u>	<u>3,166,429</u>	<u>-</u>
Total expenditures	<u>5,741,429</u>	<u>5,741,429</u>	<u>5,741,429</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>(465)</u>	<u>(465)</u>	<u>39,366</u>	<u>39,831</u>
Net change in fund balances	<u>\$ (465)</u>	<u>\$ (465)</u>	<u>39,366</u>	<u>\$ 39,831</u>
<b>FUND BALANCE - BEGINNING</b>			<u>-</u>	
<b>FUND BALANCE - ENDING</b>			<u><u>\$ 39,366</u></u>	



**NONMAJOR ENTERPRISE FUNDS**

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

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

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

**CITY OF POMPANO BEACH, FLORIDA**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**SEPTEMBER 30, 2019**

	<u>Pier</u>	<u>Airpark</u>	<u>Sanitation</u>	<u>Total</u>
<b>ASSETS</b>				
Current Assets				
Cash and cash equivalents	\$ 174,394	\$ 2,432	\$ 222,341	\$ 399,167
Interest receivable	4,271	-	4,140	8,411
Accounts receivables, net	-	-	1,695,414	1,695,414
Due from other governments	-	929,216	257,710	1,186,926
Total current assets	<u>178,665</u>	<u>931,648</u>	<u>2,179,605</u>	<u>3,289,918</u>
Noncurrent Assets				
Unrestricted investments	873,633	12,183	1,113,825	1,999,641
Capital assets:				
Land	60,058	934	-	60,992
Construction in progress	12,951,711	963,104	-	13,914,815
Buildings	-	1,656,670	-	1,656,670
Infrastructure	2,433,574	4,222,359	-	6,655,933
Improvements	-	21,009,168	-	21,009,168
Machinery and equipment	-	650,110	958,945	1,609,055
Less accumulated depreciation	<u>(1,725,782)</u>	<u>(12,673,222)</u>	<u>(485,108)</u>	<u>(14,884,112)</u>
Total capital assets (net of accumulated depreciation)	<u>13,719,561</u>	<u>15,829,123</u>	<u>473,837</u>	<u>30,022,521</u>
Total noncurrent assets	<u>14,593,194</u>	<u>15,841,306</u>	<u>1,587,662</u>	<u>32,022,162</u>
Total assets	<u>14,771,859</u>	<u>16,772,954</u>	<u>3,767,267</u>	<u>35,312,080</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to pensions	2,957	246,005	587,423	836,385
Deferred outflows related to OPEB	-	304	685	989
Total deferred outflows of resources	<u>2,957</u>	<u>246,309</u>	<u>588,108</u>	<u>837,374</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	605,034	211,377	774,597	1,591,008
Accrued expenses	-	21,582	74,649	96,231
Due to other funds	-	50,000	-	50,000
Capital lease payable	-	-	60,809	60,809
Total current liabilities	<u>605,034</u>	<u>282,959</u>	<u>910,055</u>	<u>1,798,048</u>
Noncurrent liabilities:				
Compensated absences	-	74,056	183,063	257,119
Total OPEB liability	-	67,980	152,958	220,938
Capital lease payable	-	-	244,169	244,169
Net pension liability	-	628,675	2,272,264	2,900,939
Total noncurrent liabilities	<u>-</u>	<u>770,711</u>	<u>2,852,454</u>	<u>3,623,165</u>
Total liabilities	<u>605,034</u>	<u>1,053,670</u>	<u>3,762,509</u>	<u>5,421,213</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to pensions	-	59,626	128,587	188,213
<b>NET POSITION</b>				
Net investment in capital assets	13,719,561	15,829,123	168,858	29,717,542
Unrestricted	450,221	76,844	295,421	822,486
Total net position	<u>\$ 14,169,782</u>	<u>\$ 15,905,967</u>	<u>\$ 464,279</u>	<u>\$ 30,540,028</u>

**CITY OF POMPANO BEACH, FLORIDA****COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION****NONMAJOR ENTERPRISE FUNDS****FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	<u>Pier</u>	<u>Airpark</u>	<u>Sanitation</u>	<u>Total</u>
<b>OPERATING REVENUES</b>				
Charges for services	\$ -	\$ 1,338,836	\$ 8,736,057	\$ 10,074,893
Miscellaneous	-	-	50,000	50,000
Total operating revenues	-	1,338,836	8,786,057	10,124,893
<b>OPERATING EXPENSES</b>				
Personnel services	3,009	557,850	3,133,009	3,693,868
Other current expenses	123,556	788,693	6,481,038	7,393,287
Depreciation	53,821	1,126,517	142,950	1,323,288
Total operating expenses	180,386	2,473,060	9,756,997	12,410,443
Operating income (loss)	(180,386)	(1,134,224)	(970,940)	(2,285,550)
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment earnings	36,189	(6,130)	41,920	71,979
Interest expense	-	-	(2,317)	(2,317)
Operating grants and contributions	-	158,542	-	158,542
Gain or (loss) from disposition of capital assets	(460)	8,736	-	8,276
Total nonoperating revenues (expenses)	35,729	161,148	39,603	236,480
Income (loss) before contributions and transfers	(144,657)	(973,076)	(931,337)	(2,049,070)
Capital grants and contributions	-	821,633	-	821,633
Change in net position	(144,657)	(151,443)	(931,337)	(1,227,437)
Total net position - beginning	14,314,439	16,057,410	1,395,616	31,767,465
Total net position - ending	\$ 14,169,782	\$ 15,905,967	\$ 464,279	\$ 30,540,028

**CITY OF POMPANO BEACH, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	<u>Pier</u>	<u>Airpark</u>	<u>Sanitation</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ -	\$ 1,464,417	\$ 7,817,588	\$ 9,282,005
Payments to suppliers	(888,570)	(860,488)	(6,433,829)	(8,182,887)
Payments to employees	-	(496,772)	(1,532,205)	(2,028,977)
Net cash provided (used) by operating activities	<u>(888,570)</u>	<u>107,157</u>	<u>(148,446)</u>	<u>(929,859)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Advances from (to) other funds	-	50,000	-	50,000
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	(3,941,182)	(1,267,307)	(7,829)	(5,216,318)
Proceeds from capital debt	-	-	285,000	285,000
Proceeds from capital lease	-	9,379	-	9,379
Principal paid on capital lease	-	-	(13,653)	(13,653)
Interest Expense	-	-	(2,317)	(2,317)
Operating grants and contributions	-	129,488	-	129,488
Capital grants and contributions	-	976,268	-	976,268
Net cash provided (used) by capital and related financing activities	<u>(3,941,182)</u>	<u>(152,172)</u>	<u>261,201</u>	<u>(3,832,153)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Calls/maturities of investments	(312,992)	(4,364)	(399,040)	(716,396)
Purchase of investments	4,625,743	6,212	340,055	4,972,010
Interest income	52,159	(6,130)	38,560	84,589
Net cash provided (used) by investing activities	<u>4,364,910</u>	<u>(4,282)</u>	<u>(20,425)</u>	<u>4,340,203</u>
Net increase (decrease) in cash and cash equivalents	<u>(464,842)</u>	<u>703</u>	<u>92,330</u>	<u>(371,809)</u>
Cash and cash equivalents at beginning of the year	639,236	1,729	130,011	770,976
Cash and cash equivalents at end of the year	<u>\$ 174,394</u>	<u>\$ 2,432</u>	<u>\$ 222,341</u>	<u>\$ 399,167</u>
<b>Non-cash transactions (Investing Activities):</b>				
Change in fair value of investments	<u>20,829</u>	<u>(319)</u>	<u>20,143</u>	<u>40,653</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ (180,386)	\$ (1,134,224)	\$ (970,940)	\$ (2,285,550)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	53,821	1,126,517	142,950	1,323,288
Non-cash pension expense	3,009	47,361	1,526,208	1,576,578
<b>Change in assets and liabilities:</b>				
<b>(Increase) decrease in assets:</b>				
Accounts receivables	-	-	(963,398)	(963,398)
Due from other governments	-	125,581	(5,071)	120,510
<b>Increase (decrease) in liabilities</b>				
Accounts and other payables	(765,014)	(75,405)	39,085	(801,334)
Accrued expenses	-	1,757	17,799	19,556
Other post employment benefits (OPEB)	-	3,610	8,124	11,734
Compensated absences	-	11,960	56,797	68,757
Net cash provided (used) by operating activities	<u>\$ (888,570)</u>	<u>\$ 107,157</u>	<u>\$ (148,446)</u>	<u>\$ (929,859)</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, 2019**

	<u>Central Stores</u>	<u>Information Technology</u>	<u>Central Services</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 42,547	\$ 122,592	\$ 74,194
Interest receivable	-	2,957	1,906
Due from other governments	-	-	-
Inventories	613,518	-	23,719
Total current assets:	<u>656,065</u>	<u>125,549</u>	<u>99,819</u>
Noncurrent assets			
Investments	-	614,129	371,677
Capital assets:			
Buildings	247,163	-	7,373
Improvements	-	-	-
Machinery and equipment	82,914	5,315,996	96,828
Less accumulated depreciation	<u>(299,255)</u>	<u>(4,203,563)</u>	<u>(75,287)</u>
Total capital assets (net of accumulated depreciation)	<u>30,822</u>	<u>1,112,433</u>	<u>28,914</u>
Total noncurrent assets	<u>30,822</u>	<u>1,726,562</u>	<u>400,591</u>
Total assets	<u>686,887</u>	<u>1,852,111</u>	<u>500,410</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to OPEB	<u>152</u>	<u>761</u>	<u>609</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	35,406	80,590	30,764
Accrued expenses	10,746	57,382	23,662
Due to other funds	614,708	-	-
Claims and judgments	-	-	-
Compensated absences	-	-	14,589
Total current liabilities:	<u>660,860</u>	<u>137,972</u>	<u>69,015</u>
Noncurrent liabilities			
Compensated absences	55,917	239,750	62,293
Total OPEB liability	33,990	169,953	135,962
Claims and judgments	-	-	-
Total noncurrent liabilities	<u>89,907</u>	<u>409,703</u>	<u>198,255</u>
Total liabilities	<u>750,767</u>	<u>547,675</u>	<u>267,270</u>
<b>NET POSITION</b>			
Net investment in capital assets	30,822	1,112,433	28,914
Unrestricted	<u>(94,550)</u>	<u>192,764</u>	<u>204,835</u>
Total net position	<u>\$ (63,728)</u>	<u>\$ 1,305,197</u>	<u>\$ 233,749</u>

<b>Risk Management Health</b>	<b>Risk Management General</b>	<b>Vehicle Services</b>	<b>Total</b>
\$ 724,238	\$ 2,782,083	\$ 66,666	\$ 3,812,320
17,742	66,372	1,586	90,563
-	-	10,807	10,807
-	-	106,592	743,829
<u>741,980</u>	<u>2,848,455</u>	<u>185,651</u>	<u>4,657,519</u>
3,628,085	13,936,908	333,962	18,884,761
-	-	-	254,536
-	-	423,838	423,838
-	11,250	875,090	6,382,078
-	(6,069)	(1,089,697)	(5,673,871)
-	5,181	209,231	1,386,581
<u>3,628,085</u>	<u>13,942,089</u>	<u>543,193</u>	<u>20,271,342</u>
<u>4,370,065</u>	<u>16,790,544</u>	<u>728,844</u>	<u>24,928,861</u>
-	304	685	2,511
68,253	79,440	32,764	327,217
-	20,430	37,604	149,824
-	-	-	614,708
-	3,064,565	-	3,064,565
-	-	-	14,589
<u>68,253</u>	<u>3,164,435</u>	<u>70,368</u>	<u>4,170,903</u>
-	41,804	99,335	499,099
-	67,980	152,958	560,843
-	8,717,435	-	8,717,435
-	8,827,219	252,293	9,777,377
<u>68,253</u>	<u>11,991,654</u>	<u>322,661</u>	<u>13,948,280</u>
-	5,181	209,231	1,386,581
<u>4,301,812</u>	<u>4,794,013</u>	<u>197,637</u>	<u>9,596,511</u>
<u>\$ 4,301,812</u>	<u>\$ 4,799,194</u>	<u>\$ 406,868</u>	<u>\$ 10,983,092</u>

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

	<b>Central Stores</b>	<b>Information Technology</b>	<b>Central Services</b>
<b>OPERATING REVENUES</b>			
Charges for services - internal	\$ 387,365	\$ 2,794,958	\$ 1,197,870
Charges for services - other	-	-	5
Miscellaneous	-	-	-
Total operating revenues	<u>387,365</u>	<u>2,794,958</u>	<u>1,197,875</u>
<b>OPERATING EXPENSES</b>			
Personnel services	244,527	1,356,497	699,451
Other current expenses	170,625	1,062,861	560,765
Depreciation	13,546	258,067	11,531
Total operating expenses	<u>428,698</u>	<u>2,677,425</u>	<u>1,271,747</u>
Operating income (loss)	<u>(41,333)</u>	<u>117,533</u>	<u>(73,872)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment earnings	(28,811)	29,164	20,232
Miscellaneous revenue	12	-	1,615
Capital grants and contributions	-	61,067	-
Gain or (loss) from disposition of capital assets	642	(761)	-
Total nonoperating revenues (expenses)	<u>(28,157)</u>	<u>89,470</u>	<u>21,847</u>
Change in net position	(69,490)	207,003	(52,025)
Net position - beginning	<u>5,762</u>	<u>1,098,194</u>	<u>285,774</u>
Net position - ending	<u>\$ (63,728)</u>	<u>\$ 1,305,197</u>	<u>\$ 233,749</u>



<b>Risk Management Health</b>	<b>Risk Management General</b>	<b>Vehicle Services</b>	<b>Total</b>
\$ 9,827,331	\$ 5,048,519	\$ 3,187,103	\$ 22,443,146
3,203,161	-	-	3,203,166
107,066	38,771	5,290	151,127
<u>13,137,558</u>	<u>5,087,290</u>	<u>3,192,393</u>	<u>25,797,439</u>
-	399,218	894,164	3,593,857
12,228,704	5,410,416	2,208,659	21,642,030
-	1,605	66,167	350,916
<u>12,228,704</u>	<u>5,811,239</u>	<u>3,168,990</u>	<u>25,586,803</u>
<u>908,854</u>	<u>(723,949)</u>	<u>23,403</u>	<u>210,636</u>
181,944	705,701	18,065	926,295
-	-	-	1,627
-	-	-	61,067
-	-	11,748	11,629
<u>181,944</u>	<u>705,701</u>	<u>29,813</u>	<u>1,000,618</u>
1,090,798	(18,248)	53,216	1,211,254
<u>3,211,014</u>	<u>4,817,442</u>	<u>353,652</u>	<u>9,771,838</u>
<u>\$ 4,301,812</u>	<u>\$ 4,799,194</u>	<u>\$ 406,868</u>	<u>\$ 10,983,092</u>

**CITY OF POMPANO BEACH, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	<b>Central Stores</b>	<b>Information Technology</b>	<b>Central Services</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from other funds	\$ 387,365	\$ 2,794,958	\$ 1,197,870
Receipts from customers	-	-	5
Payments to suppliers	(149,483)	(1,162,271)	(534,087)
Payments to employees	(217,865)	(1,294,616)	(671,923)
Claims paid	-	-	-
Net cash provided (used) by operating activities	<u>20,017</u>	<u>338,071</u>	<u>(8,135)</u>
Advances from (to) other funds	<u>2,840</u>	<u>-</u>	<u>-</u>
Net cash provided (used) by noncapital financing activities	<u>2,840</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Proceeds from sale of surplus materials/capital assets	502	-	1,007
Acquisition of capital assets	-	(430,680)	-
Net cash provided (used) by capital and related financing activities	<u>502</u>	<u>(430,680)</u>	<u>1,007</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Calls/maturities of investments	-	(220,020)	(133,158)
Purchase of investments	-	318,401	187,208
Interest income (loss)	<u>(30,762)</u>	<u>29,001</u>	<u>19,947</u>
Net cash provided (used) by investing activities	<u>(30,762)</u>	<u>127,382</u>	<u>73,997</u>
Net increase (decrease) in cash and cash equivalents	(7,403)	34,773	66,869
Cash and cash equivalents at beginning of the year	49,950	87,819	7,325
Cash and cash equivalents at end of the year	<u>\$ 42,547</u>	<u>\$ 122,592</u>	<u>\$ 74,194</u>
Non-cash transactions (Investing Activities):			
Change in fair value of investments	<u>\$ (11,018)</u>	<u>\$ 14,281</u>	<u>\$ 9,376</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ (41,333)	\$ 117,533	\$ (73,872)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Cash flows reported in other categories:			
Depreciation expense	13,546	258,067	11,531
Changes in assets and liabilities			
Due from other governments	-	-	-
Inventories	36,703	-	12,663
Estimated claims payable	-	-	-
Accounts and other payables	(17,366)	(108,437)	6,794
Accrued expenses	2,511	8,864	(2,726)
Other post employment benefits (OPEB)	1,805	9,027	7,221
Compensated absences	24,151	53,017	30,254
Net cash provided (used) by operating activities	<u>\$ 20,017</u>	<u>\$ 338,071</u>	<u>\$ (8,135)</u>

<b>Risk Management Health</b>	<b>Risk Management General</b>	<b>Vehicle Services</b>	<b>Total</b>
\$ 9,827,331	\$ 5,048,519	\$ 3,187,103	\$ 22,443,146
3,310,227	38,771	6,068	3,355,071
(12,199,516)	(2,582,208)	(2,234,378)	(18,861,943)
-	(384,056)	(866,766)	(3,435,226)
-	(2,399,471)	-	(2,399,471)
<u>938,042</u>	<u>(278,445)</u>	<u>92,027</u>	<u>1,101,577</u>
-	-	-	2,840
-	-	-	2,840
-	-	11,061	12,570
-	-	(91,646)	(522,326)
-	-	(80,585)	(509,756)
(1,299,809)	(4,993,081)	(119,646)	(6,765,714)
604,591	5,585,420	116,338	6,811,958
<u>175,665</u>	<u>695,715</u>	<u>17,778</u>	<u>907,344</u>
<u>(519,553)</u>	<u>1,288,054</u>	<u>14,470</u>	<u>953,588</u>
418,489	1,009,608	25,912	1,548,249
<u>305,749</u>	<u>1,772,474</u>	<u>40,754</u>	<u>2,264,071</u>
<u>\$ 724,238</u>	<u>\$ 2,782,083</u>	<u>\$ 66,666</u>	<u>\$ 3,812,320</u>
<u>\$ 86,175</u>	<u>\$ 322,404</u>	<u>\$ 7,772</u>	<u>\$ 428,990</u>
\$ 908,854	\$ (723,949)	\$ 23,403	\$ 210,636
-	1,605	66,167	350,916
-	-	778	778
-	-	2,163	51,529
-	454,000	-	454,000
29,188	(28,873)	(36,006)	(154,700)
-	6,585	9,815	25,049
-	3,610	8,124	29,787
-	8,577	17,583	133,582
<u>\$ 938,042</u>	<u>\$ (278,445)</u>	<u>\$ 92,027</u>	<u>\$ 1,101,577</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.

**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, 2019**

	<b>General Employees' Retirement System</b>	<b>Police and Firefighters' Retirement System</b>	<b>Total</b>
<b>ASSETS</b>			
Cash	\$ 22,975	\$ 115,062	\$ 138,037
Receivables:			
Accrued interest and dividends	212,689	358,120	570,809
Due from brokers	-	1,975,978	1,975,978
Other	-	221,493	221,493
Miscellaneous receivable	65,986	-	65,986
Total receivables	278,675	2,555,591	2,834,266
Other assets	6,438	-	6,438
Investments:			
US Government obligations	10,687,143	17,614,712	28,301,855
Mortgage backed securities	-	19,922,348	19,922,348
Municipal obligations	-	425,182	425,182
Corporate obligations	14,113,287	17,568,256	31,681,543
Equity securities	37,910,268	128,011,413	165,921,681
Mutual funds and collective trusts	80,196,783	-	80,196,783
Hedge funds & private equity funds	14,098,949	49,464,217	63,563,166
Real estate funds	29,409,852	-	29,409,852
Money market funds	5,275,095	7,432,835	12,707,930
Pompano Beach Investors LLC	-	3,000,000	3,000,000
Total investments	191,691,377	243,438,963	435,130,340
Prepayments and other assets	-	1,753,583	1,753,583
Property & equipment, net of accumulated depreciation	-	194,035	194,035
Total assets	191,999,465	248,057,234	440,056,699
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	136,641	255,759	392,400
Due to brokers	-	2,641,067	2,641,067
Total liabilities	136,641	2,896,826	3,033,467
<b>NET POSITION</b>			
Restricted for pension benefits	\$ 191,862,824	\$ 245,160,408	\$ 437,023,232

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

	<b>General Employees' Retirement System</b>	<b>Police and Firefighters' Retirement System</b>	<b>Total</b>
<b>ADDITIONS</b>			
Contributions:			
Employer	\$ 9,079,297	\$ 6,082,680	\$ 15,161,977
Broward County Sheriff's Office	233,627	4,967,874	5,201,501
Broward County - Library	17,572	-	17,572
Members	2,880,798	1,857,469	4,738,267
State	-	2,559,937	2,559,937
Total contributions	<u>12,211,294</u>	<u>15,467,960</u>	<u>27,679,254</u>
Investment income:			
Net appreciation in fair value of investments	2,259,195	5,394,048	7,653,243
Interest and dividends	3,744,547	5,611,510	9,356,057
Other	82,363	92,615	174,978
Total investment income	<u>6,086,105</u>	<u>11,098,173</u>	<u>17,184,278</u>
Less: investment expenses	<u>712,049</u>	<u>1,375,399</u>	<u>2,087,448</u>
Net investment income	<u>5,374,056</u>	<u>9,722,774</u>	<u>15,096,830</u>
Total additions	<u>17,585,350</u>	<u>25,190,734</u>	<u>42,776,084</u>
<b>DEDUCTIONS</b>			
Participant benefit payments	12,458,683	25,696,884	38,155,567
Benefits paid from DROP	3,625,326	-	3,625,326
Refunds of participant contributions	285,177	61,994	347,171
Administrative expenses	<u>572,997</u>	<u>623,074</u>	<u>1,196,071</u>
Total deductions	<u>16,942,183</u>	<u>26,381,952</u>	<u>43,324,135</u>
Net increase (decrease)	643,167	(1,191,218)	(548,051)
<b>Net position held in trust for pension benefits</b>			
Beginning of the year	<u>191,219,657</u>	<u>246,351,626</u>	<u>437,571,283</u>
End of the year	<u>\$ 191,862,824</u>	<u>\$ 245,160,408</u>	<u>\$ 437,023,232</u>

**CITY OF POMPANO BEACH, FLORIDA**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**GENERAL AGENCY FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

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	<b>BALANCE OCTOBER 1, 2018</b>	<b>ADDITIONS</b>	<b>DELETIONS</b>	<b>Balance September 30, 2019</b>
<b>Assets:</b>				
Cash and cash equivalents	\$ 660,969	\$ 30,280,466	\$ 30,056,962	\$ 884,473
Total assets	<u>\$ 660,969</u>	<u>\$ 30,280,466</u>	<u>\$ 30,056,962</u>	<u>\$ 884,473</u>
<b>Liabilities:</b>				
Deposit, sales tax & payroll payable	\$ 660,969	\$ 31,520,923	\$ 31,297,419	\$ 884,473
Total liabilities	<u>\$ 660,969</u>	<u>\$ 31,520,923</u>	<u>\$ 31,297,419</u>	<u>\$ 884,473</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.

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

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

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

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	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Governmental activities</b>					
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	<u>99,545,328</u>	<u>100,532,438</u>	<u>108,003,793</u>	<u>124,388,694</u>	<u>128,134,327</u>
<b>Total governmental-type activities net position</b>	<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>
 <b>Business-type activities</b>					
Net investment in capital assets	\$ 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	<u>44,225,710</u>	<u>38,536,872</u>	<u>42,778,697</u>	<u>48,877,564</u>	<u>52,140,506</u>
<b>Total business-type activities net position</b>	<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>
 <b>Primary Government</b>					
Net investment in capital assets	\$ 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	<u>143,771,038</u>	<u>139,069,310</u>	<u>150,782,490</u>	<u>173,266,258</u>	<u>180,274,833</u>
<b>Total primary government net position</b>	<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>

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Governmental activities</b>					
Net investment in capital assets	\$ 225,969,080	\$ 270,890,727	\$ 287,768,399	\$ 296,451,107	\$ 203,060,029
Restricted	40,980,733	42,731,241	49,064,248	54,222,664	150,770,747
Unrestricted	<u>25,217,951</u>	<u>5,078,645</u>	<u>(33,588,535)</u>	<u>(58,192,514)</u>	<u>(52,626,874)</u>
<b>Total governmental-type activities net position</b>	<u>\$ 292,167,764</u>	<u>\$ 318,700,613</u>	<u>\$ 303,244,112</u>	<u>\$ 292,481,257</u>	<u>\$ 301,203,902</u>
 <b>Business-type activities</b>					
Net investment in capital assets	\$ 113,532,397	\$ 113,914,818	\$ 113,231,147	\$ 127,840,934	\$ 141,661,961
Restricted	3,843,804	4,943,714	5,740,804	4,187,391	4,283,219
Unrestricted	<u>47,700,594</u>	<u>47,852,883</u>	<u>58,853,706</u>	<u>51,444,887</u>	<u>36,888,112</u>
<b>Total business-type activities net position</b>	<u>\$ 165,076,795</u>	<u>\$ 166,711,415</u>	<u>\$ 177,825,657</u>	<u>\$ 183,473,212</u>	<u>\$ 182,833,292</u>
 <b>Primary Government</b>					
Net investment in capital assets	\$ 339,501,477	\$ 384,805,545	\$ 400,999,546	\$ 424,292,041	\$ 344,721,990
Restricted	44,824,537	47,674,955	54,805,052	58,410,055	155,053,966
Unrestricted	<u>72,918,545</u>	<u>52,931,528</u>	<u>25,265,171</u>	<u>(6,747,627)</u>	<u>(15,738,762)</u>
<b>Total primary government net position</b>	<u>\$ 457,244,559</u>	<u>\$ 485,412,028</u>	<u>\$ 481,069,769</u>	<u>\$ 475,954,469</u>	<u>\$ 484,037,194</u>

**CITY OF POMPANO BEACH, FLORIDA**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS (accrual basis of accounting)**

**Schedule 2**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses</b>										
Governmental activities:										
General government	\$ 22,614,054	\$ 31,870,782	\$ 33,337,008	\$ 33,052,054	\$ 32,924,493	\$ 29,660,009	\$ 33,406,774	\$ 33,740,533	\$ 31,953,414	\$ 35,577,198
Public safety	75,248,897	76,787,154	72,981,195	76,932,640	79,092,062	81,641,409	96,143,601	103,714,272	106,755,628	111,695,017
Physical environment	13,945,306	15,550,874	16,514,775	17,508,638	19,107,230	15,385,811	16,674,345	18,460,060	21,206,645	21,377,901
Transportation	3,742,998	3,996,841	3,205,628	3,328,609	3,682,005	3,876,869	3,935,837	4,129,271	4,469,527	4,628,526
Economic environment	-	-	-	-	-	6,076,489	7,442,683	8,709,265	9,949,169	6,826,343
Culture and recreation	7,669,285	7,964,422	7,830,956	8,202,728	8,996,206	9,378,496	9,772,473	13,743,089	14,715,289	15,737,373
Interest on long-term debt	1,236,656	1,307,248	924,518	1,090,325	989,882	908,278	866,593	758,984	633,223	4,656,611
Total governmental activities expenses	<u>124,457,196</u>	<u>137,477,321</u>	<u>134,794,080</u>	<u>140,114,994</u>	<u>144,791,878</u>	<u>146,927,361</u>	<u>168,242,306</u>	<u>183,255,474</u>	<u>189,682,895</u>	<u>200,498,969</u>
Business-type activities:										
Utility	36,710,226	37,906,357	39,006,357	38,967,528	40,065,154	39,253,188	41,282,490	38,092,853	41,733,935	48,476,314
Sanitation	3,338,231	3,815,493	4,161,979	4,225,019	4,315,686	4,225,411	4,645,492	5,863,604	8,214,578	9,724,021
Stormwater	1,955,262	2,008,840	1,887,886	1,904,435	1,879,494	2,108,833	2,305,273	1,858,645	2,062,874	2,180,894
Pier	230,969	267,233	246,386	349,096	260,103	273,574	238,055	110,149	191,798	179,121
Airpark	1,461,977	1,417,254	1,383,706	1,430,544	2,167,927	2,211,600	2,206,241	2,217,302	2,254,140	2,461,896
Golf course	3,464,818	3,643,143	3,616,352	4,239,802	4,732,472	4,750,326	4,030,947	-	-	-
Parking	-	-	-	-	735,163	1,640,739	1,958,910	3,087,170	3,239,261	3,418,600
Total business-type activities expenses	<u>47,161,483</u>	<u>49,058,320</u>	<u>50,302,666</u>	<u>51,116,424</u>	<u>54,155,999</u>	<u>54,463,671</u>	<u>56,667,408</u>	<u>51,229,723</u>	<u>57,696,586</u>	<u>66,440,846</u>
Total primary government expenses	<u>\$ 171,618,679</u>	<u>\$ 186,535,641</u>	<u>\$ 185,096,746</u>	<u>\$ 191,231,418</u>	<u>\$ 198,947,877</u>	<u>\$ 201,391,032</u>	<u>\$ 224,909,714</u>	<u>\$ 234,485,197</u>	<u>\$ 247,379,481</u>	<u>\$ 266,939,815</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General Government	\$ 12,007,347	\$ 10,249,276	\$ 10,043,560	\$ 9,939,823	\$ 10,269,011	\$ 10,850,914	\$ 12,933,022	\$ 13,341,101	\$ 15,049,463	\$ 16,654,780
Public Safety	19,978,399	20,800,209	22,086,284	23,469,809	25,504,703	27,233,712	27,441,872	25,943,671	32,187,477	37,862,409
Physical Environment	70,676	74,417	92,024	106,076	81,640	102,780	126,380	139,948	174,051	156,286
Transportation	452,867	611,102	519,767	813,641	-	-	-	-	-	-
Economic Environment	-	-	-	-	-	128,319	116,975	108,172	232,585	205,575
Culture and Recreation	1,683,521	1,736,482	1,919,986	1,584,673	1,849,242	1,744,145	1,832,901	4,044,516	4,244,712	4,171,782
Operating grants and contributions	3,021,158	3,551,981	3,487,028	3,374,362	3,981,238	3,699,270	2,950,496	3,740,302	3,925,657	6,287,934
Capital grants and contributions	8,016,883	3,763,722	3,886,738	4,107,045	5,508,176	6,046,134	40,830,735	12,396,198	3,719,870	4,837,541
Total governmental activities program revenues	<u>45,230,851</u>	<u>40,787,189</u>	<u>42,035,387</u>	<u>43,395,429</u>	<u>47,194,010</u>	<u>49,805,274</u>	<u>86,232,381</u>	<u>59,713,908</u>	<u>59,533,815</u>	<u>70,176,307</u>
Business-type activities:										
Charges for services:										
Utility	34,324,271	40,663,118	41,457,871	40,113,717	39,795,045	42,673,872	41,695,146	42,425,662	43,239,985	45,786,936
Sanitation	5,287,117	5,419,414	5,734,397	5,708,478	5,797,028	5,899,635	6,956,161	7,912,850	8,362,125	8,736,057
Stormwater	2,468,001	2,457,922	2,440,888	2,399,107	2,621,597	2,843,950	2,973,219	3,153,355	3,474,493	3,740,653
Pier	29,552	105,340	124,299	134,660	99,231	17,869	-	-	-	-
Airpark	946,942	979,402	1,021,156	977,911	1,032,154	1,052,145	1,090,762	1,116,171	1,374,695	1,338,836
Golf course	2,571,980	2,475,617	2,137,538	2,746,380	2,638,276	2,865,570	2,569,108	-	-	-
Parking	-	-	-	-	1,641,003	2,067,899	1,983,567	1,928,136	2,361,774	2,705,005
Operating grants and contributions	-	-	-	-	-	-	27,639	112,724	77,783	158,542
Capital grants and contributions	732,036	1,643,613	575,691	2,019,095	1,102,648	1,139,355	256,261	1,912,263	4,386,011	1,024,983
Total business-type activities program revenues	<u>46,359,899</u>	<u>53,744,426</u>	<u>53,491,840</u>	<u>54,099,348</u>	<u>54,726,982</u>	<u>58,560,295</u>	<u>57,551,863</u>	<u>58,561,161</u>	<u>63,276,866</u>	<u>63,491,012</u>
Total primary government program revenues	<u>\$ 91,590,750</u>	<u>\$ 94,531,615</u>	<u>\$ 95,527,227</u>	<u>\$ 97,494,777</u>	<u>\$ 101,920,992</u>	<u>\$ 108,365,569</u>	<u>\$ 143,784,244</u>	<u>\$ 118,275,069</u>	<u>\$ 122,810,681</u>	<u>\$ 133,667,319</u>

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

**CITY OF POMPANO BEACH, FLORIDA**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS (accrual basis of accounting)**

**Schedule 2 (continued)**

	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Net (Expense) Revenue</b>										
Governmental activities	\$ (79,226,345)	\$ (96,690,132)	\$ (92,758,693)	\$ (96,719,565)	\$ (97,597,868)	\$ (97,122,087)	\$ (82,009,925)	\$123,541,566	\$ (130,149,080)	\$ (130,322,662)
Business-type activities	(801,584)	4,686,106	3,189,174	2,982,924	570,983	4,096,624	884,455	7,331,438	5,580,280	(2,949,834)
Total Primary Government Net Expense	<u>\$ (80,027,929)</u>	<u>\$ (92,004,026)</u>	<u>\$ (89,569,519)</u>	<u>\$ (93,736,641)</u>	<u>\$ (97,026,885)</u>	<u>\$ (93,025,463)</u>	<u>\$ (81,125,470)</u>	<u>\$116,210,128</u>	<u>\$ (124,568,800)</u>	<u>\$ (133,272,496)</u>
<b>General revenues and other changes in net position</b>										
Governmental activities										
Taxes										
Property taxes, levied for general purposes	\$ 49,080,745	\$ 43,120,938	\$ 43,713,354	\$ 46,061,223	\$ 46,147,415	\$ 47,922,298	\$ 53,776,846	\$ 57,018,570	\$ 57,018,570	\$ 75,636,605
Sales and use taxes	1,868,720	1,867,765	1,847,983	1,870,051	1,958,903	2,016,087	2,050,699	1,963,183	1,963,183	2,001,987
Business tax receipts	1,883,460	1,900,445	1,962,253	2,092,722	2,151,110	2,134,279	2,184,088	2,167,235	2,232,173	2,181,550
Utility taxes	9,366,079	9,603,801	9,830,191	10,371,991	11,209,858	11,487,684	11,987,773	12,317,208	12,773,367	13,057,418
Communication service taxes	5,711,305	5,775,772	5,694,717	5,378,539	9,732,176	4,999,534	5,222,681	4,671,936	4,436,062	4,222,546
Pari Mutuel	1,881,081	1,897,796	2,067,263	2,171,040	2,267,089	2,520,242	2,428,142	2,310,138	2,148,790	2,066,464
Tax increment fees - Community Redevelopment Agency	10,405,002	8,069,453	7,351,557	7,218,355	7,542,276	8,114,172	8,968,096	9,827,906	11,146,362	12,433,633
Franchise fees	8,316,234	7,410,674	7,597,790	7,402,812	8,005,447	8,164,658	8,112,380	8,403,793	8,226,917	8,426,808
State revenue sharing	7,341,044	7,664,439	7,985,879	8,549,198	9,215,154	9,852,996	10,504,444	10,528,661	11,108,883	11,284,676
Investment earnings	3,584,734	1,607,688	1,495,590	426,002	826,960	1,339,969	1,660,595	918,763	744,672	6,747,746
Gain on sale of capital assets	3,001	3,062	115,058	36,906	49,006	107,077	164,726	129,159	1,764,202	-
Miscellaneous revenue	850,783	988,393	1,288,255	1,096,266	1,099,493	800,707	800,824	946,223	817,412	772,893
Transfers	1,176,568	(2,331,891)	499,296	1,533,855	1,162,173	(42,796)	681,480	(3,117,710)	218,123	212,981
Total Governmental activities	<u>101,468,756</u>	<u>87,578,335</u>	<u>91,449,186</u>	<u>94,208,960</u>	<u>101,367,060</u>	<u>99,416,907</u>	<u>108,542,774</u>	<u>108,085,065</u>	<u>121,171,060</u>	<u>139,045,307</u>
Business-type activities:										
Gain on sale of capital assets	15,295	120,761	84,125	73,659	(145,266)	54,796	133,890	106,380	77,647	52,904
Investment earnings	1,129,631	407,549	425,541	92,380	296,748	530,059	767,787	485,291	448,343	2,384,101
Miscellaneous revenue	417,732	427,910	611,077	431,101	446,197	37,307	529,968	73,423	54,469	85,890
Transfers	(1,176,568)	2,331,891	(499,296)	(1,533,855)	(1,162,173)	42,796	(681,480)	3,117,710	(218,123)	(212,981)
Total Business-type activities:	<u>386,090</u>	<u>3,288,111</u>	<u>621,447</u>	<u>(936,715)</u>	<u>(564,494)</u>	<u>664,958</u>	<u>750,165</u>	<u>3,782,804</u>	<u>362,336</u>	<u>2,309,914</u>
Total Primary Government	<u>\$ 101,854,846</u>	<u>\$ 90,866,446</u>	<u>\$ 92,070,633</u>	<u>\$ 93,272,245</u>	<u>\$ 100,802,566</u>	<u>\$ 100,081,865</u>	<u>\$ 109,292,939</u>	<u>\$ 111,867,869</u>	<u>\$ 114,961,052</u>	<u>\$ 141,355,221</u>
<b>Change in Net Position</b>										
Governmental activities	22,242,411	(9,111,797)	(1,309,507)	(2,510,605)	3,769,192	2,294,820	26,532,849	(15,456,501)	(8,978,020)	8,722,645
Business-type activities:	(415,494)	7,974,217	3,810,621	2,046,209	6,489	4,761,582	1,634,620	11,114,242	5,942,616	(639,920)
Total Primary Government	<u>\$ 21,826,917</u>	<u>\$ (1,137,580)</u>	<u>\$ 2,501,114</u>	<u>\$ (464,396)</u>	<u>\$ 3,775,681</u>	<u>\$ 7,056,402</u>	<u>\$ 28,167,469</u>	<u>\$ (4,342,259)</u>	<u>\$ (3,035,404)</u>	<u>\$ 8,082,725</u>

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

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

**Schedule 3**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General Fund</b>										
Nonspendable	\$ 284,411	\$ 245,514	\$ 1,380,183	\$ 328,490	\$ 194,404	\$ 2,725,821	\$ 2,747,561	\$ 3,049,485	\$ 3,502,685	\$ 2,683,491
Restricted	29,886,617	8,190,183	8,175,752	6,682,395	8,129,626	7,906,567	7,345	7,500	-	-
Committed	12,382,653	-	-	-	-	-	-	-	-	-
Assigned	5,655,377	3,367,131	3,131,562	1,427,818	2,933,852	1,404,213	2,619,233	7,654,999	3,508,214	4,980,796
Unassigned	49,431,868	55,359,991	53,823,339	56,647,635	50,801,700	49,817,419	49,735,754	28,647,748	28,424,188	47,649,253
Total General Fund	<u>\$ 97,640,926</u>	<u>\$ 67,162,819</u>	<u>\$ 66,510,836</u>	<u>\$ 65,086,338</u>	<u>\$ 62,059,582</u>	<u>\$ 61,854,020</u>	<u>\$ 55,109,893</u>	<u>\$ 39,359,732</u>	<u>\$ 35,435,087</u>	<u>\$ 55,313,540</u>
<b>All Other Governmental Funds</b>										
Unreserved, reported in:										
Nonspendable	367,410	1,089,593	1,797,162	311,520	1,375,605	1,169,430	508,810	848,999	314,917	3,348,851
Restricted	79,152,172	81,364,830	68,910,375	68,627,168	60,073,486	52,933,586	62,928,794	61,731,777	64,934,445	160,043,227
Committed	23,873,993	3,810,928	3,622,905	3,638,917	3,607,864	3,958,008	2,750,561	2,942,003	3,757,238	4,392,873
Assigned	-	34,564,650	31,258,659	30,766,597	33,363,539	33,441,396	27,167,689	25,238,277	26,589,229	19,022,172
Unassigned	773,761	(209,951)	(10,674)	(176,494)	-	-	-	-	(2,509,896)	(112,283)
Total - All Other Governmental Funds	<u>\$ 104,167,336</u>	<u>\$ 120,620,050</u>	<u>\$ 105,578,427</u>	<u>\$ 103,167,708</u>	<u>\$ 98,420,494</u>	<u>\$ 91,502,420</u>	<u>\$ 93,355,854</u>	<u>\$ 90,761,056</u>	<u>\$ 93,085,933</u>	<u>\$ 186,694,840</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**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues</b>										
Taxes	\$ 78,637,580	\$ 70,255,567	\$ 70,494,487	\$ 73,182,138	\$ 74,245,212	\$ 77,169,918	\$ 84,964,417	\$ 88,681,421	\$ 96,894,056	\$ 110,298,838
Judgments, fines and forfeitures	1,353,607	1,204,590	1,085,139	1,200,681	983,420	1,055,782	967,783	833,271	827,619	858,789
Permits, fees and special assessments	22,018,532	23,283,619	24,686,920	24,855,651	27,540,501	31,500,484	29,405,962	28,531,878	35,348,219	41,916,908
Intergovernmental	19,581,276	14,182,824	15,100,874	15,288,736	17,355,904	15,786,752	21,228,057	23,197,460	20,581,371	18,167,743
Charges for services	15,764,204	16,172,851	16,043,017	16,986,200	16,128,244	16,953,246	18,966,483	22,159,041	23,891,583	25,353,424
Pari-Mutuel	1,881,081	1,897,796	2,067,263	2,171,040	2,267,089	2,520,242	2,428,142	2,310,138	2,148,790	2,066,464
Donations	23,315	59,539	43,533	49,880	42,705	99,446	9,376	503,602	26,504	30,514
Investment earnings	3,011,628	1,364,809	1,249,307	365,238	683,361	1,131,172	1,407,957	918,764	744,673	6,747,746
Cemetery lot sales	21,775	42,975	52,332	47,288	2,641	760	167,348	135,968	-	-
Recaptured funds	-	23,571	1,270	14,523	1,581	27,677	522	-	-	-
Program income	-	790,129	847,408	488,589	1,647,617	1,206,314	845,008	371,729	886,144	884,042
Other revenue	683,291	768,841	916,330	1,062,012	559,355	671,666	651,627	946,225	817,411	772,893
Total revenues	<u>142,976,289</u>	<u>130,047,111</u>	<u>132,587,880</u>	<u>135,711,976</u>	<u>141,457,630</u>	<u>148,123,459</u>	<u>161,042,682</u>	<u>168,589,497</u>	<u>182,166,370</u>	<u>207,097,361</u>
<b>Expenditures</b>										
<b>Current</b>										
General government	21,786,373	22,249,998	23,068,801	24,023,015	23,613,044	24,445,400	23,171,303	24,218,567	22,493,184	25,793,700
Public safety	74,708,661	74,794,319	71,529,455	74,361,660	75,218,105	76,913,019	82,736,275	88,228,536	93,596,219	99,400,748
Physical environment	14,114,654	14,822,990	15,965,683	16,508,394	17,233,486	16,641,857	15,227,179	15,342,560	19,917,457	21,179,602
Transportation	3,145,210	3,353,568	2,552,176	2,644,438	2,667,389	2,831,914	2,844,640	2,913,704	3,189,245	3,299,985
Economic environment	-	-	-	-	-	-	7,442,686	8,720,541	9,625,650	6,806,837
Culture and recreation	6,819,634	6,927,009	6,711,263	6,507,050	6,987,124	7,505,320	7,630,233	11,413,322	12,188,833	13,251,805
<b>Debt service:</b>										
Principal	3,257,162	2,462,162	2,690,293	11,766,150	3,007,167	3,058,871	3,427,966	3,804,900	3,845,102	4,697,429
Interest	1,179,245	1,252,726	1,220,909	1,106,701	1,009,691	928,222	882,005	780,368	653,880	3,700,441
Capital outlay	7,078,998	18,929,429	25,150,062	18,363,850	20,712,118	24,425,999	26,063,169	22,529,749	20,108,893	27,151,664
Total expenditures	<u>132,089,937</u>	<u>144,792,201</u>	<u>148,888,642</u>	<u>155,281,258</u>	<u>150,448,124</u>	<u>156,750,602</u>	<u>169,425,456</u>	<u>177,952,247</u>	<u>185,618,463</u>	<u>205,282,211</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>10,886,352</u>	<u>(14,745,090)</u>	<u>(16,300,762)</u>	<u>(19,569,282)</u>	<u>(8,990,494)</u>	<u>(8,627,143)</u>	<u>(8,382,774)</u>	<u>(9,362,750)</u>	<u>(3,452,093)</u>	<u>1,815,150</u>
<b>Other Financing Sources (Uses)</b>										
Debt proceeds	10,000,000	53,150	-	14,100,000	-	-	388,000	-	-	109,423,246
Proceeds from capital lease	-	2,998,438	-	-	-	1,428,088	2,257,875	-	-	1,913,511
Proceeds from sale of capital assets	82,446	-	107,860	100,210	54,351	118,221	164,726	129,159	1,634,202	122,472
Transfers in	11,834,055	35,052,824	25,960,746	24,133,274	27,448,016	22,726,691	22,388,163	18,832,131	9,729,676	27,001,903
Transfers out	(10,657,487)	(37,384,715)	(25,461,450)	(22,599,419)	(26,285,843)	(22,769,487)	(21,706,683)	(27,943,499)	(9,511,553)	(26,788,922)
Total	<u>11,259,014</u>	<u>719,697</u>	<u>607,156</u>	<u>15,734,065</u>	<u>1,216,524</u>	<u>1,503,513</u>	<u>3,492,081</u>	<u>(8,982,209)</u>	<u>1,852,325</u>	<u>111,672,210</u>
Net Changes in Fund Balances	<u>\$ 22,145,366</u>	<u>\$ (14,025,393)</u>	<u>\$ (15,693,606)</u>	<u>\$ (3,835,217)</u>	<u>\$ (7,773,970)</u>	<u>\$ (7,123,630)</u>	<u>\$ (4,890,693)</u>	<u>\$ (18,344,959)</u>	<u>\$ (1,599,768)</u>	<u>\$ 113,487,360</u>
<b>Debt Service as a Percentage of Non-Capital Expenditures</b>										
	3.5%	3.0%	3.2%	9.4%	3.1%	3.0%	3.0%	3.0%	2.7%	4.7%

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

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

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<b>FISCAL YEAR</b>	<b>TAX ROLL *</b>	<b>REAL PROPERTY **</b>	<b>PERSONAL PROPERTY **</b>
2010	2009	\$ 14,088,383,450	\$ 699,411,335
2011	2010	10,890,774,507	659,397,108
2012	2011	10,431,372,238	608,684,957
2013	2012	10,369,667,015	584,836,613
2014	2013	10,583,449,362	605,640,437
2015	2014	11,071,856,244	624,292,615
2016	2015	11,705,297,867	647,982,593
2017	2016	12,671,325,306	719,966,161
2018	2017	13,608,731,216	789,632,653
2019	2018	14,550,228,111	807,827,271

**Source:** Broward County Property Appraiser

\* Assessed values as certified on October 23, 2018.

\*\* Florida Statutes require assessments at just valuation.

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



TOTAL ASSESSED VALUE	ALLOWABLE EXEMPTIONS	TAXABLE VALUE FOR OPERATIONS AND DEBT	TOTAL DIRECT TAX RATE
\$ 14,787,794,785	\$ 4,900,944,575	\$ 9,886,850,210	4.6663
11,550,171,615	2,301,421,085	9,248,750,530	4.9077
11,040,057,195	2,272,132,460	8,767,924,735	5.2027
10,954,503,628	2,233,639,420	8,720,864,208	5.4700
11,189,089,799	2,195,810,716	8,993,279,083	5.3712
11,696,148,859	2,199,203,025	9,496,945,834	5.2470
12,353,280,460	2,221,119,655	10,132,160,805	5.4865
13,391,291,467	2,261,846,480	11,129,444,987	5.3252
14,398,363,869	2,342,845,048	12,055,518,821	5.4865
15,358,055,382	2,429,831,776	12,928,223,607	6.1024

**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	Tax Roll	City of Pompano Beach				Overlapping Rates	
		General Fund	Special Tax District	Debt Service	Direct Total	Broward County	School Board
2010	2009	4.0652	0.5000	0.1011	4.6663	5.3889	7.4310
2011	2010	4.4077	0.5000	-	4.9077	5.5530	7.6310
2012	2011	4.7027	0.5000	-	5.2027	5.5530	7.4180
2013	2012	4.9700	0.5000	-	5.4700	5.5530	7.4560
2014	2013	4.8712	0.5000	-	5.3712	5.7230	7.4800
2015	2014	4.7470	0.5000	-	5.2470	5.7230	7.4380
2016	2015	4.9865	0.5000	-	5.4865	5.7230	7.2740
2017	2016	4.8252	0.5000	-	5.3252	5.6690	6.9063
2018	2017	4.9865	0.5000	-	5.4865	5.6690	4.9740
2019	2018	5.1361	0.5000	0.4663	6.1024	5.6690	6.4029

**Source:** Broward County Revenue Collection Division  
 \*Pompano Tax District Code 1521 only  
 (all property located east of Federal Highway)

**Note:** Overlapping rates are those of local and County governments that apply to property owners within the City of Pompano Beach.

Overlapping Rates					
South Florida Water Management District	North Broward Hospital District	Children SVS Council	Hillsboro Inlet Improvement District *	Florida Inland Navigation District	Direct and Overlapping Total
0.6240	1.7059	0.4243	0.0860	\$ 0.0345	19.5175
0.6240	1.8750	0.4696	0.0860	0.0345	20.3609
0.4363	1.8750	0.4789	0.0860	0.0345	21.1808
0.4289	1.8564	0.4902	0.0860	0.0345	21.0844
0.4110	1.7554	0.4882	0.1624	0.0345	21.3750
0.3842	1.5939	0.4882	0.0860	0.0345	21.4257
0.3551	1.4425	0.4882	0.0860	0.0320	20.9948
0.3307	1.3462	0.4882	0.0860	0.0320	20.1836
0.3100	1.2483	0.4882	0.0860	0.0320	18.2940
0.2936	1.0855	0.4882	0.0860	\$ 0.0320	20.1596

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

**Schedule 7**

2019				2010			
TAXPAYER (Local Exposure Recognition)	TAXABLE ASSESSED VALUE	Rank	PERCENT OF TOTAL CITY TAXABLE ASSESSED VALUATION	TAXPAYER (Local Exposure Recognition)	TAXABLE ASSESSED VALUE	Rank	PERCENT OF TOTAL CITY TAXABLE ASSESSED VALUATION
John Knox Village of Florida	\$ 92,115,040	1	0.71%	PPI Inc Isle of Capri	\$ 51,633,520	1	0.48%
West Atlantic Blvd Owner LLC	81,650,000	2	0.63%	Associated Grocers	30,627,800	2	0.28%
City of Pompano Beach	70,207,440	3	0.54%	SNH/LTA Properties Trust	23,076,170	3	0.21%
Palm Vacation Group	51,790,640	4	0.40%	John Knox Village of Florida	21,737,280	4	0.20%
Pompano Beach Apartments	48,866,200	5	0.38%	Fort Lauderdale BTS LLC	21,481,000	5	0.20%
Jefferson Lighthouse Gardens	48,527,620	6	0.38%	Archdiocese of Miami	20,209,290	6	0.19%
PPI Inc	47,504,860	7	0.37%	Fed McNab LLC	19,913,690	7	0.18%
EQR Bayview LLC	46,585,000	8	0.36%	TA/Western LLC	18,697,810	8	0.17%
Pompano MZL LLC	44,085,840	9	0.34%	WalMart Stores East LP	18,077,030	9	0.17%
Pompano Hotel I LLC	<u>40,362,570</u>	10	<u>0.31%</u>	St Andrews Palm Aire Assoc	<u>17,816,490</u>	10	<u>0.16%</u>
Total taxable assessed value of principal taxpayers	571,695,210		4.42%	Total taxable assessed value of principal taxpayers	243,270,080		2.24%
Total taxable assessed value of other taxpayers	<u>12,356,528,397</u>		<u>95.58%</u>	Total taxable assessed value of other taxpayers	<u>10,611,809,353</u>		<u>97.76%</u>
Total taxable assessed valuation of all taxpayers	<u>\$ 12,928,223,607</u>		100.00%	Total taxable assessed valuation of all taxpayers	<u>\$ 10,855,079,433</u>		100.00%

Source: Broward County Property Appraiser  
2018 Tax roll

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

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<b>Fiscal Year</b>	<b>TAX ROLL</b>		<b>TOTAL AMENDED TAX LEVY</b>		<b>CURRENT GROSS TAX COLLECTIONS *</b>	<b>PERCENT OF LEVY COLLECTED</b>
2010	2009	\$	50,653,057	\$	47,481,268	93.74%
2011	2010		45,005,797		42,489,007	94.41
2012	2011		45,616,882		43,005,085	94.27
2013	2012		47,703,127		45,859,390	96.13
2014	2013		48,304,700		46,666,879	96.61
2015	2014		49,830,475		47,831,733	95.99
2016	2015		55,590,100		54,146,028	97.40
2017	2016		59,266,520		57,614,616	97.21
2018	2017		65,764,486		64,441,410	97.99
2019	2018		78,893,192		75,654,542	95.89

**Source:** City Finance Department

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

SUBSEQUENT DELINQUENT TAX COLLECTIONS		TOTAL TAX COLLECTIONS	PERCENT OF TOTAL TAX COLLECTIONS TO TAX LEVY
\$	1,749,556	\$ 49,230,824	97.19%
	1,445,843	43,934,850	97.62
	1,553,222	44,558,307	97.68
	891,130	46,750,520	98.00
	909,236	47,576,115	98.49
	1,409,084	49,240,817	95.99
	1,277,836	55,423,864	97.40
	1,318,479	58,933,095	99.44
	1,605,584	66,046,994	100.43
	-	75,654,542	95.89

**CITY OF POMPANO BEACH, FLORIDA**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**

**Schedule 9**

Fiscal Year Ended	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income **	Per Capita **
	General Obligation Bonds	Tax Increment Bonds	Capital Lease	Notes Payable	Water and Sewer Bonds	Certificates of Participation	Notes Payable	Capital Lease			
2010	\$ -	\$ 27,837,838	\$ -	\$ -	\$ 30,239,506	\$ -	\$ -	\$ -	58,077,344	0.01%	\$ 588.36
2011	-	25,375,676	-	3,060,164	27,129,506	-	10,717,747	-	66,283,093	0.02	660.72
2012	-	22,898,514	-	2,768,670	23,905,000	-	10,024,432	-	59,596,616	0.01	582.91
2013	-	25,451,352	-	2,549,682	20,535,000	-	9,231,550	-	57,767,584	0.01	559.82
2014	-	22,669,190	-	2,324,677	17,355,000	-	8,416,881	-	50,988,011	0.01	487.17
2015	-	19,867,028	1,402,567	2,093,489	14,440,000	23,875,000	7,579,826	-	69,407,171	0.02	653.18
2016	-	17,039,866	3,297,179	2,243,948	11,650,000	23,875,000	6,719,769	75,179	64,900,941	0.01	604.15
2017	-	14,192,704	2,815,688	1,842,880	8,815,000	23,875,000	5,836,080	-	57,377,352	0.01	524.28
2018	-	11,320,542	2,324,523	1,361,105	5,925,000	23,875,000	4,928,107	-	49,734,277	0.01	451.20
2019	102,865,880	10,045,000	2,404,730	5,023,439	2,990,000	23,875,000	3,995,185	274,072	151,473,306	0.03	1,351.74

Notes:

\* Indicates information is not available

\*\* See Schedule 14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

**CITY OF POMPANO BEACH, FLORIDA**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**

**Schedule 10**

Fiscal Year	<u>General Bonded Debt Outstanding</u>				
	General Obligations Bonds	Amounts Available in Fund Balance	Total	Percentage of Actual Taxable Value of Property *	Per Capita **
2010	\$ -	\$ 1,062,556	\$ (1,062,556)	-0.01%	-10.76
2011	-	-	-	0.00%	0.00
2012	-	-	-	0.00%	0.00
2013	-	-	-	0.00%	0.00
2014	-	-	-	0.00%	0.00
2015	-	-	-	0.00%	0.00
2016	-	-	-	0.00%	0.00
2017	-	-	-	0.00%	0.00
2018	-	-	-	0.00%	0.00
2019	102,865,880	39,366	102,826,514	0.80%	932.86

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

\* See schedule 5 for property value data

\*\* See schedule 14 for population data



**CITY OF POMPANO BEACH, FLORIDA****Schedule 11****DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (IN THOUSANDS)**

AS OF SEPTEMBER 30, 2019

<u>Government Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Broward County	155,245	6.84%	10,619
Broward County School Board	346,821	6.84%	23,723
Subtotal, overlapping debt			<u>34,342</u>
City of Pompano Beach, Florida direct debt			
City direct debt (ad valorem security)	-		102,866
City direct debt (non ad valorem security)			<u>17,473</u>
Total direct and overlapping debt			<u>\$ 154,681</u>

**Sources:** City Finance Department  
Broward County Accounting Division

\* Percentage of overlap debt determined by dividing the assessed value of property in the City of Pompano Beach by the assessed value of property for Broward County.

**CITY OF POMPANO BEACH, FLORIDA**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**

**Schedule 12**

<b>Fiscal Year</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Debt limit	\$ 1,628,261,915	\$ 1,375,566,885	\$ 1,315,188,710	\$ 1,308,129,631	\$ 1,348,991,862	\$ 1,424,541,875	\$ 1,519,824,121	\$ 1,669,416,748	\$ 1,797,990,164	\$ 1,939,233,541
Legal debt margin	<u>\$ 1,628,261,915</u>	<u>\$ 1,375,566,885</u>	<u>\$ 1,315,188,710</u>	<u>\$ 1,308,129,631</u>	<u>\$ 1,348,991,862</u>	<u>\$ 1,424,541,875</u>	<u>\$ 1,519,824,121</u>	<u>\$ 1,669,416,748</u>	<u>\$ 1,797,990,164</u>	<u>\$ 1,939,233,541</u>
Legal Debt Margin Calculation for Fiscal Year 2019										
Assessed Value	\$ 12,928,223,607									
Debt Limit (15% of assessed value)	1,939,233,541									
Debt applicable to limit										
General obligation bonds	102,865,880									
Less Amount set aside for repayment of general obligation debt										
Total net debt applicable to limit										
Legal debt margin	<u>\$ 1,836,367,661</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			
2010	\$ 34,840,149	\$ 24,074,825	\$ 10,765,324	\$ 2,990,000	\$ 1,380,169	\$	4,370,169	2.46%
2011	40,662,838	24,135,671	16,527,167	3,110,000	1,262,506		4,372,506	3.78%
2012	41,308,536	24,236,123	17,072,413	3,225,000	1,140,118		4,365,118	3.91%
2013	40,073,305	23,882,921	16,190,384	3,370,000	1,013,206		4,383,206	3.69%
2014	39,365,370	23,951,731	15,413,639	2,590,000	876,218		3,466,218	4.45%
2015	42,343,075	23,764,781	18,578,294	2,915,000	222,723		3,137,723	5.92%
2016	42,137,548	25,251,052	16,886,496	2,790,000	242,592		3,032,592	5.57%
2017	42,287,977	25,702,146	16,585,831	2,835,000	195,720		3,030,720	5.47%
2018	43,268,774	28,408,312	14,860,462	2,890,000	148,092		3,038,092	4.89%
2019	45,745,931	30,918,627	14,827,304	2,935,000	99,540		3,034,540	4.89%

**Source:** City Finance Department

(1) Gross revenues include operating revenues and interest income. Excludes impact fees per City Ordinance 92-74

(2) Operating expenses include personal services and current expenses. Excludes depreciation and administrative service charges per City Ordinance 92-74

<b><u>Broward County</u></b>							
<b>Year</b>	<b>Population</b>	<b>Personal Income (thousands of dollars)</b>	<b>Per Capita Personal Income</b>	<b>Median Age</b>	<b>Education Level in Years of Schooling (High School or Higher)</b>	<b>School Enrollment (K-12)</b>	<b>Unemployment Rate Broward County</b>
2010	98,711	\$ 4,019,117	\$ 40,716	42.7	79.2	\$ 11,576	10.7%
2011	100,319	4,186,111	41,728	40.1	83.4	11,754	9.5
2012	102,239	4,266,536	41,731	42.7	81.0	12,029	7.1
2013	103,189	4,229,614	40,989	42.4	82.8	11,974	7.0
2014	104,662	4,514,491	43,134	44.2	83.6	11,150	5.0
2015	106,260	4,899,224	46,106	40.2	88.2	11,821	4.7
2016	107,425	5,038,877	46,906	39.4	82.8	11,611	4.8
2017	109,441	5,327,588	48,680	41.7	83.2	11,259	3.3
2018	110,227	5,541,001	50,269	42.0	82.7	11,256	2.8
2019	112,058	*	*	42.0	82.8	\$ 11,084	\$ 2.8

**Sources:** City of Pompano Development Services Department via:  
 US Census, American Fact Finder  
 Bureau of Economic Analysis  
 Broward County School Board, School Enrollment Counts, Historic Benchmark Day Figures  
 Florida Dept. Economic Opportunity, US Dept Labor, Bureau Labor Statistics  
 Data USA

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

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

**Schedule 15**

<b>2019</b>				<b>2010</b>			
<b>Employer</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>	<b>Employer</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total Employment</b>
City of Pompano Beach	1,210	1	1.60%	Point Blank solutions	1100	1	2.12%
Point Blank Enterprises	1,045	2	1.39%	PPI Inc (Isle Capri)	950	2	1.26%
John Knox Village	871	3	1.15%	Gold Coast Beverage Distributors	935	3	1.24%
WalMart(3)	749	4	0.99%	Broward County Correctional	700	4	0.93%
Broward County Correctional	696	5	0.92%	City of Pompano Beach	678	5	0.90%
Publix (4)	589	6	0.78%	Flexol Holding Corp	500	6	0.66%
Associated Grocers	500	7	0.66%	Southeast Commercial Cleaning	500	7	0.66%
Freshpoint Produce & Dairy	500	8	0.66%	Latite Roofing & Sheet Metal	494	8	0.65%
FedEx & FedEx Ground	334	9	0.44%	John Knox Village	480	9	0.64%
Gold Coast Beverage	306	10	0.41%	Associated Grocers of Florida	450	10	0.60%

**Source:** City of Pompano Beach BTR Division:  
Listed Companies

**CITY OF POMPANO BEACH, FLORIDA**
**Schedule 16**
**FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION / PROGRAM  
LAST TEN FISCAL YEARS**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>Function/Program</u>										
General Government										
City Commissioners	6	6	6	6	6	6	6	6	6	6
City Manager	5	5	5	4	4	4	5	5	7	7
Public Information Office	3	3	3	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	5
Human Resources	5	5	5	5	5	5	5	5	5	6
Internal Audit	3	3	3	3	3	3	3	3	3	3
Cultural Affairs	-	-	-	-	-	-	-	-	1	8
Economic Development	-	-	-	-	-	-	1	1	1	1
Northwest CRA	-	2	1	2	2	2	2	4	5	8
East CRA	-	2	1	1	1	1	1	1	1	2
CDBG	-	-	-	-	-	-	-	-	2	3
Tourism	-	-	-	-	-	-	2	2	2	2
Program Compliance Manager	-	-	-	-	-	-	1	1	1	1
Finance	22	22	22	22	22	22	24	24	26	26
Fire & EMS\	217	217	217	217	217	217	217	232	232	239
Development Services	62	62	66	67	70	73	74	77	79	82
Advisory Board	2	2	2	2	1	1	1	1	1	-
Office of Housing & Urban Improvement	5	5	6	7	6	6	7	11	6	6
Public Works	136	136	136	136	141	143	142	141	135	136
Parks & Recreation	56	56	56	53	52	50	50	50	50	55
Administrative Capital Fund	-	-	-	-	-	-	-	-	5	6
Utilities	118	118	115	114	114	115	116	117	118	118
Stormwater	8	8	8	8	8	11	11	11	10	10
Airpark	5	5	5	5	5	5	5	5	5	5
Golf	9	9	9	9	10	10	10	10	10	10
Solid Waste	3	3	3	3	3	3	3	14	21	21
Internal Services	33	33	33	33	31	31	32	33	34	34
Parking	-	-	-	-	-	-	-	-	-	1
Total	708	712	712	711	715	722	732	768	780	811

**Source:** City Budget Office

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

**Schedule 17**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<u>Function/Program</u>										
Public Safety										
Fire										
Emergency responses	17,746	18,015	17,753	17,753	18,541	20,430	19,987	21,262	20,645	29,337
Fires Extinguished	346	355	333	354	332	328	360	363	345	292
Inspections	5,284	6,118	5,213	6,551	6,113	4,209	6,868	10,640	7,707	6,288
Uniformed Employees	185	184	185	185	185	186	182	197	198	212
Non-Uniformed Employees	8	8	8	8	8	7	7	7	7	9
Building Permits										
Permits Issued	13,715	11,864	15,827	12,323	13,213	14,283	12,599	12,434	19,665	21,769
Estimated Value	87,718,162	123,406,754	164,631,190	148,673,496	241,292,153	255,772,560	280,308,330	159,808,992	459,493,609	413,496,733
City Clerk										
No. of Registered Voters	55,829	57,043	58,284	61,263	61,496	55,964	55,964	62,449	61,143	61,671
No. of Ballots Cast	1,225	977	7,672	6,346	-	26,171	-	44,323	-	-
Districts Voting	5	-	12345	24	-	12345	-	5	-	12,345
Recreation Centers-Attendance										
Emma Lou Olson	69,564	75,387	91,902	88,696	61,811	61,775	60,428	53,099	66,675	60,986
McNair	116,317	97,194	44,364	40,338	42,464	44,364	40,421	40,199	48,926	43,958
Mitchell/Moore	63,070	69,717	69,622	41,449	26,698	34,252	36,147	43,952	45,580	62,500
Skolnick	63,033	62,496	54,775	38,225	32,728	38,975	41,127	39,203	48,192	36,569
Pompano Highlands	21,636	21,611	21,070	20,057	24,489	21,130	11,862	13,193	18,695	15,410
North Pompano	94,484	115,797	31,316	60,629	28,347	32,000	25,277	30,169	32,287	32,483
E. Pat Larkins	26,905	33,440	33,954	47,011	19,874	39,411	44,532	53,863	45,910	42,819
Utility										
Municipal Water System										
Active Water Accounts	17,983	18,062	18,200	18,312	18,489	18,721	18,802	18,870	18,977	19,014
New Active Accounts	47	35	130	112	165	154	113	53	57	37
Active Reclaimed Water Accounts	142	310	579	671	782	882	1,016	1,096	1,187	1,664
Metered Sales (Billion Gallons)	5	5	5	4	4	5	5	5	5	5
Average Gallons (1,000) Billed Per Day	13,228	13,167	12,841	12,841	12,219	12,823	12,967	13,158	12,677	13,074
Reclaimed Water (Million Gals.)	511	572	558	720	794	877	764	751	747	889
Water Main Breaks	134	95	213	229	107	64	64	59	-	3
Plant Capacity Million Gals./Day	50	50	50	50	50	50	50	50	50	50
Municipal Sewer System										
Active Accounts	15,945	16,044	16,158	16,312	16,434	16,637	16,713	16,798	16,892	16,904
General Government										
Tax Rates										
Utility Services:										
Electric	10	10	10	10	10	10	10	10	10	10
Water	6	6	6	6	6	6	6	6	6	6
Communication Service	5	5	5	5	5	5	5	5	7	7
Gas	10	10	10	10	10	10	10	10	10	10
Franchises:										
Electric	6	6	6	6	6	6	6	6	6	6
Gas	6	6	6	6	6	6	6	6	6	6

**CITY OF POMPANO BEACH, FLORIDA**  
**CAPITAL ASSET STATISTICS BY FUNCTION / PROGRAM**  
**LAST TEN FISCAL YEARS**

**Schedule 18**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<u>Function / Program</u>										
Area										
Land excluding airport (sq miles)	23.570	23.570	23.570	23.570	23.570	23.570	23.570	23.570	23.570	23.570
Airport land (sq.miles)	1.016	1.016	1.016	1.016	1.016	1.016	1.016	1.016	1.016	1.016
Water (sq.miles)	0.924	0.924	0.924	0.924	0.924	0.924	0.924	0.924	0.924	0.924
Infrastructure										
Paved streets	271	271	271	271	271	271	267	279	279	279
Unpaved streets	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Sidewalks	155	156	171	171	171	173	200	200	200	202
Canals & waterways	32	32	32	32	32	32	32	32	32	32
Storm drainage	79	83	111	100	102	103	117	119	120	121
City-owned streetlights	1,199	1,199	1,100	1,176	1,058	1,248	1,398	1,398	1,398	1,222
FP&L owned streetlights	5,376	5,375	5,375	5,399	5,392	5,376	5,377	5,355	5,355	5,355
Fire										
Stations	6	6	6	6	6	6	6	6	6	6
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Recreation										
Public beach (miles)	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51
Municipal parks	48	48	49	49	49	49	49	49	50	50
Municipal swimming pool	2	2	2	2	2	2	2	2	2	2
36-hole municipal golf course	1	1	1	1	1	1	1	1	1	1
977 foot municipal pier	1	1	1	1	1	1	1	1	1	1
Recreational areas (acres)	258.17	258.17	263.17	263.17	263.17	263.17	263.17	270.17	270.17	270.17
Golf course (acres)	307	307	307	307	340	340	340	340	340	340
Recreation centers	7	7	7	7	7	7	7	7	7	7
Municipal water system										
Water mains (miles)	304	280	281	281	275	280	279	274	274	273
Reuse water mains (miles)	23.0	24.0	27.1	24.0	29.0	29.6	29.6	29.6	27.6	30.6
Fire hydrants	1,943	1,968	2,039	2,025	2,025	2,018	2,045	2,033	2,034	2,038
Fire hydrants (reuse water)	5	5	5	5	5	5	5	5	5	5
Municipal sewer systems										
Gravity sewer (miles)	194	194	181	195	195	195	195	195	195	195
Wastewater force main (miles)	63	69	69	69	69	69	69	69	61	59
Wastewater lift stations	75	75	78	77	77	77	77	78	77	80