



# COMPREHENSIVE Annual Financial **REPORT** | CITY OF POMPANO BEACH, FLORIDA

# 2017

Fiscal Year  
Ended September 30<sup>th</sup>

PHOTO OF THE POMPANO BEACH PIER GARAGE

Comprehensive Annual Financial Report

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

Fiscal Year Ended September 30, 2017

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, 2017**

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# CITY OF POMPANO BEACH, FLORIDA

Commission-Manager Form of Government

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## CITY COMMISSION

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Lamar Fisher  
Charlotte Burrie  
Michael Sobel  
Rex Hardin  
Beverly Perkins  
Barry Moss

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

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## APPOINTED OFFICIALS

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Greg Harrison  
Mark Berman  
Asceleta Hammond  
Deusdedit "DC" Kiyemba

City Manager  
City Attorney  
City Clerk  
Internal Auditor

March 28, 2018

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, 2017. 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, 2017.

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' Opinion, Management's Discussion and Analysis (Unaudited), the Basic Financial Statements, Notes to the Financial Statements, Required Supplementary Information (Unaudited), and the Combining and Individual Fund Financial Statements and Schedules. The Management's Discussion and Analysis section provides a narrative introduction, overview and analysis of the basic financial statements. It complements this letter of transmittal and should be read in conjunction with it.

## **PROFILE OF THE CITY**

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

Located in Broward County, Florida, the City is centrally located between Palm Beach and Miami-Dade Counties, and is the year round home to approximately 109,000 residents. During the peak season (September through March), this number increases to nearly 150,000. As the name implies (Pompano - a species of in-shore tropical game fish) the City is famous for some of the world's best sport fishing and is locally known as the "dive capital" of Broward County. Once a thriving agricultural community, the City has evolved into a warehouse/distribution hub for a wide range of companies that service the over 5 million residents of the South Florida market. The Pompano Beach Air Park is also home to the famous Goodyear Blimp.

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

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

## **THE REPORTING ENTITY**

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

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

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

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

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

Broward County has continued to be a leader in South Florida and the state of Florida in employment over the past 60 months. Broward County's 2017 year ending unemployment rate of 3.4% is again among the lowest in the state of Florida and lowest among counties with labor forces over 400,000. It continues to best the rates of our neighboring counties of Palm Beach and Miami-Dade at 3.6% and 4.5% respectively, as well as, the state's rate of 3.7%.

"Florida's over-the-year job growth rate has been positive for the past 90 months and finishes strong in 2017 as all 10 major industries experienced positive over-the-year job growth in December 2017. In Broward, we see year over year job growth and continued improvement in the local economy. Target industries, identified by the Greater Fort Lauderdale Alliance, are adding jobs to the community," said Greater Ft. Lauderdale Alliance President and CEO Bob Swindell.

Workplace disruption seems to be the general overriding theme this year, as millennials continue to influence the workplace. The tight job market only adds to this, as employers are being forced to listen to their employees and make changes, if they expect to keep value-added employees.

"Suddenly your employer wants to know what you think." reported Marcia Heroux Pounds of the Sun Sentinel. "That's because South Florida employers have not seen a competitive labor market like today's for quite some time... More employers are hiring and recruiting away employees with better salaries, benefits and perks. With workers having more choices, employers are striving harder to retain existing talent, as well as making their companies more attractive to new recruits."

"It's a challenge. Everybody is focusing on retention strategies," said Janet Winkco, human resources director for City Furniture. "The millennial generation has really redefined in their minds what they consider a work-life balance, changing the entire attitude of the American worker at work," said Fort Lauderdale leadership consultant Richard Clark.

### **Industrial Market**

"Industrial real estate was the star performer of the industry this year, and experts anticipate the red-hot sector will continue to advance as e-commerce providers demand warehouse and distribution centers close to urban metros and densely populated markets," reports Champaign Williams, National Editor of Biznow.com. "...but record low vacancy will remain the norm for the sector and rents will continue to climb," said Cushman Wakefield Principal Economist Ken McCarthy.

According to the Cushman Wakefield MarketBeat report for Broward County in the 4<sup>th</sup> Quarter 2017, the Pompano Beach industrial submarket includes approximately 446 buildings totaling 22,068,414 square feet (The MarketBeat report only tracks buildings 10,000+ square feet), which makes up 25% of the Broward County industrial market and remains the county's largest submarket. The Pompano Beach submarkets vacancy rate dropped to 2.1% still outpacing the County's rate of 2.9%.

In an August Bisnow.com article, ProLogis Global Head of Research, Chris Caton stated, "It's an oversimplification to chalk up this demand up to the rise of e-commerce or pent-up demand from the global financial crisis and its recovery. Caton identified three trends: consumption from food and beverage and consumer businesses had increased with population growth, industries like construction and housewares are on the rise; and industries undergoing structural change like e-commerce, transportation and even healthcare. These three factors are aligning and growing at the same time, which is unusual."

E-commerce is still affecting commercial real estate and the industry is trying to alter its shape to better fit e-commerce. The cost to construct fulfillment centers has gone up with the increased building footprints, as well as increased ceiling heights. The Urban Land Institute reported, "Warehouses constructed from 2012 to 2017 average almost 185,000 square feet (17,200m), which is 143 percent larger than the typical warehouses built during the previous peak period from 2002 to 2007, according to research by Los Angeles-based CBRE. What's more, the average warehouse clear height has climbed to 32.3 feet (9.8m), an increase of nearly four feet (1.2m) over the same period."

"Five years ago, 32-foot clear heights were standard... that changed to 36-foot clear heights in anticipation of future demand. Now Venture One is building a warehouse with 40-foot clear height. That is an eight-foot increase in just two years and that means added costs and decision-making as to the ratio of clear heights to a building's footprint," said Venture One Real Estate founding principal Mark Goode.

Multistory warehouses have already started to enter into the discussion in markets where land is scarce (i.e. NYC, SF and Seattle); however, they "are difficult to build and expensive," reports Bisnow.com. "ProLogis, the world's largest warehouse owner, has built 53 multistory facilities in Japan and China, and the company believes the concept is starting to make sense in a number of U.S. markets, but Pete Crovo, ProLogis Senior Vice President, cautions they can be complex to develop."

"Returns are still a worry," reports Bisnow.com. "It's a huge issue for retailers," High Street Realty Co. CEO Bob Chagares said. "Up to 30% of e-commerce purchases are being returned today, which is a giant amount of product going upstream that doesn't go upstream very well. Some retailers are just telling consumers just to keep products, and they'll give them a credit."

"E-commerce companies are still trying to figure this thing out," CBRE Vice Chairman Michael Hines said. Some companies have even begun sharing return centers. Some companies have begun making profits off the return centers as products can be easily fixed and resold at better prices. "The type of space that's necessary for this is only horizontal, rather than big cubes," Charges said. "So old [facilities] with 18 to 22-foot clearance in cities, which is where you'd want these centers, could be very viable." Pompano Beach still has a number of older buildings fitting that description that make up a significant portion of the submarkets vacancy rate.

"E-commerce sales are growing at a rate five times faster than traditional retail sales. Unless you think the internet is a fad, that's not going to end," stated Pete Quinn, national director of industrial services for Colliers.

The Cushman Wakefield MarketBeat Q4 2017 reported, "Broward County overall job and economic growth throughout the year was the prevailing driver in demand for industrial space as users in aviation, logistics and building/construction-related sectors were among the strongest tenants seeking space in the market."

The overriding concern for the Pompano Beach submarket continues to be the diminishing available land for industrial development. There is literally a handful of vacant industrial properties of any significant size (2+ acres) left for development. At some point soon the submarket will run out of developable land;

however, well positioned redevelopment/infill opportunities still exist. They will just have to be assembled.

Industrial development projects include:

- Gold Coast Beverage gained approvals to construct an additional 9,500 sf to their existing warehouse.
- My Storage Bin, LLC is completing a 97,000 sf self-storage facility at 51 NE 10<sup>th</sup> Street.
- IPT Dixie Highway Industrial Park DC gained approvals to construct a four (4) building 822,473 sf industrial complex on 48.76 acres just east of Dixie Highway, S of NE 48<sup>th</sup> Street called Pompano Crossings.
- Aquatic Stone gained approvals to construct a 40,283 sf warehouse building at 451 S Andrews Ave.
- Waste Management, Inc. of Florida gained approvals to construct 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.
- Pompano Beach Business Park has gained approvals to construct a three (3) building complex consisting of 54,121 sf on 4.36 acres along NW 31<sup>st</sup> Avenue.
- The Lord Corporation has gained approvals to construct a multi-tenant spec building for Becknell Industries totaling 68,996 sf on 5 acres at 1570 SW 13<sup>th</sup> Court.
- Industrial Developments International (IDI) gained approvals to construct the Rock Lake Business Center, a four (4) building 495,000 sf distribution complex at 3300 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.

**Commercial – Retail Market**

The retail experience continues to evolve as Ecommerce, the “Amazon effect” and the internet of things continue to influence the retail and industrial market sectors. Whereas last year reports showed that companies, in an effort to locate distribution hubs closer to their customer base, have focused on industrial properties in those urban center markets or last mile locations as they are known; this year it’s understood that other factors are also influencing the paradigm shift in the market sector.

Other factors that have had a direct influence on the retail market sector include: a deflationary environment that the United States has been in for the past two decades in which “goods were cheaper to produce and cheaper to sell to consumers. That was buffered by record low interest rates, allowing many retailers to expand store counts quickly. But many retailers were selling in categories where margins were extremely thin; categories like sporting goods or discount clothing.” Then operations cost increased.

“Retail bankruptcies have spiked to levels that have surpassed even those in the Great Recession” reports Biznow.com. “The environment has become Darwinian, those that adapt will survive. Those that do not will go the way of RadioShack and Wet Seal; footnotes in the annals of retail history.” Stated the Shopping Center Group CEO David Birnbrey. “Birnbrey said the spike in bankruptcies is clear evidence of the adjusting tastes in how consumers shop. What you’re seeing is millennials are spending more money on experiences and food than merchandise.”

Millennials, who’ve grown up with the online experience, are leading the charge to increasingly shift purchasing habits online and retailers are following suit by keeping less and less inventory on shelves in stores while reorienting their focus to what’s referred to as an omni-channel retail experience/environment. An omni-channel experience is where retailers attempt to provide a seamless shopping experience for the customer regardless of which avenue leads to their website (desktop-phone-walk in) or brick and mortar store. “Not only do they shop differently, they are becoming a larger portion of the spending over time,” stated Hedgeye analyst Jeremey McLean.

Art has also begun to play a larger role in the shopping experience as many developers are starting to incorporate art into their public spaces. "...this not only promotes quality art, it also infuses culture into the retail experience," stated Jackie Soffer, Co-chair and CEO of Turnberry Associates.

Aside from those mentioned, other familiar retailers that filed for bankruptcy in the past year include: the Limited, Gander Mountain, HHGregg, BCBG Max Azaria, Aeropostale, American Apparel, Payless ShoeSource, and Quicksilver to name a few. Other retail giants, like JC Penney, Toys R Us, Sears and Macy's, while not declaring bankruptcy have downsized their operations. Locally, Sears recently sold its 189,000+ square foot of retail space including two outparcels, totaling 10.8 acres, to an affiliate of the Sterling Organization, which owns the common areas of Pompano Citi Centre.

One specific difference between today's environment and the Great Recession is consumer confidence. During the recession, consumer stress was a primary factor, today unlike the recession, consumer confidence is very high and average consumer spending is at its highest levels since before the recession.

#### Other commercial development projects include:

- SPIH Pompano Beach constructed a 112 unit Residence Inn hotel at 2880 Centerport Circle.
- A 6-story 102 room Hampton Inn was opened at 900 S. Federal Highway.
- WaWa opened a 5,636 sf store on 1.62 acres at the NW corner of US1 and Sample Rd.
- WaWa gained approvals to construct a 6,119 sf convenient store with 16 pump fueling stations on to-be-platted property at the NW corner of W Atlantic Blvd and N Andrews Ave.
- DTS Properties is approved for a 26,185 sf strip shopping center at 1150 N Federal Hwy.
- Pompano Pet Lodge has gained approvals to expand to 11,000 sf at a site adjacent to their current location at 930 NW 31<sup>st</sup> Avenue.
- Mi Vami is in the process of retrofitting an old McDonald's into a new fusion food concept at 1350 NW 31<sup>st</sup> Ave. The expansion will add 601 sf to the existing structure.
- AutoZone gained approvals to construct a 7,402 sf retail store at 3001 W Atlantic Blvd.
- Racetrac has been approved to construct a 2,822 sf gas station on 1.17 acres at 2851 W Atlantic Blvd.
- McNab Grove, Inc./Cubesmart have been approved to construct a 117,079 sf storage facility at 950 E McNab Rd which will include 872 storage units, 8,029 sf of retain and 1,220 sf of office space.
- Partners Preferred Yield II/ Sample Rd Public Storage has approvals to construct a 3-story 91,015 sf storage facility on 4.34 acres at 1600 W Sample Rd.
- The Pompano Beach Fishing Village commercial development is underway on the old Pier parking lot site. The approximate 6 acre site will include a combined Hilton product – Home2Suites and Tru, a BurgerFi, an Alvin's Island, a Kilwins in 48,500 sf; which also includes two stand-alone restaurants, Pompano Beach House and Oceanic, directly north of the pier. Both stand-alone restaurants have already broken ground.

#### **Commercial – Office Market**

According to the Cushman Wakefield Marketbeat Broward County Q4 2017 report, the Pompano Beach office market includes approximately 798,448 square feet of space with a total vacancy rate of 8.9%. Unlike the magnitude of Pompano Beach's industrial product, local square footage makes up a mere 2% of the Broward County office market and includes no Class A space. This is a primary reason for the development of the Innovation District.

"Consider this:" reports Darcie Lunsford of South Florida Business & Wealth magazine, "Within a dozen years, 30 percent of all corporate offices will be housed in flexible spaces that can be ramped up or

downsized on demand. Leasing will be done by seats, not square footage.”

“That prediction, from commercial real estate giant JLL, should have office building owners nationwide bracing for a seismic shift in their business models... Experts studying this work-as-a-lifestyle revolution say the experience of an office building could soon surpass rent as a driving factor for choosing it,” states Lunsford. “I think it will actually be faster than that,” says Ryan Simonetti, CEO of Convene.

“Hospitality appears to be coming to the office sector like a speeding locomotive, driven largely by millennials and the corporations trying to capture and keep them,” reports Lunsford. Adding to that statement, Annette Reizburg, a partner at Delray Beach-based Get Spaced, a consultant in the coworking industry, states “Companies need to provide what their workers and freelancers want: flexibility, socialization, wellness and inspiring spaces... Coworking in its present form is considered new, disruptive and sexy, and the changing world of work has been one of the hottest topics in the business world for several years, so investors are on board in a big way, even when the economics doesn’t seem to make sense.”

The Marketbeat Q4 report stated, “The Broward County office market has remained resilient over a ten-year span. Broward County’s office market ended the year on a positive note with overall vacancy at a 10-year low of 11.6%... Tenant expansions and organic growth contributed to the bulk of the leasing activity... Increases in occupancy remained constant throughout the year. Renewals and relocations still dominated transaction activity in the market as most of the space needs were from existing tenants.”

Recently, the Brightline (fka All Aboard Florida) commuter rail project began service from Ft. Lauderdale to West Palm Beach. Currently, Pompano Beach is not included in the three station locations; however, the city is positioned properly for a future station. The Brightline project is a significant initial step in the development of passenger rail in the state.

Office development projects include:

- The South Florida Regional Transit Authority (SFRTA)/ *Tri-Rail* opened a new 79,000 sf Operations Center w/adjacent parking garage at 3301 NW 8<sup>th</sup> Avenue.

### **Residential Market**

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

Recently however, it seems that the rising costs of home ownership and the cost of living in south Florida have driven locals to relocate to more affordable places. Historically, retirees, those looking to escape the cold winter months up north and those just looking for a fresh start migrated to south Florida from all over the United States; but that is no longer the case as negative domestic migration means more people are moving away from south Florida than are moving to it.

The FIU Metropolitan Center crunched recently released numbers from the U.S. Census Bureau for a Miami Herald article, which showed that in 2011, the Miami Metropolitan Statistical Area (Miami- Ft. Lauderdale – Pompano Beach) domestic in-migration was 33,754. For 2016, that figure showed a domestic out-migration of 16,730. That’s a 50,000+ person domestic swing in five years. Therefore, while the population of south Florida continues to increase, the difference is the source of the migrants, which has had more of an international flavor as of late.

Property values in Broward County have returned and surpassed pre-recession values and they continue to climb. “The (county’s taxable) value dropped 29 percent from 2007 to 2011, but has now increased for the sixth straight year” reported the Sun Sentinel. “Taxable values for existing properties increased 7.9

percent in the county over the past year.” Pompano Beach existing properties saw an overall increase of 9 percent in that timeframe. The problem with that is salary levels have remained stagnant in south Florida. There are a number of issues with this, starting with higher taxes and other cost of living expenses for those who are already here and the inability to affordably enter the market for those interested in coming here.

The Miami Herald states “...business leaders fear their companies are losing out on talent to cheaper housing markets. In the U.S., only residents of Honolulu and California’s biggest cities suffer from a larger gap between home prices and wages...” “I don’t think there’s any question this all has to do with housing,” (Peter) Zalewski (condo market analyst) said of the FIU findings. “The cost of housing in Miami has become unbearable [for many locals].”

The Sun Sentinel reported that in June 2017, “Broward’s median hit \$355,000, 9 percent higher than June 2016, according to the Greater Fort Lauderdale Realtors... Statewide, the median price for existing homes in June (2017) was \$245,000, a 9 percent increase from a year ago, according to the Florida Realtors.”

“In Broward County, 59 percent of renters are considered to be cost burdened and almost a third severely cost burdened... Average rent in Broward County is \$1,800, which is unaffordable for 78 percent of renters.” reported the Sun Sentinel. “The combination of high housing costs and relatively low incomes made South Florida home to the highest percentage of cost-burdened renters in the country, according to a recent report by the Joint Center for Housing Studies of Harvard University.”

“This is the most serious public policy issue we are dealing with here in South Florida along with rising sea levels,” said Edward ‘Ned’ Murray, associate director of the Metropolitan Center at Florida International University.

Pompano Beach has seen little development on the single family product front in recent years; however, Phase 3 of the former Palm Aire North golf course is planning to add 150 single family homes and Habitat for Humanity’s project will add 78 single family homes to that inventory. The majority of new developments are multi-family product and infill projects. Current projects, such as *KOI* and the *Residences at Palm Aire* and *Atlantico at Palm Aire* are adding a combined total of 950+ units along different sections of Atlantic Boulevard. The city has added well over 1,000 units to its primary transit corridors in the past few years and we can expect that number to grow with the East Transit Oriented Corridor (a City initiative).

#### Residential projects in the city include:

- The Myelin Group has completed the townhouse portion of its development and is proceeding with the construction of the condo towers for *KOI*, a 350 unit mixed use development on 8.8 acres along East Atlantic Blvd. The project includes 7,500 square feet of commercial space, a community center and a 48 slip marina.
- New Covenant Homes completed a 108 unit townhouse development at 3311 N Andrews Avenue on 6.87 acres.
- City Vista is constructing a 111 unit apartment building at 501 Dr. MLK Jr. Blvd.
- Palm Aire Associates LP is in the process of constructing 907 dwelling units on 84.88 acres on a former golf course on the north side of West Atlantic Blvd. Phase 1 of this development, the *Residences at Palm Aire*, is a 404 multifamily unit complex on 26.77 acres has almost completed construction. Phase 2, *Atlantico at Palm Aire* is a 210 unit complex on 9.99 acres and is under construction. Phase 3 is 150 single family units on the remaining 36.30 acres.
- Sabbia Beach is a Fernbrook Florida, LLLP 73 unit condo development at 730 N. Ocean Blvd.
- Avery Place, a 147 unit apartment building is under construction at 225 N Federal Highway.
- The Chrome Group, Inc. has obtained approvals for a 22 unit townhouse project called *Pompano*

*Golf Townhomes* at 700 Cypress Grove Drive in Palm Aire.

- The Adache Group has approvals to construct a 10-story 280 unit multifamily development called *Old Town Square* in old Pompano.
- WH Pompano, LLC obtained a land use plan amendment on 6.4 acres at 1350 S. Ocean Blvd. in order to construct a 303 unit condominium development on the east side of A1A.
- 1380 S. Ocean Blvd. FL, LLC obtained site plan approval to construct 134 residential units and 98 apartment/hotel units on 4.32 acres at 1380 S. Ocean Blvd.
- CG Hillsboro Shores LLC gained approvals to construct a 121 unit, 10-story residential development at 2629 N Riverside Drive, just south of the Hillsboro Inlet bridge. The project is to include 5,115 sf of retail space.
- 1116 N Ocean LLC gained development approval for a 130 unit condo development on A1A.
- Ocean Park Beach Residences has approvals for a 27 unit condo tower at 1508 N Ocean Blvd(A1A).
- Habitat for Humanity of Broward gained approvals to construct 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.
- John Knox Village obtained approvals to construct a 7,150 sf Welcome and Innovation Center to the 60+ acre campus.

### **Major City Initiatives**

The City commenced/completed a number of significant improvements and programs during the year to meet the needs of the community. The most significant programs/improvements for the fiscal year ending September 30, 2017 were:

- A Cultural Arts Center and Broward County library opened easterly adjacent to City Hall. The project includes 47,816 sf on 4.58 acres.
- The City completed construction on upgrading the western segment of Dr. MLK Jr. Blvd, west of Powerline Road to the Turnpike, a one-mile stretch, for \$4.32 million.
- The City has gained approvals to reconstruct Fire Station #24, a 4-bay 13,465 sf on 1.23 acres at 2001 NE 10<sup>th</sup> Street.
- The City has processed a Comprehensive Plan map and text amendment, has prepared a form based zoning code which addresses neighborhood height and design compatibility and completed a traffic analysis for an East Transit Oriented Corridor (ETOC). The district will allow mixed use development with commercial uses on the first floor, primarily along US1 and Atlantic Boulevard, and residential units on the upper floors. The ETOC provides the connection between the east Atlantic neighborhoods, the beach area and the Downtown district. The new land use allows for a reduction in the commercial square footage from 38 million square feet to 7 million square feet and also includes 2,399 residential units, 15% (360 units) of which will be affordable housing.
- The City is planning on making streetscape improvements to Riverside Drive from Atlantic Boulevard to NE 14 Street.
- The City continues to construct reclaimed water distribution lines in the residential area between the Intracoastal Waterway and Federal Highway, as well as to schools within the old Pompano neighborhood. The City continues to budget \$300,000 annually for the project and apply for available grants. The reclaimed water will be used for irrigation of landscaped areas, thus saving City drinking water supplies for household use. In July of 2011, the City launched the IcanWater program. This program has already been successful in adding 600+ residential reuse water customers.

## FINANCIAL POLICIES AND PLANNING

### **Financial Policies:**

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

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

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

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

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

***Strategic Planning*** – The City has adopted a long-term strategic plan that articulates a clear vision of its future that is integrated with an organizational philosophy to guide elected officials' and employees'

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

## REPORTING ACHIEVEMENT AND ACKNOWLEDGEMENTS

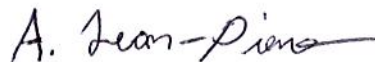
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2016. The City has received the GFOA's prestigious Certificate of Achievement for Excellence in Financial Reporting award for thirty-four 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.

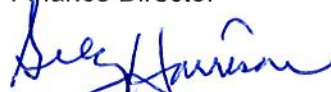
This report, which conforms to all the latest effective standards of local government financial reporting, could not have been prepared without the extraordinary devotion of the Finance Department team. Their dedication merits special attention. Special thanks to the City's Economic Development Manager, for his contributions in providing a comprehensive profile of the City, as well as providing readers with a summary of economic conditions and major initiatives impacting the City and to the City's Budget Officer for providing insight into economic factors likely to have an impact on the City's fiscal year 2018 budget.

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

Sincerely,

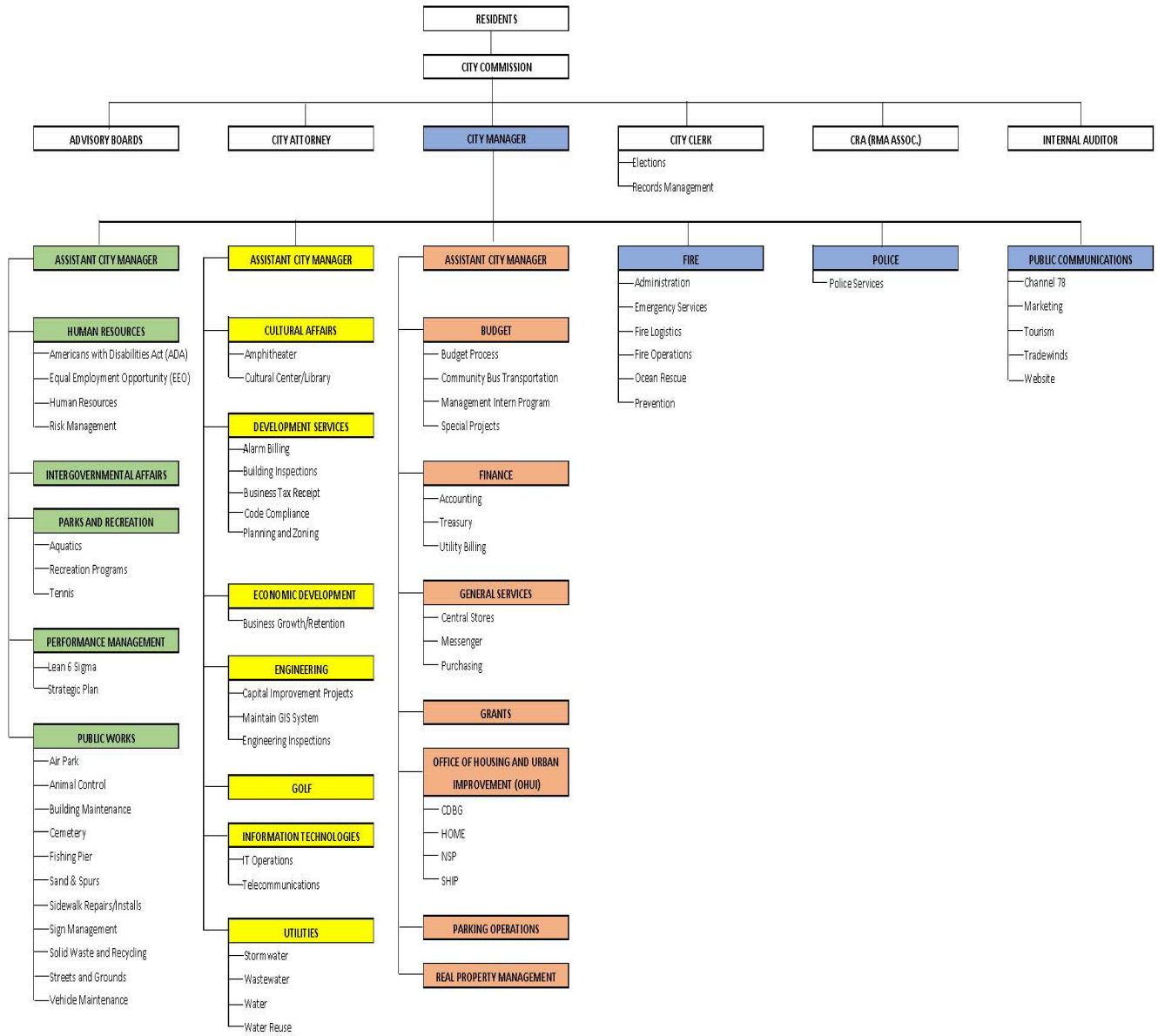


Andrew Jean-Pierre  
Finance Director



Greg Harrison  
City Manager

# City of Pompano Beach Organizational Chart 2016-2017





Government Finance Officers Association

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

Presented to

**City of Pompano Beach  
Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2016**

*Christopher P. Morill*

Executive Director/CEO

**INDEPENDENT AUDITORS' REPORT**

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

***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Pompano Beach, Florida (the City), as of and for the fiscal year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City of Pompano Beach General Employees' Retirement System, which represents 35%, 36% and 27%, 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, 2017, 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 funding progress, and budgetary comparison schedules for the general fund and major special revenue funds on pages 115 through 125 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2018 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  
March 28, 2018

**City of Pompano Beach, Florida**  
**Management Discussion and Analysis for the Fiscal Year Ended September 30, 2017**  
**(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, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages v through xv of this report.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

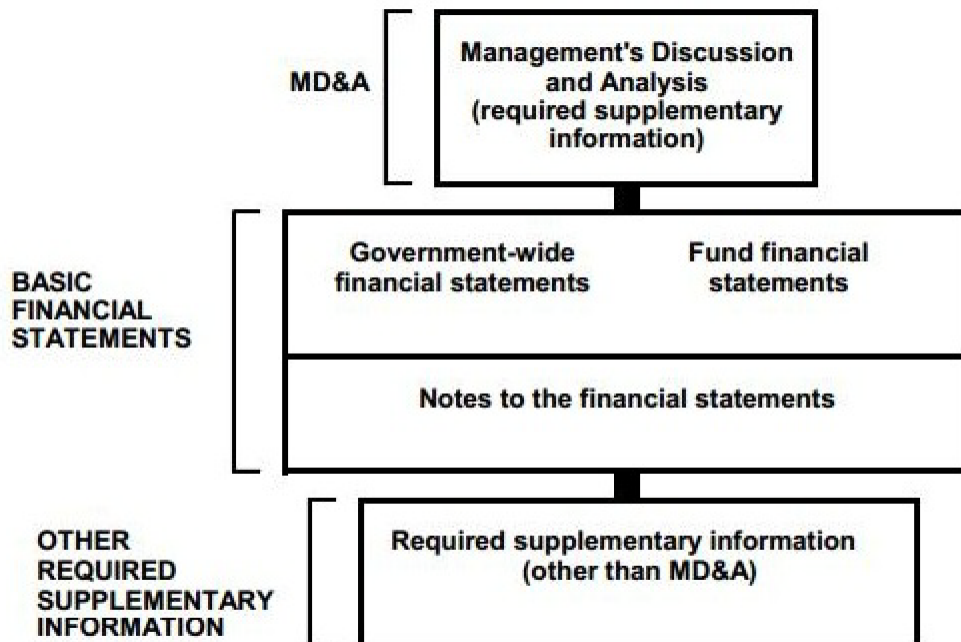
This annual report follows a format consisting of four parts – Management’s Discussion and Analysis (this section), the Basic Financial Statements, Required Supplementary Information, and an additional section that presents combining statements for non-major governmental funds, non-major enterprise funds,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

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

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

**City of Pompano Beach, Florida**  
**Management Discussion and Analysis for the Fiscal Year Ended September 30, 2017**  
**(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 \$481.1 million. Of this amount, \$25.3 million (unrestricted net position) may be used to meet the government's on-going obligations to citizens and creditors in accordance with the City's fiscal policies. The City's total net position decreased by \$4.3 million. The decrease noted was primarily due to a change in fiscal year 2016 in the assumption for mortality rates used to measure pension liabilities related to the Police and Firefighters' pension plan. The impact of this change will be recognized in pension expense through fiscal year 2019. Refer to Note (III)(C)(2) for additional information.

At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$130.1 million, representing a decrease of \$18.3 million from the previous fiscal year. The decrease noted was primarily due to the following activity:

- a decrease of \$15.8 million in the General Fund balance as a result of transfers to the Capital Projects Fund for improvements to MLK Boulevard from I-95 to Powerline Road, transfers to the Capital Projects Fund for Fire Station 24 reconstruction and transfers to the Pier Fund for the Pier Replacement project.
- a decrease of \$4.0 million in the Capital Projects Fund balance due to an increase in capital project activity for funds previously committed for those purposes. These projects primarily related to the Library/Cultural Center and Civic Campus, MLK Blvd. Reconstruction and Briny Avenue Streetscape Improvements.

At the close of the current fiscal year the City's enterprise funds reported combined ending net position of \$178.7 million. This represents an increase of \$10.9 million from the previous fiscal year. The decrease

**City of Pompano Beach, Florida**  
**Management Discussion and Analysis for the Fiscal Year Ended September 30, 2017**  
**(Unaudited)**

noted was primarily due to the net impact of the following activity:

- a transfer of residual equity associated with accounting for the activities of the golf course from a separate enterprise fund to the General Fund.
- favorable results from operations for the Utility Fund.
- transfers to the nonmajor enterprise funds for the Pier Replacement project.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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

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

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

The government-wide financial statements includes not only the City itself (the primary government), but also its blended component units, as discussed in the notes to the financial statements. In addition, the City has two defined benefit pension plans and a defined contribution pension plan established for the exclusive benefit of its employees and beneficiaries. The defined benefit pension plans are reported as fiduciary funds in the fund financial statements of this report, but are not included in the government-wide statements. The government-wide financial statements can be found on pages 20 through 21 of this report.

**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 (pages 26 and 29) to explain the differences between the governmental fund financial statements and the government-wide financial statements.

**City of Pompano Beach, Florida**  
**Management Discussion and Analysis for the Fiscal Year Ended September 30, 2017**  
**(Unaudited)**

**REPORTING THE CITY AS A WHOLE**

**Governmental-wide Financial Analysis** - Net position may serve over time as a useful indicator of the government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$481.1 million at September 30, 2017. The City's net position decreased by \$4.3 million during the current fiscal year. The largest portion of the City's net position, 83.4%, reflects its net investment in capital assets. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position. The City utilizes these capital assets to provide services to citizens; consequently these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt and other associated debt related items. It should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves will not be used to liquidate those liabilities. Approximately 11.4% or \$54.8 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, 2017 and 2016**

|                                | <b>Governmental<br/>Activities</b> |                       | <b>Business-Type<br/>Activities</b> |                       | <b>Totals</b>         |                       |
|--------------------------------|------------------------------------|-----------------------|-------------------------------------|-----------------------|-----------------------|-----------------------|
|                                | 2017                               | 2016                  | 2017                                | 2016                  | 2017                  | 2016                  |
| Current and other assets       | \$ 174,592,964                     | \$ 192,533,342        | \$ 85,532,176                       | \$ 74,794,605         | \$ 260,125,140        | \$ 267,327,947        |
| Capital assets                 | 306,619,671                        | 293,049,995           | 150,542,630                         | 153,993,339           | 457,162,301           | 447,043,334           |
| Total assets                   | <u>481,212,635</u>                 | <u>485,583,337</u>    | <u>236,074,806</u>                  | <u>228,787,944</u>    | <u>717,287,441</u>    | <u>714,371,281</u>    |
| Deferred outflows of resources | <u>30,511,041</u>                  | <u>47,889,205</u>     | <u>3,382,508</u>                    | <u>4,330,888</u>      | <u>33,893,549</u>     | <u>52,220,093</u>     |
| Long-term liabilities          | <u>195,478,452</u>                 | <u>200,710,725</u>    | <u>54,483,843</u>                   | <u>59,916,888</u>     | <u>249,962,295</u>    | <u>260,627,613</u>    |
| Other liabilities              | <u>12,509,190</u>                  | <u>13,323,320</u>     | <u>7,147,814</u>                    | <u>6,490,529</u>      | <u>19,657,004</u>     | <u>19,813,849</u>     |
| Total liabilities              | <u>207,987,642</u>                 | <u>214,034,045</u>    | <u>61,631,657</u>                   | <u>66,407,417</u>     | <u>269,619,299</u>    | <u>280,441,462</u>    |
| Deferred inflows of resources  | <u>491,922</u>                     | <u>737,884</u>        | <u>-</u>                            | <u>-</u>              | <u>491,922</u>        | <u>737,884</u>        |
| Net position:                  |                                    |                       |                                     |                       |                       |                       |
| Net investment in capital      |                                    |                       |                                     |                       |                       |                       |
| assets                         | 287,768,399                        | 270,890,727           | 113,231,147                         | 113,914,818           | 400,999,546           | 384,805,545           |
| Restricted                     | 49,064,248                         | 42,731,241            | 5,740,804                           | 4,943,714             | 54,805,052            | 47,674,955            |
| Unrestricted                   | <u>(33,588,535)</u>                | <u>5,078,645</u>      | <u>58,853,706</u>                   | <u>47,852,883</u>     | <u>25,265,171</u>     | <u>52,931,528</u>     |
| Total net position             | <u>\$ 303,244,112</u>              | <u>\$ 318,700,613</u> | <u>\$ 177,825,657</u>               | <u>\$ 166,711,415</u> | <u>\$ 481,069,769</u> | <u>\$ 485,412,028</u> |

At September 30, 2017, the City is able to report positive balances in all three categories of net position, for the government as a whole, as well as for its Business-type activities. 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.

**Governmental Activities** – There was a decrease of \$17.9 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.

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There was an increase of \$13.6 million in capital assets. The increase noted was primarily due to the net effect of the current fiscal year capital asset activity (as discussed in more detail on page 16) and the recognition of current fiscal year depreciation expense.

The decrease of \$17.4 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 earnings exceeding actual earnings on pension plan investments, changes in assumptions). Refer to Note (III)(C)(2) for additional information.

The decrease of \$5.2 million in long-term liabilities is primarily the result of the decrease in the Net Pension Liability in the current fiscal year related to the City's General Employees and Police and Firefighters Pension Plans. Net pension liability is calculated by actuaries engaged by both pension plans. The net pension liability is a function of various factors, inclusive of investment income and changes in assumptions between fiscal years. Refer to Note (III)(C)(2) for additional information.

The decrease of \$0.8 million in other liabilities is primarily the result of the timing of vendor payments accrued at fiscal year end compared to prior fiscal year end.

**Business-type Activities** – The increase of \$10.7 million in current and other assets primarily as a result of current year operations, as discussed in detail starting on page 11 .

The decrease of \$3.5 million in capital assets is primarily due to the net effect of capital asset acquisitions and dispositions and recognition of current fiscal year depreciation expense (as discussed in more detail on page 16).

The decrease of \$5.4 million in long-term liabilities is primarily the result of the satisfaction of debt service requirements for the 2014 Water and Sewer Bonds, the satisfaction of the annual rent requirements related to the energy performance equipment lease and the recognition of a Net Pension Liability in the current fiscal year related to the City's General Employees Pension Plan. Refer to Note (II)(F) for additional information.

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**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, 2017.

**TABLE 2**  
**SUMMARY OF CHANGES IN NET POSITION**  
**FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2017 and 2016**

|  | Governmental<br>Activities |                       | Business-Type<br>Activities |                       | Totals                |                       |
|--|----------------------------|-----------------------|-----------------------------|-----------------------|-----------------------|-----------------------|
|  | 2017                       | 2016                  | 2017                        | 2016                  | 2017                  | 2016                  |
| <b>Revenues</b>                                      |                            |                       |                             |                       |                       |                       |
| Program Revenues:                                    |                            |                       |                             |                       |                       |                       |
| Charges for services                                 | \$ 43,577,408              | \$ 42,451,150         | \$ 56,536,174               | \$ 57,267,963         | \$ 100,113,582        | \$ 99,719,113         |
| Operating grants and contributions                   | 3,740,302                  | 2,950,496             | 112,724                     | 27,639                | 3,853,026             | 2,978,135             |
| Capital grants and contributions                     | 12,396,198                 | 40,830,735            | 1,912,263                   | 256,261               | 14,308,461            | 41,086,996            |
| General Revenues                                     |                            |                       |                             |                       |                       |                       |
| Taxes  | 87,966,038                 | 84,190,183            | -                           | -                     | 87,966,038            | 84,190,183            |
| Pari Mutuel  | 2,310,138                  | 2,428,142             | -                           | -                     | 2,310,138             | 2,428,142             |
| Franchise fees                                       | 8,403,793                  | 8,112,380             | -                           | -                     | 8,403,793             | 8,112,380             |
| State revenue sharing                                | 10,528,661                 | 10,504,444            | -                           | -                     | 10,528,661            | 10,504,444            |
| Gain from sale of capital assets                     | 129,159                    | 164,726               | 106,380                     | 133,890               | 235,539               | 298,616               |
| Investment earnings                                  | 918,763                    | 1,660,595             | 485,291                     | 767,787               | 1,404,054             | 2,428,382             |
| Miscellaneous  | 946,223                    | 800,824               | 73,423                      | 529,968               | 1,019,646             | 1,330,792             |
| Total revenues                                       | <u>170,916,683</u>         | <u>194,093,675</u>    | <u>59,226,255</u>           | <u>58,983,508</u>     | <u>230,142,938</u>    | <u>253,077,183</u>    |
| <b>Expenses</b>                                      |                            |                       |                             |                       |                       |                       |
| General government                                   | 33,740,533                 | 33,406,774            | -                           | -                     | 33,740,533            | 33,406,774            |
| Public safety  | 103,714,272                | 96,143,601            | -                           | -                     | 103,714,272           | 96,143,601            |
| Physical environment                                 | 18,460,060                 | 16,674,345            | -                           | -                     | 18,460,060            | 16,674,345            |
| Transportation                                       | 4,129,271                  | 3,935,837             | -                           | -                     | 4,129,271             | 3,935,837             |
| Economic environment                                 | 8,709,265                  | 7,442,683             | -                           | -                     | 8,709,265             | 7,442,683             |
| Culture and recreation                               | 13,743,089                 | 9,772,473             | -                           | -                     | 13,743,089            | 9,772,473             |
| Interest costs                                       | 758,984                    | 866,593               | -                           | -                     | 758,984               | 866,593               |
| Utility  | -                          | -                     | 38,092,853                  | 41,282,490            | 38,092,853            | 41,282,490            |
| Sanitation   | -                          | -                     | 5,863,604                   | 4,645,492             | 5,863,604             | 4,645,492             |
| Stormwater   | -                          | -                     | 1,858,645                   | 2,305,273             | 1,858,645             | 2,305,273             |
| Pier   | -                          | -                     | 110,149                     | 238,055               | 110,149               | 238,055               |
| Airpark  | -                          | -                     | 2,217,302                   | 2,206,241             | 2,217,302             | 2,206,241             |
| Golf course  | -                          | -                     | -                           | 4,030,947             | -                     | 4,030,947             |
| Parking  | -                          | -                     | 3,087,170                   | 1,958,910             | 3,087,170             | 1,958,910             |
| Total expenses                                       | <u>183,255,474</u>         | <u>168,242,306</u>    | <u>51,229,723</u>           | <u>56,667,408</u>     | <u>234,485,197</u>    | <u>224,909,714</u>    |
| Increase (decrease) in net position before transfers | (12,338,791)               | 25,851,369            | 7,996,532                   | 2,316,100             | (4,342,259)           | 28,167,469            |
| Transfers  | <u>(3,117,710)</u>         | <u>681,480</u>        | <u>3,117,710</u>            | <u>(681,480)</u>      | <u>-</u>              | <u>-</u>              |
| Increase (decrease) in net position                  | (15,456,501)               | 26,532,849            | 11,114,242                  | 1,634,620             | (4,342,259)           | 28,167,469            |
| Net position - beginning                             | <u>318,700,613</u>         | <u>292,167,764</u>    | <u>166,711,415</u>          | <u>165,076,795</u>    | <u>485,412,028</u>    | <u>457,244,559</u>    |
| Net position - ending                                | <u>\$ 303,244,112</u>      | <u>\$ 318,700,613</u> | <u>\$ 177,825,657</u>       | <u>\$ 166,711,415</u> | <u>\$ 481,069,769</u> | <u>\$ 485,412,028</u> |

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**Governmental Activities** – Governmental activities decreased the City’s net position by \$15.5 million.

Charges for services increased by \$1.1 million primarily due to a change in the method of accounting for the activities of the golf course from a separate enterprise fund to the General Fund.

Capital Grants and Contributions decreased by approximately \$28.4 million, primarily due to the net effect of the following transactions.

- In the prior fiscal year the City entered into a transfer agreement with FDOT to accept designated portions of Atlantic Boulevard from East of NW 6th Avenue to S.R. A1A, along with a portion of Dixie Highway from McNab Road to Sample Road, which resulted in the City recording the roadway assets on its books at a value of approximately \$34 million.
- In the current fiscal year the City received approximately \$4.6 million from the Florida Department of Transportation (FDOT) relating to roadway improvements on Dixie Highway and Atlantic Boulevard.

Taxes revenue increased by \$3.8 million primarily due to an increase in ad valorem revenue, electric utility taxes and tax increment revenues. Ad valorem revenue is a function of assessed property values, new construction, changes in personal incomes and the City's operating millage rate. The City assesses a 10% electric utility tax on electric usage in the City, which is billed and collected by the service provider. The amount collected and remitted to the City is a function of number of customers, usage patterns and provider rates. Tax increment revenues is a function of the increase in the assessed values of properties within the Pompano Beach Community Redevelopment Agency (CRA) Districts above the base year valuation amounts, as well as the operating millage rate of each taxing district that contributes.

Public safety expenses increased by \$7.6 million primarily due to the following:

- An increase in the pension expense related to the net pension liability for the Police and Firefighter's Pension Plan and the General Employees Pension Plan as determined by actuaries for both pension plans.
- The amount paid to the Broward Sheriff's Office for police services increased by 6.9% due to an inflationary adjustment for their services.
- An increase in personnel costs due to the hiring of fifteen new firefighters approved in the current year budget.

Physical environment expenses increased by \$1.8 million primarily due to the pollution remediation obligation for the site referred to as the former Sabals Golf Course at 31st Avenue (just north of Atlantic Boulevard and also referred to as "12 acre park"). Refer to Note (II)(K) for additional information.

Economic environment expenses increased by \$1.3 million primarily due to debris removal costs relating to Hurricane Irma.

Culture and recreation expenses increased by \$4.0 million primarily as a result of the following:

- An increase in professional services expenses due the opening of the Library/Cultural Center and Civic Campus as the City contracted with an entity to provide programming assistance.
- An increase in operating expenses due to a change in the method of accounting for the activities of the golf course from a separate enterprise fund to the General Fund.

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**Business-type Activities** - Business-type activities increased the City's net position by \$11.1 million primarily related to the net activity of the Utility Fund, which accounted for \$6.5 million of the increase, the Pier Fund which accounted for \$11.7 million of the increase, the Parking Fund which reported a negative change in net position of \$1.8 million and the Golf Fund which reported a negative change in net position of \$6.7 million.

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

The Pier Fund increase noted is primarily the result of the transfer from the General Fund for the Pier Replacement project.

The Parking Fund decrease noted is primarily the result of the recognition of depreciation expense and interest expense and the transfer from the Parking Fund of surplus parking funds to support General Fund operations. The City borrowed funds to construct the Pier Parking Garage in 2015 with funds escrowed as part of that borrowing to cover interest expense for three fiscal years until such time as private parcel development around the Pier is completed, thereby generating increased parking revenue for the Parking Fund.

The Golf Fund decrease noted is the result of the transfer of residual equity associated with accounting for the activities of the golf course from a separate enterprise fund to the General Fund.

Capital grants and contributions increased by \$1.7 million, primarily due to the contribution of capital assets from developers in the current year for water and sewer infrastructure.

Utility operating expenses decreased by \$3.2 million primarily due to depreciation expense. Fiscal year 2016 was the last year of depreciation for the automatic meter reader equipment purchased in 2011.

Sanitation operating expenses increased by \$1.2 million primarily due to an increase in personnel costs associated with the hiring of new service works and an increase in disposal charges based on annual rate adjustments.

Parking operating expenses increased by \$1.1 million primarily due to depreciation expense. Fiscal year 2017 was the first year of depreciation for the Pier Parking Garage. The remaining amount is due to interest expense. Fiscal year 2017 was the first full year of interest expense on the Series 2015 Certificates of Participation obligation.

## **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

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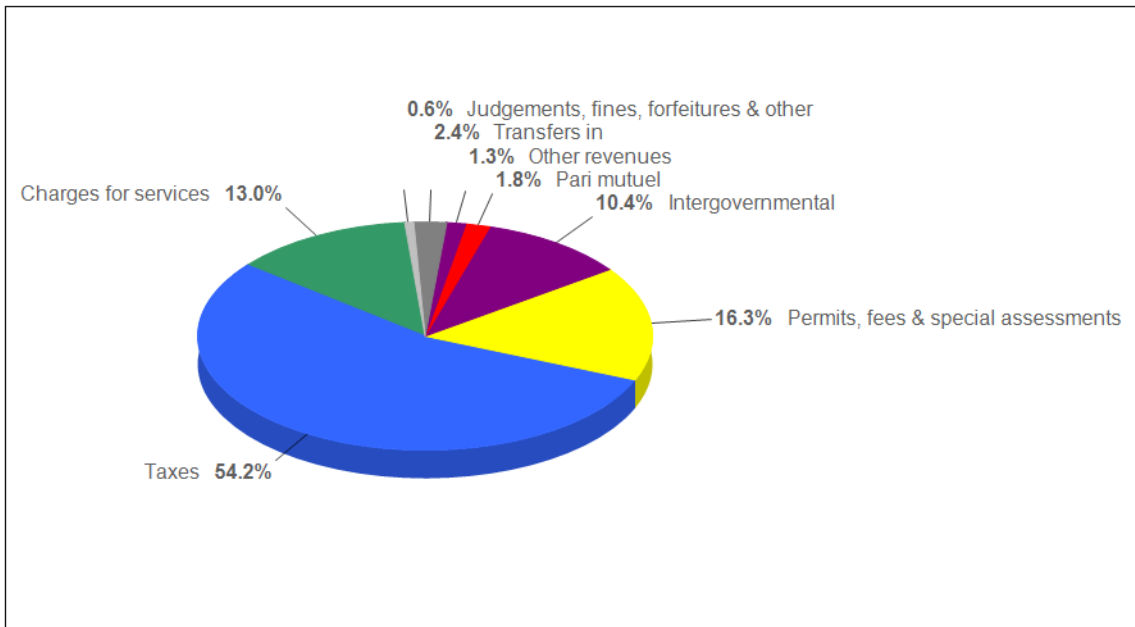
into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements 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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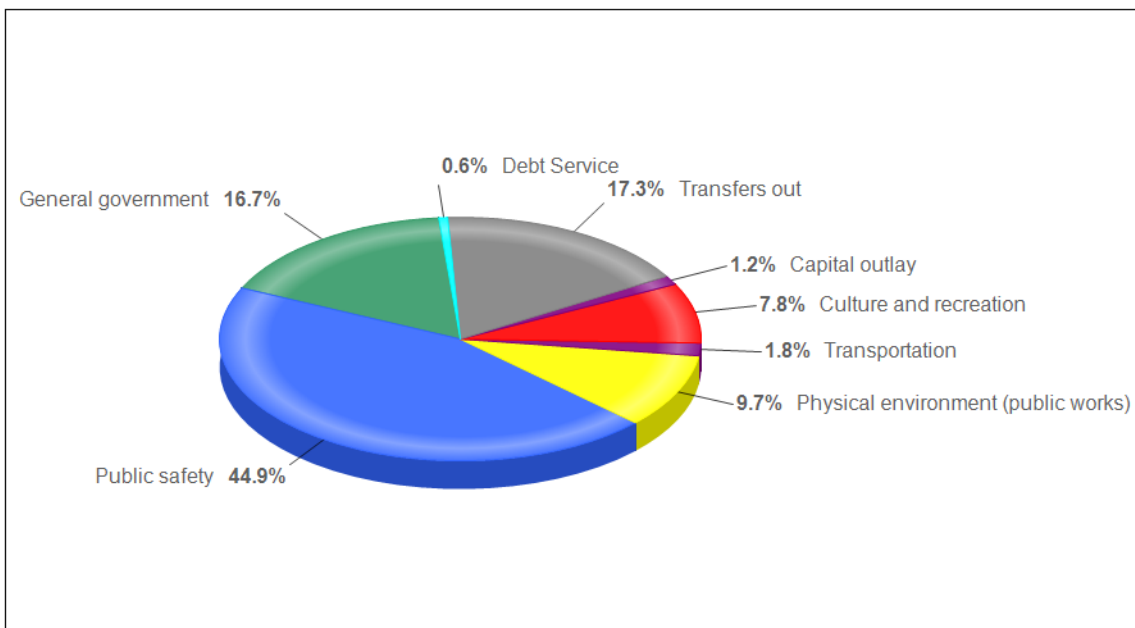
**The General Fund**

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, 2017:

**Revenues Received by Source**



**Actual Expenditures By Function**



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At the end of the current fiscal year, unassigned fund balance for the General Fund was \$28.6 million, while total fund balance was \$39.4 million. The fund balance for the City's General Fund decreased by \$15.8 million during the current fiscal year. This was primarily the result of transfers to the Capital Projects Fund for improvements to MLK Boulevard from I-95 to Powerline Road, transfers to the Capital Projects Fund for Fire Station 24 reconstruction and transfers to the Pier Fund for the Pier Replacement project.

Compared to the prior fiscal year, there was an increase of \$2.5 million in taxes revenue, primarily as a result of an increase in ad valorem and electric utility taxes receipts, compared to prior fiscal year. Ad valorem revenue is a function of assessed property values, new construction, changes in personal incomes and the City's operating millage rates. The City assesses a 10% electric utility tax on electric usage in the City, which is billed and collected by the service provider.

The increase of \$2.7 million in charges for services revenue is primarily due to a change in the method of accounting for the activities of the golf course from a separate enterprise fund to the General Fund.

The decrease of \$2.3 million in proceeds from capital lease is million is due to receiving lease purchase financing for the acquisition of certain equipment for the Fire, Parks & Recreation, Code Compliance and Public Works functions in the prior fiscal year.

The increase of \$3.7 million in public safety expenditures is primarily due to the amount paid to the Broward Sheriff's Office for police services. The contracted amount increased by 6.9% due to an inflationary adjustment for their services.

The increase of \$3.9 million in culture and recreation expenditures is primarily due to a change in the method of accounting for the activities of the golf course from a separate enterprise fund to the General Fund.

The increase of \$6.4 million in transfers out is primarily due to transfers to the Capital Projects Fund for improvements to MLK Boulevard from I-95 to Powerline Road, transfers to the Capital Projects Fund for Fire Station 24 reconstruction and transfers to the Pier Fund for the Pier Replacement project.

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

The fund balance of the Northwest CRA District Fund increased by \$1.2 million primarily due to minimal capital projects activity in the current fiscal year.

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

The fund balance of the East CRA District Fund increased by \$0.7 million primarily due to minimal capital projects activity in the current fiscal year.

**Emergency Management Service Fund**

Expenditures increased by \$1.9 million to cover the personnel costs resulting from the hiring of fifteen new firefighters approved in the current year budget.

Transfers in increased by \$1.4 million to cover the personnel costs resulting from the hiring of fifteen new firefighters approved in the current year budget.

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**Capital Projects Fund**

Transfers in increased by \$1.7 million primarily due to transfers from the General Fund for improvements to MLK Boulevard from I-95 to Powerline Road and Fire Station 24 reconstruction.

Transfers out increased by \$2.4 million primarily due to transfers to the Pier Fund for the Pier Replacement project.

**Building Permit Fund**

Transfers in decreased by \$8.7 million primarily due to the accounting of the activities of the building permit function from the General Fund to a new special revenue fund in the prior fiscal year.

**Special Purpose Fund**

Transfers out decreased by \$2.5 million primarily due to the accounting for the activities of the building permit function from the Special Purpose Fund to a new special revenue fund in the prior fiscal year.

**Proprietary Funds**

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

**Utility Fund**

Operating expenses decreased by \$2.9 million primarily due to depreciation expense. Fiscal year 2016 was the last year of depreciation for the automatic meter reader equipment purchased in 2011.

Capital grants and contributions increased by \$1.7 million, primarily due to the contribution of capital assets from developers in the current year for water and sewer infrastructure.

**Pier Fund**

Transfers in increased by \$11.4 million primarily due to the transfer from the General Fund and Capital Projects Fund for the Pier Replacement project.

**Sanitation Fund**

Charges for services increased by \$1.0 million primarily due to the first full year of the implementation of the commercial special service fee and an increase in disposal charge revenues due to annual rate adjustments.

**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 \$26.8 million.

The increase of \$6.5 million in the capital outlay budget is primarily due to appropriation of funds for the purchase of the Elks property.

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The transfers-out budget increased by approximately \$18.0 million primarily related to transfers to the Capital Projects Fund for improvements to MLK Boulevard from I-95 to Powerline Road, transfers to the Capital Projects Fund for Fire Station 24 reconstruction and transfers to the Pier Fund for the Pier Replacement project.

**Final budget compared to actual**

Capital outlay expenditures were \$6.0 million lower than the final budget primarily due to the timing of the purchase of the Elks property.

**Capital Assets**

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2017, amounts to \$457.2 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, 2017**

|                          | Governmental<br>Activities |                       | Business-Type<br>Activities |                       | Totals                |                       |
|--------------------------|----------------------------|-----------------------|-----------------------------|-----------------------|-----------------------|-----------------------|
|                          | 2017                       | 2016                  | 2017                        | 2016                  | 2017                  | 2016                  |
| Land                     | \$ 61,344,803              | \$ 61,206,197         | \$ 528,717                  | \$ 528,717            | \$ 61,873,520         | \$ 61,734,914         |
| Construction in Progress | 14,657,760                 | 22,356,347            | 7,598,373                   | 3,211,205             | 22,256,133            | 25,567,552            |
| Buildings                | 45,275,645                 | 24,370,577            | 47,701,676                  | 50,192,880            | 92,977,321            | 74,563,457            |
| Infrastructure           | 92,004,133                 | 97,051,107            | 51,386,637                  | 55,126,400            | 143,390,770           | 152,177,507           |
| Improvements             | 85,769,198                 | 80,088,008            | 37,602,951                  | 39,360,855            | 123,372,149           | 119,448,863           |
| Machinery & Equipment    | 7,564,803                  | 7,973,580             | 5,724,276                   | 5,573,282             | 13,289,079            | 13,546,862            |
| Art Work                 | 3,329                      | 4,179                 | -                           | -                     | 3,329                 | 4,179                 |
| <b>TOTALS</b>            | <u>\$ 306,619,671</u>      | <u>\$ 293,049,995</u> | <u>\$ 150,542,630</u>       | <u>\$ 153,993,339</u> | <u>\$ 457,162,301</u> | <u>\$ 447,043,334</u> |

Major capital assets events during the fiscal year included:

- Capital projects under construction in governmental activities had a net decrease of \$7.7 million, primarily as a result of major activity related to several projects in the current fiscal year, such as Public Library/Cultural Center, Briny Avenue Streetscape and MLK Blvd. Reconstruction.
- Buildings for governmental activities increased by \$20.9 million as a result of the net effect of the capitalization of costs associated with the Public Library/Cultural Center and the recognition of current fiscal year depreciation expense.
- Infrastructure for governmental activities decreased by \$5.0 million, primarily due to the recognition of current fiscal year depreciation expense.
- Improvements for governmental activities increased by \$5.7 million primarily due to the net effect of the transfer of capital assets from the Golf Fund to the General Fund and the recognition of current fiscal year depreciation expense.
- Capital projects under construction in business-type activities increased by \$4.4 million as a result of major activity related to several projects in the current fiscal year, such as Pier Replacement, A1A Water Main Replacement, Water Treatment Plant (WTP) - Concentrate Deep

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Well Re-Lining and WTP - Recarbonation Feed System Rehabilitation.

- Buildings for business-type activities decreased by \$2.5 million. This is primarily the result of the net effect of the transfer of capital assets from the Golf Fund to the General Fund and the recognition of current fiscal year depreciation expense.
- Infrastructure for business-type activities decreased by \$3.7 million. This is primarily the result of the net effect of the transfer of capital assets from the Golf Fund to the General Fund and the recognition of current fiscal year depreciation expense.
- Improvements decreased by approximately \$1.8 million. This is primarily the result of the net effect of the transfer of capital assets from the Golf Fund to the General Fund and the 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 \$57,377,352 outstanding compared to \$64,900,941 last year, a 12% decrease.

**TABLE 4 - OUTSTANDING DEBT**  
**September 30, 2017**

|                               | Governmental<br>Activities |                      | Business-Type<br>Activities |                      | Totals               |                      |
|-------------------------------|----------------------------|----------------------|-----------------------------|----------------------|----------------------|----------------------|
|                               | 2017                       | 2016                 | 2017                        | 2016                 | 2017                 | 2016                 |
| Revenue Bonds                 | \$ -                       | \$ -                 | \$ 8,815,000                | \$ 11,650,000        | \$ 8,815,000         | \$ 11,650,000        |
| Certificates of Participation | -                          | -                    | 23,875,000                  | 23,875,000           | 23,875,000           | 23,875,000           |
| Tax increment bonds           | 14,192,704                 | 17,039,866           | -                           | -                    | 14,192,704           | 17,039,866           |
| Notes payable                 | 1,842,880                  | 2,243,948            | 5,836,080                   | 6,719,769            | 7,678,960            | 8,963,717            |
| Capital lease payable         | 2,815,688                  | 3,297,179            | -                           | 75,179               | 2,815,688            | 3,372,358            |
| Total                         | <u>\$ 18,851,272</u>       | <u>\$ 22,580,993</u> | <u>\$ 38,526,080</u>        | <u>\$ 42,319,948</u> | <u>\$ 57,377,352</u> | <u>\$ 64,900,941</u> |

At September 30, 2017, the City's Certificates of Participation maintained a credit rating of AA- from Standard and Poor's and A-1 from Moody's. None of the City's other long term obligations were required to carry a credit rating at fiscal year end.

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

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

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**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 the 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 the public in June, as required by the City Charter, and then a second workshop is held in July. If necessary, resources and/or policies are modified by the Commission and subsequently adopted at the final public budget hearing in September.

As one of the largest cities in the Miami-Fort Lauderdale-Pompano Beach Metropolitan area, the City of Pompano Beach has a significant impact on Florida's economic growth rate trends. According to the Office of Economic and Demographic Research (EDR), Florida's growth of 3.6% is above the national average of 1.5%.

Property values are one of the most important key economic factors affecting local government finances. From January 2, 2016 to January 2, 2017, the City experienced a 8.7% increase in its assessed taxable value, its fifth increase since the 2007 assessment. New construction decreased by 12% compared to fiscal year 2016. While Florida's construction and real estate activity is continuing its path to recovery, realtytrac.com reported that as of September 2017, there are currently 1,952 properties in Pompano Beach that are in some stage of foreclosure (pre-foreclosure, auction or bank owned). Furthermore, similar to Broward County and the State of Florida, the foreclosure rates for the City of Pompano Beach remain high. As of September 2017, 1 in every 1752 housing units received foreclosure filings in Pompano Beach, though the number was 38% lower than the previous month and 40% lower than the same time last year.

The City's adopted budget for fiscal year 2018 is \$266.2 million, which is 3.9% or \$9.9 million higher than the fiscal year 2017 adopted budget of \$256.3 million. The increase is mostly associated with legislative mandates, such as mandated pension contribution increases, health care costs, cost of living adjustments, merits, the addition of 14 new positions throughout the City and the programming of the City's Capital Improvement Projects.

The General Fund's adopted budget for fiscal year 2018 is \$131.9 million. The General Fund's adopted millage rate for fiscal year 2018 was 4.9865, which represents a 3.3% increase from the previous fiscal year millage rate of 4.8252.

**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.



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**CITY OF POMPANO BEACH, FLORIDA**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2017**

|  | <b>Governmental<br/>Activities</b> | <b>Business-<br/>type<br/>Activities</b> | <b>Total</b>       |
|--|------------------------------------|--|--------------------|
| <b>ASSETS</b>  |                                    |  |                    |
| Cash and cash equivalents                            | \$ 14,407,839                      | \$ 6,624,956                             | \$ 21,032,795      |
| Unrestricted investments                             | 94,424,456                         | 64,439,317                               | 158,863,773        |
| Restricted cash and cash equivalents                 | 4,098,855                          | 2,868,672                                | 6,967,527          |
| Restricted investments                               | 5,176,873                          | 5,514,228                                | 10,691,101         |
| Interest receivable                                  | 407,922                            | 207,953                                  | 615,875            |
| Accounts receivables (net)                           | 6,534,525                          | 6,169,421                                | 12,703,946         |
| Notes Receivable                                     | 111,133                            | -  | 111,133            |
| Internal balances                                    | 902,238                            | (902,238)                                | -                  |
| Due from other governments                           | 8,757,393                          | 304,782                                  | 9,062,175          |
| Inventories  | 1,191,759                          | 305,085                                  | 1,496,844          |
| Prepays  | 756,600                            | -  | 756,600            |
| Other assets   | 78,939                             | -  | 78,939             |
| Assets held for resale and redevelopment             | 37,744,432                         | -  | 37,744,432         |
| Capital assets:                                      |                                    |  |                    |
| Land and construction in progress                    | 76,002,563                         | 8,127,090                                | 84,129,653         |
| Other capital assets net of accumulated depreciation | 230,617,108                        | 142,415,540                              | 373,032,648        |
| Total capital assets net of accumulated depreciation | <u>306,619,671</u>                 | <u>150,542,630</u>                       | <u>457,162,301</u> |
| Total assets   | <u>481,212,635</u>                 | <u>236,074,806</u>                       | <u>717,287,441</u> |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                |                                    |  |                    |
| Deferred charge on refunding                         | -                                  | 162,902                                  | 162,902            |
| Deferred outflows related to pensions                | 30,511,041                         | 3,219,606                                | 33,730,647         |
| Total deferred outflows of resources                 | <u>30,511,041</u>                  | <u>3,382,508</u>                         | <u>33,893,549</u>  |

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

**CITY OF POMPANO BEACH, FLORIDA**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2017**

|   | <b>Governmental<br/>Activities</b> | <b>Business-<br/>type<br/>Activities</b> | <b>Total</b>          |
|---|------------------------------------|--|-----------------------|
| <b>LIABILITIES</b>                          |                                    |  |                       |
| Accounts payable                            | \$ 6,772,549                       | \$ 4,378,729                             | \$ 11,151,278         |
| Accrued expenses                            | 2,541,561                          | 452,525                                  | 2,994,086             |
| Accrued interest payable                    | 93,936                             | 367,253                                  | 461,189               |
| Due to other governments                    | 122,542                            | -  | 122,542               |
| Customer deposits payable                   | 32,793                             | -  | 32,793                |
| Unearned revenue                            | 2,893,005                          | -  | 2,893,005             |
| Liabilities payable from restricted assets: |                                    |  |                       |
| Customer deposits payable                   | -                                  | 1,877,229                                | 1,877,229             |
| Accounts payable                            | 52,804                             | 72,078                                   | 124,882               |
| Long term obligations                       | -                                  | 759,938                                  | 759,938               |
| Noncurrent liabilities:                     |                                    |  |                       |
| Due within one year:                        |                                    |  |                       |
| Long term obligations                       | 2,872,162                          | 2,130,062                                | 5,002,224             |
| Notes Payable                               | 413,775                            | 907,972                                  | 1,321,747             |
| Claims and judgments                        | 3,053,219                          | -  | 3,053,219             |
| Compensated absences                        | 325,818                            | 121,452                                  | 447,270               |
| Capital lease payable                       | 491,165                            | -  | 491,165               |
| Due in more than one year:                  |                                    |  |                       |
| Long term obligations                       | 11,320,542                         | 5,925,000                                | 17,245,542            |
| Notes Payable                               | 1,429,105                          | 4,928,108                                | 6,357,213             |
| Claims and judgments                        | 9,438,781                          | -  | 9,438,781             |
| Compensated absences                        | 5,658,922                          | 963,976                                  | 6,622,898             |
| Pollution remediation obligation            | 1,394,000                          | -  | 1,394,000             |
| Net OPEB obligation                         | 7,947,717                          | 1,596,532                                | 9,544,249             |
| Capital lease payable                       | 2,324,523                          | -  | 2,324,523             |
| Certificates of participation payable       | -                                  | 23,875,000                               | 23,875,000            |
| Net pension liability                       | 148,808,723                        | 13,275,803                               | 162,084,526           |
| Total liabilities                           | <u>207,987,642</u>                 | <u>61,631,657</u>                        | <u>269,619,299</u>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>        |                                    |  |                       |
| Deferred inflows related to pensions        | 491,922                            | -  | 491,922               |
| <b>NET POSITION</b>                         |                                    |  |                       |
| Net investment in capital assets            | 287,768,399                        | 113,231,147                              | 400,999,546           |
| Restricted for:                             |                                    |  |                       |
| Renewal and replacement/rate stabilization  | -                                  | 3,654,785                                | 3,654,785             |
| Capital projects                            | 1,533,839                          | 1,656,019                                | 3,189,858             |
| Debt service                                | -                                  | 430,000                                  | 430,000               |
| Building permit function                    | 10,414,189                         | -  | 10,414,189            |
| Community Redevelopment                     | 36,040,798                         | -  | 36,040,798            |
| Cultural Arts                               | 1,000,530                          | -  | 1,000,530             |
| Transportation                              | 74,892                             | -  | 74,892                |
| Unrestricted                                | (33,588,535)                       | 58,853,706                               | 25,265,171            |
| Total net position                          | <u>\$ 303,244,112</u>              | <u>\$ 177,825,657</u>                    | <u>\$ 481,069,769</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, 2017**

| <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             | \$ 33,740,533           | \$ 13,341,101               | \$ 6,500                                  | \$ 358,950                              |
| Public safety                  | 103,714,272             | 25,943,671                  | 2,847,999                                 | 15,590                                  |
| Physical environment           | 18,460,060              | 139,948                     | 661,067                                   | 6,459,168                               |
| Transportation                 | 4,129,271               | -                           | 173,558                                   | -                                       |
| Economic environment           | 8,709,265               | 108,172                     | 5,585                                     | 2,118,503                               |
| Culture and recreation         | 13,743,089              | 4,044,516                   | 45,593                                    | 3,443,987                               |
| Interest on long-term debt     | 758,984                 | -                           | -   | -                                       |
| Total governmental activities  | <u>183,255,474</u>      | <u>43,577,408</u>           | <u>3,740,302</u>                          | <u>12,396,198</u>                       |
| Business-Type Activities:      |                         |                             |   |   |
| Utility                        | 38,092,853              | 42,425,662                  | -   | 1,866,725                               |
| Sanitation                     | 5,863,604               | 7,912,850                   | -   | -                                       |
| Stormwater                     | 1,858,645               | 3,153,355                   | -   | 23,058                                  |
| Pier                           | 110,149                 | -                           | -   | -                                       |
| Airpark                        | 2,217,302               | 1,116,171                   | 112,724                                   | 22,480                                  |
| Parking                        | 3,087,170               | 1,928,136                   | -   | -                                       |
| Total business-type activities | <u>51,229,723</u>       | <u>56,536,174</u>           | <u>112,724</u>                            | <u>1,912,263</u>                        |
| Total government               | <u>\$ 234,485,197</u>   | <u>\$ 100,113,582</u>       | <u>\$ 3,853,026</u>                       | <u>\$ 14,308,461</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.

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

| <b>Governmental<br/>Activities</b> | <b>Business-Type<br/>Activities</b> | <b>Total</b>          |
|------------------------------------|-------------------------------------|-----------------------|
| \$ (20,033,982)                    | \$ -                                | \$ (20,033,982)       |
| (74,907,012)                       | -                                   | (74,907,012)          |
| (11,199,877)                       | -                                   | (11,199,877)          |
| (3,955,713)                        | -                                   | (3,955,713)           |
| (6,477,005)                        | -                                   | (6,477,005)           |
| (6,208,993)                        | -                                   | (6,208,993)           |
| (758,984)                          | -                                   | (758,984)             |
| <u>(123,541,566)</u>               | <u>-</u>                            | <u>(123,541,566)</u>  |
| -                                  | 6,199,534                           | 6,199,534             |
| -                                  | 2,049,246                           | 2,049,246             |
| -                                  | 1,317,768                           | 1,317,768             |
| -                                  | (110,149)                           | (110,149)             |
| -                                  | (965,927)                           | (965,927)             |
| -                                  | (1,159,034)                         | (1,159,034)           |
| -                                  | <u>7,331,438</u>                    | <u>7,331,438</u>      |
| <u>(123,541,566)</u>               | <u>7,331,438</u>                    | <u>(116,210,128)</u>  |
| 57,018,570                         | -                                   | 57,018,570            |
| 1,963,183                          | -                                   | 1,963,183             |
| 2,167,235                          | -                                   | 2,167,235             |
| 12,317,208                         | -                                   | 12,317,208            |
| 4,671,936                          | -                                   | 4,671,936             |
| 9,827,906                          | -                                   | 9,827,906             |
| 2,310,138                          | -                                   | 2,310,138             |
| 8,403,793                          | -                                   | 8,403,793             |
| 10,528,661                         | -                                   | 10,528,661            |
| 129,159                            | 106,380                             | 235,539               |
| 918,763                            | 485,291                             | 1,404,054             |
| 946,223                            | 73,423                              | 1,019,646             |
| <u>(3,117,710)</u>                 | <u>3,117,710</u>                    | <u>-</u>              |
| <u>108,085,065</u>                 | <u>3,782,804</u>                    | <u>111,867,869</u>    |
| <u>(15,456,501)</u>                | <u>11,114,242</u>                   | <u>(4,342,259)</u>    |
| <u>318,700,613</u>                 | <u>166,711,415</u>                  | <u>485,412,028</u>    |
| <u>\$ 303,244,112</u>              | <u>\$ 177,825,657</u>               | <u>\$ 481,069,769</u> |

**CITY OF POMPANO BEACH, FLORIDA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2017**

|   | <u>General</u>       | <u>Northwest<br/>Community<br/>Redevelopment<br/>District</u> | <u>East Community<br/>Redevelopment<br/>District</u> |
|---|----------------------|---|--|
| <b>ASSETS</b>   |                      |   |  |
| Cash and cash equivalents   | \$ 1,380,414         | \$ 621,986  | \$ 1,527,666   |
| Restricted cash and cash equivalents                                | 7,500                | -   | 4,020,144  |
| Restricted investments  | -                    | -   | -  |
| Unrestricted investments  | 34,118,138           | 4,708,870   | 3,988,344  |
| Interest receivable   | 175,295              | 10,240  | 12,183   |
| Accounts receivables, net   | 2,642,650            | -   | -  |
| Notes receivable  | 111,133              | -   | -  |
| Assets held for resale and redevelopment                            | -                    | 35,794,343  | 1,672,512  |
| Advances to other funds   | 2,500,000            | -   | -  |
| Due from other funds  | 816,392              | -   | -  |
| Due from other governments  | 2,280,250            | 138,495   | -  |
| Inventories   | 220,269              | -   | -  |
| Prepays   | 218,083              | -   | -  |
| Other assets  | 70,465               | -   | -  |
| Total assets  | <u>\$ 44,540,589</u> | <u>\$ 41,273,934</u>  | <u>\$ 11,220,849</u>                                 |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b> |                      |   |  |
| Liabilities:  |                      |   |  |
| Accounts payable  | \$ 1,802,614         | \$ 313,313  | \$ 190,393   |
| Accrued expenditures  | 1,700,512            | -   | -  |
| Due to other governments  | 122,542              | -   | -  |
| Due to other funds  | -                    | -   | -  |
| Advances from other funds   | -                    | 2,500,000   | -  |
| Deposits  | -                    | 26,839  | 5,520  |
| Unearned revenue  | 1,418,643            | 4,500   | -  |
| Total liabilities:  | <u>5,044,311</u>     | <u>2,844,652</u>  | <u>195,913</u>                                       |
| Deferred inflows of resources:                                      |                      |   |  |
| Unavailable revenue   | <u>136,546</u>       | <u>138,495</u>  | <u>-</u>   |
| Fund balances:  |                      |   |  |
| Nonspendable  | 3,049,485            | -   | -  |
| Restricted  | 7,500                | 38,290,787  | 11,024,936   |
| Committed   | -                    | -   | -  |
| Assigned  | 7,654,999            | -   | -  |
| Unassigned  | 28,647,748           | -   | -  |
| Total fund balances   | <u>39,359,732</u>    | <u>38,290,787</u>   | <u>11,024,936</u>                                    |
| Total liabilities, deferred inflows of resources and fund balances  | <u>\$ 44,540,589</u> | <u>\$ 41,273,934</u>  | <u>\$ 11,220,849</u>                                 |

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

| <b>Emergency<br/>Medical Services<br/>District</b> | <b>Capital Projects</b> | <b>Nonmajor<br/>Governmental<br/>Funds</b> | <b>Total Governmental<br/>Funds</b> |
|--|-------------------------|--|-------------------------------------|
| \$ 124,201   | \$ 3,185,235            | \$ 4,846,140                               | \$ 11,685,642                       |
| -  | 71,211                  | -  | 4,098,855                           |
| -  | 5,101,980               | 74,893                                     | 5,176,873                           |
| 915,167  | 18,893,055              | 12,124,098                                 | 74,747,672                          |
| 10,365   | 90,735                  | 39,311                                     | 338,129                             |
| 3,716,464  | 175,170                 | 241  | 6,534,525                           |
| -  | -                       | -  | 111,133                             |
| -  | -                       | 277,577                                    | 37,744,432                          |
| -  | -                       | -  | 2,500,000                           |
| -  | -                       | -  | 816,392                             |
| 15,336   | 5,707,074               | 603,540                                    | 8,744,695                           |
| 310,482  | -                       | -  | 530,751                             |
| -  | 537,805                 | 712  | 756,600                             |
| -  | -                       | 8,474                                      | 78,939                              |
| <u>\$ 5,092,015</u>                                | <u>\$ 33,762,265</u>    | <u>\$ 17,974,986</u>                       | <u>\$ 153,864,638</u>               |
| <br>   |                         |  |                                     |
| \$ 90,749  | \$ 2,501,585            | \$ 1,607,633                               | \$ 6,506,287                        |
| 499,118  | 25,810                  | 193,205                                    | 2,418,645                           |
| -  | -                       | -  | 122,542                             |
| -  | -                       | 353,747                                    | 353,747                             |
| -  | -                       | -  | 2,500,000                           |
| -  | -                       | 434  | 32,793                              |
| -  | -                       | 1,469,862                                  | 2,893,005                           |
| <u>589,867</u>                                     | <u>2,527,395</u>        | <u>3,624,881</u>                           | <u>14,827,019</u>                   |
| <br>   |                         |  |                                     |
| <u>3,076,355</u>                                   | <u>5,458,788</u>        | <u>106,647</u>                             | <u>8,916,831</u>                    |
| <br>   |                         |  |                                     |
| 310,482  | 537,805                 | 712  | 3,898,484                           |
| 1,115,311  | -                       | 11,300,743                                 | 61,739,277                          |
| -  | -                       | 2,942,003                                  | 2,942,003                           |
| -  | 25,238,277              | -  | 32,893,276                          |
| -  | -                       | -  | 28,647,748                          |
| <u>1,425,793</u>                                   | <u>25,776,082</u>       | <u>14,243,458</u>                          | <u>130,120,788</u>                  |
| <br>   |                         |  |                                     |
| <u>\$ 5,092,015</u>                                | <u>\$ 33,762,265</u>    | <u>\$ 17,974,986</u>                       | <u>\$ 153,864,638</u>               |

**CITY OF POMPANO BEACH, FLORIDA**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2017**

Fund Balances - total governmental funds \$ 130,120,788

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   | \$ 492,935,084       |             |
| Less accumulated depreciation | <u>(186,643,715)</u> | 306,291,369 |

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

|   |  |           |
|---|--|-----------|
| EMS transport fees                              |  | 3,062,573 |
| Broward County Contract Reimb. - Public Library |  | 1,169,391 |
| FEMA - Hurricane Matthew                        |  | 49,224    |
| Broward County - Ad Valorem & Vacancy Credit    |  | 150,328   |
| FIND/BBIP Grants                                |  | 880,025   |
| FL. Department of Cultural Affairs Grant        |  | 1,000,000 |
| U.S. Department Transportation                  |  | 48,355    |
| CDBG/HOME Grants                                |  | 57,423    |
| Communication service taxes                     |  | 2,499,512 |

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

|  |                    |               |
|--|--------------------|---------------|
| Tax increment bonds                                | (14,192,704)       |               |
| Net pension liability                              | (148,808,723)      |               |
| Deferred outflows of resources related to pensions | 30,511,041         |               |
| Deferred inflows of resources related to pensions  | (491,922)          |               |
| Net OPEB obligation                                | (7,565,959)        |               |
| Notes payable                                      | (1,842,880)        |               |
| Compensated absences                               | (5,566,920)        |               |
| Capital lease payable                              | (2,815,688)        |               |
| Accrued interest payable                           | (93,936)           |               |
| Pollution remediation obligation                   | <u>(1,394,000)</u> | (152,261,691) |

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

|             |                     |           |
|-------------|---------------------|-----------|
| Assets      | 23,470,781          |           |
| Liabilities | <u>(14,196,204)</u> | 9,274,577 |

Adjustment for Internal Service Funds look-back 902,238

Net position of governmental activities \$ 303,244,112

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, 2017**

|  | <u>General</u>       | <u>Northwest<br/>Community<br/>Redevelopment<br/>District</u> | <u>East Community<br/>Redevelopment<br/>District</u> |
|--|----------------------|---|--|
| <b>Revenues</b>  |                      |   |  |
| Taxes  | \$ 69,789,816        | \$ 7,050,237  | \$ 2,777,669   |
| Judgments, fines and forfeitures                             | 833,271              | -   | -  |
| Permits, fees and special assessments                        | 21,012,262           | -   | -  |
| Intergovernmental  | 13,437,062           | -   | -  |
| Charges for services   | 16,800,021           | 163,658   | -  |
| Pari-Mutuel  | 2,310,138            | -   | -  |
| Donations  | 6,200                | 5,585   | -  |
| Program income   | -                    | -   | -  |
| Investment earnings  | 531,782              | 36,498  | 42,068   |
| Cemetery lot sales   | -                    | -   | -  |
| Other revenue  | 913,378              | 32,051  | -  |
| Total revenues   | <u>125,633,930</u>   | <u>7,288,029</u>  | <u>2,819,737</u>                                     |
| <b>EXPENDITURES</b>  |                      |   |  |
| <b>Current:</b>  |                      |   |  |
| General government   | 24,171,291           | -   | -  |
| Public safety  | 65,167,424           | -   | -  |
| Physical environment   | 14,070,082           | -   | -  |
| Transportation   | 2,577,398            | -   | -  |
| Economic environment   | -                    | 3,205,517   | 889,228  |
| Culture and recreation                                       | 11,296,047           | -   | -  |
| <b>Debt Service:</b>   |                      |   |  |
| Principal  | 762,915              | 2,199,985   | 685,000  |
| Interest   | 73,291               | 290,532   | 411,771  |
| Capital outlay   | 1,683,144            | 399,153   | 95,079   |
| Total expenditures   | <u>119,801,592</u>   | <u>6,095,187</u>  | <u>2,081,078</u>                                     |
| Excess (deficiency) of revenues over<br>(under) expenditures | <u>5,832,338</u>     | <u>1,192,842</u>  | <u>738,659</u>                                       |
| <b>OTHER FINANCING SOURCES<br/>(USES)</b>                    |                      |   |  |
| Proceeds from sale of capital assets                         | 104,203              | 3,500   | -  |
| Transfers in   | 3,327,037            | -   | -  |
| Transfers out  | (25,013,739)         | -   | -  |
| Total other financing sources (uses)                         | <u>(21,582,499)</u>  | <u>3,500</u>  | <u>-</u>   |
| Net change in fund balances                                  | (15,750,161)         | 1,196,342   | 738,659  |
| Fund balances - beginning                                    | 55,109,893           | 37,094,445  | 10,286,277   |
| Fund Balances - ending                                       | <u>\$ 39,359,732</u> | <u>\$ 38,290,787</u>  | <u>\$ 11,024,936</u>                                 |

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

| <u>Emergency Medical<br/>Services District</u> | <u>Capital Projects</u> | <u>Nonmajor<br/>Governmental<br/>Funds</u> | <u>Total Governmental<br/>Funds</u> |
|--|-------------------------|--|-------------------------------------|
| \$ 5,353,334                                   | \$ 3,564,611            | \$ 145,754                                 | \$ 88,681,421                       |
| -  | -                       | -  | 833,271                             |
| -  | 223,746                 | 7,295,870                                  | 28,531,878                          |
| 236,610  | 6,962,625               | 2,561,163                                  | 23,197,460                          |
| 3,610,666                                      | 1,147,408               | 437,288                                    | 22,159,041                          |
| -  | -                       | -  | 2,310,138                           |
| 424  | -                       | 491,393                                    | 503,602                             |
| -  | -                       | 371,729                                    | 371,729                             |
| 37,140   | 184,031                 | 87,245                                     | 918,764                             |
| -  | -                       | 135,968                                    | 135,968                             |
| -  | 796                     | -  | 946,225                             |
| <u>9,238,174</u>                               | <u>12,083,217</u>       | <u>11,526,410</u>                          | <u>168,589,497</u>                  |
| -  | 42,266                  | 5,010                                      | 24,218,567                          |
| 15,708,786                                     | -                       | 7,352,326                                  | 88,228,536                          |
| -  | 1,272,478               | -  | 15,342,560                          |
| -  | -                       | 336,306                                    | 2,913,704                           |
| -  | -                       | 4,625,796                                  | 8,720,541                           |
| -  | -                       | 117,275                                    | 11,413,322                          |
| -  | -                       | 157,000                                    | 3,804,900                           |
| -  | -                       | 4,774                                      | 780,368                             |
| 142,218  | 19,840,215              | 369,940                                    | 22,529,749                          |
| <u>15,851,004</u>                              | <u>21,154,959</u>       | <u>12,968,427</u>                          | <u>177,952,247</u>                  |
| <u>(6,612,830)</u>                             | <u>(9,071,742)</u>      | <u>(1,442,017)</u>                         | <u>(9,362,750)</u>                  |
| -  | -                       | 21,456                                     | 129,159                             |
| 6,497,084                                      | 7,661,227               | 1,346,783                                  | 18,832,131                          |
| -  | (2,637,160)             | (292,600)                                  | (27,943,499)                        |
| <u>6,497,084</u>                               | <u>5,024,067</u>        | <u>1,075,639</u>                           | <u>(8,982,209)</u>                  |
| (115,746)                                      | (4,047,675)             | (366,378)                                  | (18,344,959)                        |
| <u>1,541,539</u>                               | <u>29,823,757</u>       | <u>14,609,836</u>                          | <u>148,465,747</u>                  |
| <u>\$ 1,425,793</u>                            | <u>\$ 25,776,082</u>    | <u>\$ 14,243,458</u>                       | <u>\$ 130,120,788</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, 2017**

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|  |                     |                               |
|--|---------------------|-------------------------------|
| Net change in fund balances - total governmental funds   |                     | \$ (18,344,959)               |
| 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  | \$ 22,529,749       |                               |
| Less depreciation  | <u>(15,842,205)</u> | 6,687,544                     |
| 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  | 1,922,333           |                               |
| Transfer of residual equity from Golf Fund to General Fund   | 5,993,658           |                               |
| Change in pollution remediation obligation   | (1,394,000)         |                               |
| Change in net OPEB Obligation  | (637,134)           |                               |
| Loss on sale of capital assets   | (215,819)           |                               |
| Donation of capital assets   | 358,950             |                               |
| Change in compensated absences liability   | (135,970)           |                               |
| Change in accrued interest   | <u>21,384</u>       | 5,913,402                     |
| The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction however, has any effect on net position. |                     |                               |
| Principal payments   | <u>3,804,900</u>    | 3,804,900                     |
| Changes in the City's net pension liability, deferred outflows of resources and deferred inflows of resources for the current year are not reported in the governmental funds but are reported in the statement of activities.   |                     |                               |
| Change in deferred outflows of resources   | (17,589,989)        |                               |
| Change in net pension liability  | 3,084,259           |                               |
| Change in deferred inflows of resources  | <u>245,962</u>      | (14,259,768)                  |
| 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.   |                     |                               |
|  |                     | 940,608                       |
| Adjustment for Internal Service Funds look-back  |                     | <u>(198,228)</u>              |
| Change in Net Position - Governmental Activities   |                     | <u><u>\$ (15,456,501)</u></u> |

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

**CITY OF POMPANO BEACH, FLORIDA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2017**

|  | <b>Business-type Activities - Enterprise Funds</b> |                      |                                  |                       | <b>Governmental Activities</b> |
|--|--|----------------------|----------------------------------|-----------------------|--------------------------------|
|  | <b>Utility</b>                                     | <b>Parking</b>       | <b>Nonmajor Enterprise Funds</b> | <b>Total</b>          | <b>Internal Service Funds</b>  |
|  |  |                      | <b>Funds</b>                     |                       |                                |
| <b>ASSETS</b>  |  |                      |                                  |                       |                                |
| Current assets:  |  |                      |                                  |                       |                                |
| Cash and cash equivalents                              | \$ 3,968,946                                       | \$ 199,699           | \$ 2,456,311                     | \$ 6,624,956          | \$ 2,722,197                   |
| Restricted cash and cash equivalents                   | 2,637,166  | 107,908              | 123,598                          | 2,868,672             | -                              |
| Interest receivable                                    | 156,254  | 4,162                | 47,537                           | 207,953               | 69,793                         |
| Accounts receivables, net                              | 4,046,681  | 68,586               | 2,054,154                        | 6,169,421             | -                              |
| Due from other governments                             | 81,804   | -                    | 222,978                          | 304,782               | 12,698                         |
| Inventories  | 296,472  | -                    | 8,613                            | 305,085               | 661,008                        |
| Total current assets:                                  | <u>11,187,323</u>                                  | <u>380,355</u>       | <u>4,913,191</u>                 | <u>16,480,869</u>     | <u>3,465,696</u>               |
| Noncurrent assets:                                     |  |                      |                                  |                       |                                |
| Unrestricted investments                               | 45,022,175   | 1,317,875            | 18,099,267                       | 64,439,317            | 19,676,784                     |
| Restricted investments                                 | 3,654,785  | 948,716              | 910,727                          | 5,514,228             | -                              |
| Capital assets:  |  |                      |                                  |                       |                                |
| Land   | 467,725  | -                    | 60,992                           | 528,717               | -                              |
| Construction in progress                               | 1,974,119  | -                    | 5,624,254                        | 7,598,373             | -                              |
| Buildings  | 50,717,305   | 22,339,232           | 1,656,670                        | 74,713,207            | 254,536                        |
| Infrastructure   | 107,969,790  | -                    | 15,224,229                       | 123,194,019           | -                              |
| Improvements   | 61,857,209   | -                    | 26,544,995                       | 88,402,204            | 423,838                        |
| Machinery and equipment                                | 24,366,107   | 115,828              | 2,933,716                        | 27,415,651            | 5,082,187                      |
| Less accumulated depreciation                          | (149,048,400)                                      | (778,556)            | (21,482,585)                     | (171,309,541)         | (5,432,260)                    |
| Total capital assets (net of accumulated depreciation) | <u>98,303,855</u>                                  | <u>21,676,504</u>    | <u>30,562,271</u>                | <u>150,542,630</u>    | <u>328,301</u>                 |
| Total noncurrent assets:                               | <u>146,980,815</u>                                 | <u>23,943,095</u>    | <u>49,572,265</u>                | <u>220,496,175</u>    | <u>20,005,085</u>              |
| Total assets   | <u>\$ 158,168,138</u>                              | <u>\$ 24,323,450</u> | <u>\$ 54,485,456</u>             | <u>\$ 236,977,044</u> | <u>\$ 23,470,781</u>           |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                  |  |                      |                                  |                       |                                |
| Deferred charge on refunding                           | 162,902  | -                    | -                                | 162,902               | -                              |
| Deferred outflows related to pensions                  | 2,857,208  | -                    | 362,398                          | 3,219,606             | -                              |
| Total deferred outflows of resources                   | <u>3,020,110</u>                                   | <u>-</u>             | <u>362,398</u>                   | <u>3,382,508</u>      | <u>-</u>                       |

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

**CITY OF POMPANO BEACH, FLORIDA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2017**

|  | <b>Business-type Activities - Enterprise Funds</b> |                   |                                  | <b>Governmental Activities</b> |                               |
|--|--|-------------------|----------------------------------|--------------------------------|-------------------------------|
|  | <b>Utility</b>                                     | <b>Parking</b>    | <b>Nonmajor Enterprise Funds</b> | <b>Total</b>                   | <b>Internal Service Funds</b> |
| <b>LIABILITIES</b>                                       |  |                   |                                  |                                |                               |
| Current liabilities, unrestricted:                       |  |                   |                                  |                                |                               |
| Accounts payable   | 2,774,092  | 97,850            | 1,506,787                        | 4,378,729                      | 319,064                       |
| Accrued expenses   | 367,668  | -                 | 84,857                           | 452,525                        | 122,916                       |
| Accrued interest payable                                 | 58,160   | 309,093           | -                                | 367,253                        | -                             |
| Due to other funds                                       | -  | -                 | -                                | -                              | 462,645                       |
| Compensated absences                                     | 120,155  | -                 | 1,297                            | 121,452                        | 2,136                         |
| Claims and judgments                                     | -  | -                 | -                                | -                              | 3,053,219                     |
| Current portion of long-term debt                        | 2,130,062  | -                 | -                                | 2,130,062                      | -                             |
| Notes payable  | 907,972  | -                 | -                                | 907,972                        | -                             |
| Total current liabilities, unrestricted                  | <u>6,358,109</u>                                   | <u>406,943</u>    | <u>1,592,941</u>                 | <u>8,357,993</u>               | <u>3,959,980</u>              |
| Current liabilities payable from restricted assets:      |  |                   |                                  |                                |                               |
| Accounts payable   | -  | -                 | 72,078                           | 72,078                         | -                             |
| Customer deposits payable                                | 1,877,229  | -                 | -                                | 1,877,229                      | -                             |
| Current portion of long-term debt                        | 759,938  | -                 | -                                | 759,938                        | -                             |
| Total current liabilities payable from restricted assets | <u>2,637,167</u>                                   | <u>-</u>          | <u>72,078</u>                    | <u>2,709,245</u>               | <u>-</u>                      |
| Total current liabilities                                | <u>8,995,276</u>                                   | <u>406,943</u>    | <u>1,665,019</u>                 | <u>11,067,238</u>              | <u>3,959,980</u>              |
| Noncurrent liabilities:                                  |  |                   |                                  |                                |                               |
| Compensated absences                                     | 810,135  | -                 | 153,841                          | 963,976                        | 415,685                       |
| Net OPEB obligation                                      | 1,371,115  | -                 | 225,417                          | 1,596,532                      | 381,758                       |
| Claims and judgments                                     | -  | -                 | -                                | -                              | 9,438,781                     |
| Notes payable  | 4,928,108  | -                 | -                                | 4,928,108                      | -                             |
| Revenue bonds payable                                    | 5,925,000  | -                 | -                                | 5,925,000                      | -                             |
| Certificates of participation payable                    | -  | 23,875,000        | -                                | 23,875,000                     | -                             |
| Net pension liability                                    | 11,924,377   | -                 | 1,351,426                        | 13,275,803                     | -                             |
| Total noncurrent liabilities                             | <u>24,958,735</u>                                  | <u>23,875,000</u> | <u>1,730,684</u>                 | <u>50,564,419</u>              | <u>10,236,224</u>             |
| Total liabilities  | <u>33,954,011</u>                                  | <u>24,281,943</u> | <u>3,395,703</u>                 | <u>61,631,657</u>              | <u>14,196,204</u>             |
| <b>NET POSITION</b>                                      |  |                   |                                  |                                |                               |
| Net investment in capital assets                         | 83,815,678   | (1,146,802)       | 30,562,271                       | 113,231,147                    | 328,301                       |
| Restricted:  |  |                   |                                  |                                |                               |
| Renewal & replacement/rate stabilization                 | 3,654,785  | -                 | -                                | 3,654,785                      | -                             |
| Capital Projects   | -  | 621,694           | 1,034,325                        | 1,656,019                      | -                             |
| Debt Service   | -  | 430,000           | -                                | 430,000                        | -                             |
| Unrestricted   | <u>39,763,774</u>                                  | <u>136,615</u>    | <u>19,855,555</u>                | <u>59,755,944</u>              | <u>8,946,276</u>              |
| Total net position                                       | <u>\$ 127,234,237</u>                              | <u>\$ 41,507</u>  | <u>\$ 51,452,151</u>             | <u>\$ 178,727,895</u>          | <u>\$ 9,274,577</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, 2017

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|  |                      |
|--|----------------------|
| Net Position - Enterprise Funds  | \$178,727,895        |
| Adjustment to Enterprise Funds for Internal Service Funds<br>look-back | <u>(902,238)</u>     |
| Net Position - Business-type Activities                                | <u>\$177,825,657</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, 2017**

|   | <b>Business-type Activities - Enterprise Funds</b> |                    |                         |                       | <b>Governmental</b>  |
|---|--|--------------------|-------------------------|-----------------------|----------------------|
|   | <b>Nonmajor</b>                                    |                    |                         | <b>Total</b>          | <b>Activities</b>    |
|   | <b>Utility</b>                                     | <b>Parking</b>     | <b>Enterprise Funds</b> |                       | <b>Internal</b>      |
|   |  |                    |                         |                       | <b>Service Funds</b> |
| <b>OPERATING REVENUES</b>                         |  |                    |                         |                       |                      |
| Charges for services                              | \$ 42,425,662                                      | \$ 1,637,897       | \$ 12,182,376           | \$ 56,245,935         | \$ 22,239,388        |
| Fines and forfeitures                             | -  | 290,239            | -                       | 290,239               | -                    |
| Miscellaneous                                     | -  | 18,000             | 55,000                  | 73,000                | 141,745              |
| Total operating revenues                          | <u>42,425,662</u>                                  | <u>1,946,136</u>   | <u>12,237,376</u>       | <u>56,609,174</u>     | <u>22,381,133</u>    |
| <b>OPERATING EXPENSES</b>                         |  |                    |                         |                       |                      |
| Personnel services                                | 8,346,644  | -                  | 1,412,037               | 9,758,681             | 2,888,394            |
| Other current expenses                            | 22,687,887   | 1,084,309          | 6,690,135               | 30,462,331            | 18,573,779           |
| Depreciation and amortization                     | 6,824,876  | 758,852            | 1,988,648               | 9,572,376             | 114,470              |
| Total operating expenses                          | <u>37,859,407</u>                                  | <u>1,843,161</u>   | <u>10,090,820</u>       | <u>49,793,388</u>     | <u>21,576,643</u>    |
| Operating income (loss)                           | <u>4,566,255</u>                                   | <u>102,975</u>     | <u>2,146,556</u>        | <u>6,815,786</u>      | <u>804,490</u>       |
| <b>NONOPERATING REVENUES</b>                      |  |                    |                         |                       |                      |
| <b>(EXPENSES)</b>                                 |  |                    |                         |                       |                      |
| Investment earnings                               | 345,366  | 29,468             | 110,457                 | 485,291               | 145,830              |
| Miscellaneous revenue                             | 323  | -                  | 100                     | 423                   | 414                  |
| Interest expense and fiscal agent fees            | (388,529)  | (1,246,033)        | -                       | (1,634,562)           | -                    |
| Operating grants and contributions                | -  | -                  | 68,235                  | 68,235                | -                    |
| Gain or (loss) from disposition of capital assets | 89,532   | -                  | 16,848                  | 106,380               | (10,126)             |
| Total nonoperating revenues (expenses)            | <u>46,692</u>                                      | <u>(1,216,565)</u> | <u>195,640</u>          | <u>(974,233)</u>      | <u>136,118</u>       |
| Income (loss) before contributions and transfers  | 4,612,947  | (1,113,590)        | 2,342,196               | 5,841,553             | 940,608              |
| Capital grants and contributions                  | 1,866,725  | -                  | 90,027                  | 1,956,752             | -                    |
| Transfers in                                      | 28,421   | -                  | 12,543,918              | 12,572,339            | -                    |
| Transfers out                                     | -  | (687,447)          | (8,767,183)             | (9,454,630)           | -                    |
| Change in net position                            | <u>6,508,093</u>                                   | <u>(1,801,037)</u> | <u>6,208,958</u>        | <u>10,916,014</u>     | <u>940,608</u>       |
| Total net position - beginning                    | <u>120,726,144</u>                                 | <u>1,842,544</u>   | <u>45,243,193</u>       | <u>167,811,881</u>    | <u>8,333,969</u>     |
| Total net position - ending                       | <u>\$ 127,234,237</u>                              | <u>\$ 41,507</u>   | <u>\$ 51,452,151</u>    | <u>\$ 178,727,895</u> | <u>\$ 9,274,577</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, 2017

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|  |                      |
|--|----------------------|
| Net change in Net Position - Enterprise Funds                          | \$ 10,916,014        |
| Adjustment to Enterprise Funds for<br>Internal Service Funds look-back | <u>198,228</u>       |
| Change in Net Position - Business-type Activities                      | <u>\$ 11,114,242</u> |

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

**CITY OF POMPANO BEACH, FLORIDA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

|  | <b>Business-type Activities - Enterprise Funds</b> |                    |                                  |                     | <b>Governmental Activities</b> |
|--|--|--------------------|----------------------------------|---------------------|--------------------------------|
|  | <b>Utility</b>                                     | <b>Parking</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                         | \$ -   | \$ -               | \$ -                             | \$ -                | \$ 19,089,784                  |
| Receipts from customers  | 41,966,823   | 2,488,067          | 11,304,469                       | 55,759,359          | 3,288,747                      |
| Payments to suppliers/Insurer  | (21,681,917)                                       | (1,051,658)        | (6,208,171)                      | (28,941,746)        | (15,270,142)                   |
| Payments to employees  | (8,397,148)  | -                  | (1,542,258)                      | (9,939,406)         | (2,834,111)                    |
| Claims paid  | -  | -                  | -                                | -                   | (4,396,290)                    |
| Net cash provided (used) by operating activities                           | <u>11,887,758</u>                                  | <u>1,436,409</u>   | <u>3,554,040</u>                 | <u>16,878,207</u>   | <u>(122,012)</u>               |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>                     |  |                    |                                  |                     |                                |
| Advances from other funds  | -  | -                  | -                                | -                   | (70,887)                       |
| Operating grants and contributions   | -  | -                  | 43,855                           | 43,855              | -                              |
| Transfers to other funds   | -  | (687,447)          | (2,192,093)                      | (2,879,540)         | -                              |
| Transfers from other funds   | 28,421   | -                  | 12,543,918                       | 12,572,339          | -                              |
| Interest paid on utility deposits  | (4,525)  | -                  | -                                | (4,525)             | -                              |
| Net cash provided (used) by noncapital financing activities                | <u>23,896</u>                                      | <u>(687,447)</u>   | <u>10,395,680</u>                | <u>9,732,129</u>    | <u>(70,887)</u>                |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>            |  |                    |                                  |                     |                                |
| Acquisition and construction of capital assets                             | (6,703,731)  | (1,388,003)        | (3,297,255)                      | (11,388,989)        | (218,349)                      |
| Capital grants and contributions   | -  | -                  | 22,480                           | 22,480              | -                              |
| Proceeds from the sale of surplus materials/capital assets                 | 89,810   | -                  | 16,948                           | 106,758             | 7,275                          |
| Principal paid on bonds/notes/capital lease                                | (3,718,690)  | -                  | -                                | (3,718,690)         | -                              |
| Interest paid on bonds/notes/capital lease                                 | (384,642)  | (1,249,960)        | -                                | (1,634,602)         | -                              |
| Net cash provided (used) by capital and related financing activities       | <u>(10,717,253)</u>                                | <u>(2,637,963)</u> | <u>(3,257,827)</u>               | <u>(16,613,043)</u> | <u>(211,074)</u>               |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                |  |                    |                                  |                     |                                |
| Calls/maturities of investments  | 40,284,321   | 1,875,797          | 15,732,385                       | 57,892,503          | 16,284,210                     |
| Purchase of investments  | (43,444,757)                                       | (2,164,513)        | (25,570,349)                     | (71,179,619)        | (15,509,504)                   |
| Interest earnings  | 309,094  | 28,494             | 87,239                           | 424,827             | 130,813                        |
| Net cash provided (used) by investing activities                           | <u>(2,851,342)</u>                                 | <u>(260,222)</u>   | <u>(9,750,725)</u>               | <u>(12,862,289)</u> | <u>905,519</u>                 |
| Net increase (decrease) in cash and cash equivalents                       | (1,656,941)  | (2,149,223)        | 941,168                          | (2,864,996)         | 501,546                        |
| Cash and cash equivalents, beginning of the year                           | <u>8,263,053</u>                                   | <u>2,456,830</u>   | <u>1,638,741</u>                 | <u>12,358,624</u>   | <u>2,220,651</u>               |
| Cash and cash equivalents, end of the year                                 | <u>\$ 6,606,112</u>                                | <u>\$ 307,607</u>  | <u>\$ 2,579,909</u>              | <u>\$ 9,493,628</u> | <u>\$ 2,722,197</u>            |
| Cash and cash equivalents, unrestricted                                    | \$ 3,968,946                                       | \$ 199,699         | \$ 2,456,311                     | \$ 6,624,956        | \$ 2,722,197                   |
| Cash and cash equivalents, restricted                                      | <u>2,637,166</u>                                   | <u>107,908</u>     | <u>123,598</u>                   | <u>2,868,672</u>    | -                              |
| Cash and cash equivalents, end of the year                                 | <u>\$ 6,606,112</u>                                | <u>\$ 307,607</u>  | <u>\$ 2,579,909</u>              | <u>\$ 9,493,628</u> | <u>\$ 2,722,197</u>            |
| <b>Non-cash transactions (Capital &amp; Related Financing Activities):</b> |  |                    |                                  |                     |                                |
| Contribution of capital assets from developers                             | \$ 1,866,725                                       | \$ -               | \$ 23,058                        | \$ 1,889,783        | \$ -                           |
| Capitalized interest   | <u>29,660</u>                                      | <u>3,927</u>       | <u>-</u>                         | <u>33,587</u>       | <u>-</u>                       |
| <b>Non-cash transactions (Investing Activities):</b>                       |  |                    |                                  |                     |                                |
| Changes in fair value of investments                                       | (83,950)   | (2,236)            | (25,442)                         | (111,628)           | (36,824)                       |
| Total non-cash activities  | <u>\$ 1,812,435</u>                                | <u>\$ 1,691</u>    | <u>\$ (2,384)</u>                | <u>\$ 1,811,742</u> | <u>\$ (36,824)</u>             |

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

**CITY OF POMPANO BEACH, FLORIDA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

|   | <b>Business-type Activities - Enterprise Funds</b> |                     |  |                      | <b>Governmental</b>               |
|---|--|---------------------|--|----------------------|-----------------------------------|
|   | <b>Utility</b>                                     | <b>Parking</b>      | <b>Nonmajor<br/>Enterprise<br/>Funds</b> | <b>Total</b>         | <b>Internal<br/>Service Funds</b> |
| <b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b> |  |                     |  |                      |                                   |
| Operating income (loss)   | \$ 4,566,255                                       | \$ 102,975          | \$ 2,146,556                             | \$ 6,815,786         | \$ 804,490                        |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: |  |                     |  |                      |                                   |
| Depreciation and amortization expense   | 6,824,876  | 758,852             | 1,988,648                                | 9,572,376            | 114,470                           |
| Non-cash pension expense  | (82,355)   | -                   | (170,518)                                | (252,873)            | -                                 |
| Non-cash transfer of residual equity  | -  | -                   | 438,006                                  | 438,006              | -                                 |
| <b>Changes in assets and liabilities:</b>   |  |                     |  |                      |                                   |
| <b>(Increase) decrease in assets:</b>   |  |                     |  |                      |                                   |
| Accounts receivables  | (441,355)  | 541,931             | (932,907)                                | (832,331)            | (2,602)                           |
| Due from other governments  | (72,090)   | -                   | -  | (72,090)             | -                                 |
| Inventories   | 1,469  | -                   | 6,642                                    | 8,111                | 126,214                           |
| Other assets and prepaids   | 2,690  | -                   | -  | 2,690                | -                                 |
| <b>Increase (decrease) in liabilities:</b>  |  |                     |  |                      |                                   |
| Accounts and other payables   | 945,092  | 32,651              | 294,053                                  | 1,271,796            | 193,387                           |
| Accrued expenses  | 31,259   | -                   | 9,316                                    | 40,575               | 22,521                            |
| Customer deposits payable   | 54,606   | -                   | -  | 54,606               | -                                 |
| Unearned revenue  | -  | -                   | (18,306)                                 | (18,306)             | -                                 |
| Other Post Employment Benefits (OPEB)   | 56,719   | -                   | (88,681)                                 | (31,962)             | 21,746                            |
| Compensated absences  | 592  | -                   | 3,773                                    | 4,365                | 31,762                            |
| Estimated claims payable  | -  | -                   | -  | -                    | (1,434,000)                       |
| Due to other governments  | -  | -                   | (122,542)                                | (122,542)            | -                                 |
| Net cash provided (used) by operating activities  | <u>\$ 11,887,758</u>                               | <u>\$ 1,436,409</u> | <u>\$ 3,554,040</u>                      | <u>\$ 16,878,207</u> | <u>\$ (122,012)</u>               |

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

**CITY OF POMPANO BEACH, FLORIDA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**SEPTEMBER 30, 2017**

|   | <b>Employee Retirement<br/>Plans</b> | <b>Agency Fund</b> |
|---|--------------------------------------|--------------------|
| <b>ASSETS</b>   |                                      |                    |
| Cash and cash equivalents                             | \$ 6,176,747                         | \$ 609,691         |
| Receivables:  |                                      |                    |
| Accrued interest and dividends                        | 599,464                              | -                  |
| Due from brokers                                      | 390,575                              | -                  |
| Other   | 434,567                              | 255                |
| Total receivables                                     | <u>1,424,606</u>                     | <u>255</u>         |
| Other assets  | <u>2,978</u>                         | <u>-</u>           |
| Investments:  |                                      |                    |
| US Government obligations                             | 25,768,503                           | -                  |
| Mortgage backed securities                            | 13,265,393                           | -                  |
| Municipal obligations                                 | 425,575                              | -                  |
| Corporate obligations                                 | 33,473,467                           | -                  |
| Equity securities                                     | 179,974,796                          | -                  |
| Mutual funds and collective trusts                    | 61,573,836                           | -                  |
| Hedge funds & private equity funds                    | 62,031,862                           | -                  |
| Real estate funds                                     | 21,527,766                           | -                  |
| Money market funds                                    | 6,376,998                            | -                  |
| Pompano Beach Investors LLC                           | 3,000,000                            | -                  |
| Total investments                                     | <u>407,418,196</u>                   | <u>-</u>           |
| Prepayments and other assets                          | 1,609,409                            | -                  |
| Property & equipment, net of accumulated depreciation | <u>261,263</u>                       | <u>-</u>           |
| Total assets  | <u>416,893,199</u>                   | <u>609,946</u>     |
| <b>LIABILITIES</b>                                    |                                      |                    |
| Accounts payable and accrued expenses                 | 541,292                              | -                  |
| Due to brokers  | 1,088,340                            | -                  |
| Deposits, sales tax & payroll taxes payable           | -                                    | 609,946            |
| Total liabilities                                     | <u>1,629,632</u>                     | <u>\$ 609,946</u>  |
| <b>NET POSITION</b>                                   |                                      |                    |
| Restricted for pension benefits                       | <u>\$ 415,263,567</u>                | <u>-</u>           |

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

**CITY OF POMPANO BEACH, FLORIDA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

|   | <b>Employee<br/>Retirement<br/>Plans</b> |
|---|--|
| <b>ADDITIONS</b>                                    |  |
| Contributions:                                      |  |
| Employer  | \$ 10,727,220                            |
| Broward County Sheriff's Office                     | 4,157,414                                |
| Broward County - Library                            | 13,078                                   |
| Members   | 4,250,600                                |
| State   | 2,336,040                                |
| Total contributions:                                | <u>21,484,352</u>                        |
| Investment income                                   |  |
| Net appreciation in fair value of investments       | 39,181,304                               |
| Interest and dividends                              | 7,864,432                                |
| Other   | 78,319                                   |
| Total investment income                             | <u>47,124,055</u>                        |
| Less: investment expenses                           | <u>2,204,476</u>                         |
| Net Investment Income                               | <u>44,919,579</u>                        |
| Total   | <u>66,403,931</u>                        |
| <b>DEDUCTIONS</b>                                   |  |
| Participant benefit payments                        | 32,031,443                               |
| Benefits paid from DROP                             | 2,072,245                                |
| Refunds of participant contributions                | 324,522                                  |
| Administrative expenses                             | 1,005,965                                |
| Total   | <u>35,434,175</u>                        |
| Net Increase  | 30,969,756                               |
| <b>Net position restricted for pension benefits</b> |  |
| Beginning of the year                               | <u>384,293,811</u>                       |
| End of the year                                     | <u>\$ 415,263,567</u>                    |

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

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NOTES TO THE FINANCIAL STATEMENTS  
FISCAL YEAR ENDED SEPTEMBER 30, 2017**

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**CITY OF POMPANO BEACH, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

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

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

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

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

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

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

**(A) The Financial Reporting Entity**

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

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

**CITY OF POMPANO BEACH, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

**(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 does not issue separate financial statements.

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

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.

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

**CITY OF POMPANO BEACH, FLORIDA**

**NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017**

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

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

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

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

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

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

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

**CITY OF POMPANO BEACH, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

The City reports the following major governmental funds:

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

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

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

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

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

The City reports the following major proprietary funds:

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

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

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

Additionally, the City reports the following fund types:

**Internal Service Funds**

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

**Fiduciary Funds:**

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

**CITY OF POMPANO BEACH, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

annual actuarial valuation.

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

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

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

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

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

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

**(E) Cash and Cash Equivalents**

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

**(F) Investments**

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

**CITY OF POMPANO BEACH, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

**(G) Inventories/Prepays**

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

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

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

**(I) Capital Assets**

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

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

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

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

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

**CITY OF POMPANO BEACH, FLORIDA**  
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Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred net of any interest earned on specific bonds during the construction phase of the capital assets of enterprise funds and business-type activities is capitalized as part of the capitalized value of the assets constructed. The total interest expense incurred by the Utility fund during the current fiscal year was \$354,427, of which \$29,660 was capitalized. Total interest expense incurred by the Parking Fund during the current fiscal year was \$1,249,960, of which \$3,927 was capitalized.

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

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

**(K) Risk Management**

The City is self-insured for automobile liability, general liability, including public official's liability and property damage claims pursuant to Florida Statute Section 768.28 (Waiver of Sovereign Immunity in Tort Actions; Recovery Limits; Limitation on Attorney Fees; Statute of Limitations; Exclusions; Indemnification; Risk Management Programs). Per Florida Statute Section 768.28, the City has sovereign immunity up to \$100,000 per person/\$200,000 per occurrence (\$200,000 and \$300,000, respectively effective October 1, 2011). The City is also self-insured for workers' compensation claims, in accordance with Florida Statute Section 440. Workers' compensation claims are self-insured up to \$500,000 per occurrence and property damage (buildings and contents) up to \$100,000, with property damage claims, related to named hurricane/windstorm, having a 5% of total location value deductible. Excess insurance policies apply above these self-insured levels.

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

**(L) Compensated Absences**

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

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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, 2017 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 Net OPEB obligation 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 recorded pollution remediation obligations at September 30, 2017. Please refer to Note II (K) for further information.

**(Q) Unearned/Unavailable**

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

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

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

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

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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, 2017, the Government-wide statement of net position reports \$54,805,052 in restricted net position. Of this amount, \$47,530,409 is restricted as a result of enabling legislation.

**(T) Accounting Estimates**

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

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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, 2017:

|                             | Unrestricted              |                | Restricted                |               | Total cash, cash equivalents and investments |
|-----------------------------|---------------------------|----------------|---------------------------|---------------|--|
|                             | Cash and cash equivalents | Investments    | Cash and cash equivalents | Investments   |  |
| Governmental activities:    |                           |                |                           |               |  |
| General                     | \$ 1,380,414              | \$ 34,118,138  | \$ 7,500                  | \$ -          | \$ 35,506,052                                |
| Northwest Community         |                           |                |                           |               |  |
| Redevelopment District      | 621,986                   | 4,708,870      | -                         | -             | 5,330,856                                    |
| East Community              |                           |                |                           |               |  |
| Redevelopment District      | 1,527,666                 | 3,988,344      | 4,020,144                 | -             | 9,536,154                                    |
| Emergency Medical Services  |                           |                |                           |               |  |
| District                    | 124,201                   | 915,167        | -                         | -             | 1,039,368                                    |
| Capital Projects            | 3,185,235                 | 18,893,055     | 71,211                    | 5,101,980     | 27,251,481                                   |
| Nonmajor Governmental Funds | 4,846,140                 | 12,124,098     | -                         | 74,893        | 17,045,131                                   |
| Internal Service Funds      | 2,722,197                 | 19,676,784     | -                         | -             | 22,398,981                                   |
| Total governmental          | 14,407,839                | 94,424,456     | 4,098,855                 | 5,176,873     | 118,108,023                                  |
| Business-type activities:   |                           |                |                           |               |  |
| Utility                     | 3,968,946                 | 45,022,175     | 2,637,166                 | 3,654,785     | 55,283,072                                   |
| Parking                     | 199,699                   | 1,317,875      | 107,908                   | 948,716       | 2,574,198                                    |
| Nonmajor Enterprise Funds   | 2,456,311                 | 18,099,267     | 123,598                   | 910,727       | 21,589,903                                   |
| Total business-type         | 6,624,956                 | 64,439,317     | 2,868,672                 | 5,514,228     | 79,447,173                                   |
| Fiduciary Funds             | 6,786,438                 | 407,418,196    | -                         | -             | 414,204,634                                  |
| Total                       | \$ 27,819,233             | \$ 566,281,969 | \$ 6,967,527              | \$ 10,691,101 | \$ 611,759,830                               |

**Public Deposits:**

At September 30, 2017, the book balance of the City's deposits was \$26,240,566 and the bank balance was \$28,324,965. Deposits whose balance exceeds the limits of federal depository insurance are collateralized pursuant to Florida Statutes, Chapter 280, Florida Security for Public Deposits Act (the Act). Under this Act, financial institutions which are qualified as public depositories place with the State Board of Administration ("SBA"), securities which have a market value equal to 50 percent of the average daily balance for each month of all public deposits in excess of applicable deposit insurance. The Public Deposit Security Trust Funds have a procedure to allocate and recover losses in the event of default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. It is the City's practice to ensure that all its public deposits are maintained with a qualified depository and as a result, all City depositories at fiscal year end were designated as qualified public

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depositories in accordance with Florida Statute.

**Investment Authorization:**

The City's investment program is established in accordance with the City's investment policy, which was adopted via resolution by the City Commission, and Florida State Statute Chapter 218.415, Local Government Investment Policies, which establishes investment plan guidelines for local governments in Florida. The City's investment Funds Trust Fund, United States Treasury securities, United States Government Agency securities with the full faith and credit of the United States Government, Federal Instrumentalities (Government Sponsored Enterprises), Corporate Notes, Commercial Acceptances, State and/or Local Government Taxable and/or Tax-Exempt Debt, Money Market Mutual Funds, Intergovernmental Investment Pools and Savings Accounts of financial institutions that are Qualified Public Depositories, in accordance with Florida State Statute Chapter 280.01, Security for Public Deposits.

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

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

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

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

(1) 10% for treasury strips

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

NA-not applicable

At September 30, 2017 the City held investments in the Florida Municipal Investment Trust (FMIT), which is a local government investment pool authorized under Section 218.415, Florida Statutes, Local Government Investment Policies, for units of local government in Florida. The operation and administration of the FMIT is the responsibility of a Board of Trustees who are selected from the ranks of elected officials of governmental entities participating in the FMIT.

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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<br/>Investments</b> | <b>Maximum<br/>%<br/>Portfolio<br/>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<br/>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%            |
| Private Equity                    | 0% - 7.5%                | 5.0%            |
| Hedge Funds                       | 0% - 10%                 | 10.0%           |
| Master Limited<br>Partnerships    | 0% - 7.5%                | 5.0%            |

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**Security:**

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

**Fair Value Measurement**

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

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

The City has the following recurring fair value measurements as of September 30, 2017:

|  | Fair Value            | Fair Value Hierarchy  |   |  |
|--|-----------------------|---|---|--|
|  |                       | Quotes Prices<br>in Active<br>Markets for<br>Identical<br>Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
| <b>Investments by fair value level</b>   |                       |   |   |  |
| U.S. Treasury Notes                      | \$ 60,270,322         | \$ -  | \$ 60,270,322   | \$ -   |
| U.S. Sponsored Agencies                  | 55,379,177            | -   | 55,379,177  | -  |
| Asset Backed Securities                  | 14,071,583            | -   | 14,071,583  | -  |
| Corporate Bonds                          | 35,860,424            | -   | 35,860,424  | -  |
| Intergovernmental Investment<br>Pool     | 3,973,368             | -   | 3,973,368   | -  |
| Total investments by fair value<br>level | 169,554,874           | -   | \$ 169,554,874  | -  |
| Certificate of Deposit                   | 6,228,158             |   |   |  |
| Demand Deposits                          | 20,049,293            |   |   |  |
| Money Market Mutual Funds                | 2,332,563             |   |   |  |
| Total Government-wide &<br>Agency Fund   | <u>\$ 198,164,888</u> |   |   |  |

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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.

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, 2017:

| Investments by fair value level                          | <u>Fair Value Hierarchy</u> |                       |                      |                  |
|--|-----------------------------|-----------------------|----------------------|------------------|
|  | <u>Fair Value</u>           | <u>(Level 1)</u>      | <u>(Level 2)</u>     | <u>(Level 3)</u> |
| Equity securities  |                             |                       |                      |                  |
| Common stocks  | \$ 49,993,057               | \$ 49,993,057         | \$ -                 | \$ -             |
| Mutual funds   | 61,573,836                  | 61,573,836            | -                    | -                |
| Total equity securities                                  | <u>111,566,893</u>          | <u>111,566,893</u>    | -                    | -                |
| Debt securities  |                             |                       |                      |                  |
| U.S. treasury securities                                 | 3,614,002                   | 3,614,002             | -                    | -                |
| U.S. agency securities                                   | 7,260,088                   | -                     | 7,260,088            | -                |
| Corporate bonds  | 12,321,623                  | -                     | 12,321,623           | -                |
| Total debt securities                                    | <u>23,195,713</u>           | <u>3,614,002</u>      | <u>19,581,711</u>    | -                |
| Total investments by fair value                          | <u>134,762,606</u>          | <u>\$ 115,180,895</u> | <u>\$ 19,581,711</u> | -                |
| <b>Investments measured at the net asset value (NAV)</b> |                             |                       |                      |                  |
| Real estate  | 21,527,766                  |                       |                      |                  |
| Private equity   | 14,738,384                  |                       |                      |                  |
| Total investments measured at NAV                        | <u>36,266,150</u>           |                       |                      |                  |
| Money market funds (exempt)                              | 6,094,306                   |                       |                      |                  |
| Total investments  | <u>\$ 177,123,062</u>       |                       |                      |                  |

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

| Investment Type                       | <u>Fair Value</u>    | <u>Unfunded Commitment</u> | <u>Redemption Frequency (if Currently Eligible)</u> | <u>Redemption Notice Period</u> |
|---------------------------------------|----------------------|----------------------------|---|---------------------------------|
| Real estate (1)                       | \$ 19,689,685        | \$ -                       | Quarterly   | 45 Days                         |
| Real estate (2)                       | 1,838,081            | -                          | Quarterly   | 10 Days                         |
| Private equity (3)                    | 3,218,665            | 136,594                    | N/A   | N/A                             |
| Private equity (3)                    | <u>11,519,719</u>    | -                          | N/A   | N/A                             |
| Total investments measured at the NAV | <u>\$ 36,266,150</u> |                            |   |                                 |

(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

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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.

Short-term investments, which consist of 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 Depository Receipts, foreign stock, mutual fund equities and REITS.

Debt securities are valued using pricing inputs that reflect the assumptions market participants would use to price an asset or liability and are developed based on market data obtained from sources independent of the reporting entity (Level 2). This includes U.S. Treasury bonds and notes, inflation-indexed bonds, U.S. federal agencies, mortgage backed and collateralized securities, municipal bonds, mutual bond funds and corporate obligations, foreign bonds and notes, and private placements. The Plan has investments in alternative asset classes including funds of hedge funds, private equity fund of funds and a core real estate fund which hold a variety of investment vehicles that do not have readily available market quotations. These investments are measured at net asset value based on their proportionate share of the value of the investments as determined by the fund managers and are valued according to methodologies which include pricing models, discounted cash flow models and similar techniques.

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The following is a summary of the fair value hierarchy of the fair value of investments as of September 30, 2017:

| <b>Investments by fair value level</b>                   | <b>Fair Value</b> | <b>Fair Value Hierarchy</b> |                  |                  |
|--|-------------------|-----------------------------|------------------|------------------|
|  |                   | <b>(Level 1)</b>            | <b>(Level 2)</b> | <b>(Level 3)</b> |
| <b>Debt securities</b>                                   |                   |                             |                  |                  |
| U.S. Government agency obligations                       | \$ 14,894,413     | \$ -                        | \$ 14,894,413    | \$ -             |
| Mortgage backed securities                               | 13,265,393        | -                           | 13,265,393       | -                |
| Municipal obligations                                    | 425,575           | -                           | 425,575          | -                |
| Corporate obligations                                    | 21,151,844        | -                           | 21,151,844       | -                |
| Total debt securities                                    | 49,737,225        | -                           | 49,737,225       | -                |
| <b>Equity securities</b>                                 |                   |                             |                  |                  |
| Common stock   | 73,314,938        | 73,314,938                  | -                | -                |
| ADR's  | 33,960,434        | 33,960,434                  | -                | -                |
| Partnerships publicly traded                             | 8,567,963         | -                           | 8,567,963        | -                |
| Foreign stock  | 6,793,954         | 6,793,954                   | -                | -                |
| Mutual fund equities                                     | 6,423,626         | 6,423,626                   | -                | -                |
| REITS  | 920,824           | 920,824                     | -                | -                |
| Total equity securities                                  | 129,981,739       | 121,413,776                 | 8,567,963        | -                |
| Pompano Beach Investors, LLC                             | 3,000,000         | -                           | 3,000,000        | -                |
| Total investments by fair value                          | 182,718,964       | \$ 121,413,776              | \$ 61,305,188    | \$ -             |
| <b>Investments measured at the net asset value (NAV)</b> |                   |                             |                  |                  |
| Fund of hedge funds                                      | 21,283,135        |                             |                  |                  |
| Real estate fund   | 15,746,722        |                             |                  |                  |
| Private equity fund of funds                             | 10,263,621        |                             |                  |                  |
| Total investments measured at NAV                        | 47,293,478        |                             |                  |                  |
| Money market funds (exempt)                              | 6,376,998         |                             |                  |                  |
| Total investments  | \$ 236,389,440    |                             |                  |                  |

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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>Fair Value</b>    | <b>Unfunded<br/>Commitment</b> | <b>Redemption<br/>Frequency (if<br/>Currently Eligible)</b> | <b>Redemption<br/>Notice<br/>Period</b> |
|--|----------------------|--------------------------------|---|---|
| Fund of hedge funds - multi strategy (1) | \$ 11,150,248        | \$ -                           | Semi-Annual   | 95 Days                                 |
| Fund of hedge funds - multi strategy (2) | 10,132,887           | -                              | Quarterly   | 95 Days                                 |
| Core real estate fund (3)                | 15,746,722           | -                              | Quarterly   | 45 Days                                 |
| Private equity fund of funds (4)         | 3,606,602            | 1,725,000                      | N/A   | N/A                                     |
| Private equity fund of funds (4)         | 2,242,840            | 1,080,000                      | N/A   | N/A                                     |
| Private equity fund of funds (5)         | 2,656,248            | 388,659                        | N/A   | N/A                                     |
| Private equity fund of funds (6)         | 1,757,931            | 689,378                        | N/A   | N/A                                     |
| Total investments measured at the NAV    | <u>\$ 47,293,478</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.

The City's overnight investments have an effective duration of 1 day. The City's short term and core portfolios have durations of 0.47 years and 1.77 years, respectively. This multiple portfolio strategy seeks to limit the risk associated with losses associated with interest rate movements, while providing required liquidity. The City's investment in the Florida Municipal Investment Trust Local Government Investment Pool had a duration of 1.38 years at September 30, 2017.

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, 2017:

| Investment Type                          | Fair Value            | Less than 1         | Remaining Maturity (in years) |                     |                      |                     | 5+ Years    |
|--|-----------------------|---------------------|-------------------------------|---------------------|----------------------|---------------------|-------------|
|  |                       |                     | 1 to 2                        | 2 to 3              | 3 to 4               | 4 to 5              |             |
| U.S. Treasury Notes                      | \$ 60,270,322         | \$ 7,234,509        | \$ 467,154                    | \$45,751,076        | \$ 6,817,583         | \$ -                | \$ -        |
| U.S. Sponsored Agencies                  | 55,379,177            | 14,180,977          | 24,800,167                    | 11,442,671          | 4,955,362            | -                   | -           |
| Asset Backed Securities                  | 14,071,583            | 263,568             | 2,745,742                     | 7,949,767           | 1,417,048            | 1,695,458           | -           |
| Corporate Bonds                          | 35,860,424            | 16,933,719          | 14,588,968                    | 4,337,737           | -                    | -                   | -           |
| Money Market Mutual Funds                | 2,332,563             | 2,332,563           | -                             | -                   | -                    | -                   | -           |
| Intergovernmental Investment Pool        | <u>3,973,368</u>      | -                   | <u>3,973,368</u>              | -                   | -                    | -                   | -           |
|  | <u>\$ 171,887,437</u> | <u>\$40,945,336</u> | <u>\$46,575,399</u>           | <u>\$69,481,251</u> | <u>\$ 13,189,993</u> | <u>\$ 1,695,458</u> | <u>\$ -</u> |
| Breakdown Government-wide Investments -- |                       |                     |                               |                     |                      |                     |             |
| (subject to interest rate risk)          | \$ 171,887,437        |                     |                               |                     |                      |                     |             |
| Deposits --                              |                       |                     |                               |                     |                      |                     |             |
| (not subject to interest rate risk)      |                       |                     |                               |                     |                      |                     |             |
| Certificate of Deposit                   | 6,228,158             |                     |                               |                     |                      |                     |             |
| Money Market Savings                     | 11,794,649            |                     |                               |                     |                      |                     |             |
| Cash & Cash Equivs. (other deposits)     | <u>8,254,644</u>      |                     |                               |                     |                      |                     |             |
| Total Government-wide & Agency Fund      | <u>\$ 198,164,888</u> |                     |                               |                     |                      |                     |             |

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As a means of limiting its exposure to interest rate risk over time, the General Employees Retirement Plan diversifies its investments by security type and durations of maturities. Information about the sensitivity of the fair values of the investments for the plan to market interest rate fluctuations is provided by the following table which shows the distribution of the plan's debt type investments by remaining maturity at September 30, 2017:

| Investment Type  | Remaining Maturity (in years) |                   |                      |                     |                     |
|--|-------------------------------|-------------------|----------------------|---------------------|---------------------|
|  | Fair Value                    | Less than 1       | 1 to 5               | 6 to 10             | More than 10        |
| Corporate Bonds  | \$ 12,321,623                 | \$ 721,869        | \$ 9,279,011         | \$ 2,004,130        | \$ 316,613          |
| US Treasuries  | 3,614,002                     | -                 | 792,297              | 2,821,705           | -                   |
| US Agencies  | 7,260,088                     | -                 | 25,714               | 252,232             | 6,982,142           |
|  | 23,195,713                    | <u>\$ 721,869</u> | <u>\$ 10,097,022</u> | <u>\$ 5,078,067</u> | <u>\$ 7,298,755</u> |
| <b>Investment types not subject to interest rate risk:</b> |                               |                   |                      |                     |                     |
| Common Stock   | 49,993,057                    |                   |                      |                     |                     |
| Real Estate  | 21,527,766                    |                   |                      |                     |                     |
| Mutual Funds   | 61,573,836                    |                   |                      |                     |                     |
| Private Equity   | 14,738,384                    |                   |                      |                     |                     |
| Money Market funds   | 6,094,306                     |                   |                      |                     |                     |
| Total Investments  | <u>\$ 177,123,062</u>         |                   |                      |                     |                     |

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

The General Employees Retirement System (the GERS) plan exposure to foreign currency risk derives mainly from its investments in international equity funds. The Plan owns participation in international equity funds as well as individual securities. The investment policy limits the foreign investments to no more than 25% of the Plan's investment balance. As of year-end, the foreign investments were 11.51% of total investments.

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

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Information about the sensitivity of the fair values of the investments for the PFRS to market interest rate fluctuations is provided by the following table which shows the distribution of the plan's investments by remaining maturity at September 30, 2017:

| Investment Type  | Remaining Maturity (in years) |                     |                      |                     |                      |
|--|-------------------------------|---------------------|----------------------|---------------------|----------------------|
|  | Fair Value                    | Less than 1         | 1 to 5               | 6 to 10             | More than 10         |
| U.S. Treasuries, notes and bonds                           | \$ 12,988,060                 | \$ 564,854          | \$ 8,446,720         | \$ 1,550,761        | \$ 2,425,725         |
| U.S. Federal agencies                                      | 291,986                       | 291,986             | -                    | -                   | -                    |
| US Mortgage backed securities                              | 10,996,079                    | 26                  | 22,773               | 568,591             | 10,404,689           |
| U.S. Treasury/Inflation protected securities               | 1,614,367                     | -                   | 1,248,897            | 365,470             | -                    |
| Municipal obligations                                      | 425,575                       | -                   | 263,073              | -                   | 162,502              |
| Corporate obligations                                      | 19,828,142                    | 1,185,237           | 7,561,890            | 6,013,253           | 5,067,762            |
| Bond mutual funds  | 1,228,761                     | 1,228,761           | -                    | -                   | -                    |
| Collateralized mortgage obligations                        | 2,269,314                     | -                   | -                    | -                   | 2,269,314            |
| Foreign obligations  | 94,941                        | -                   | -                    | 94,941              | -                    |
|  | <u>49,737,225</u>             | <u>\$ 3,270,864</u> | <u>\$ 17,543,353</u> | <u>\$ 8,593,016</u> | <u>\$ 20,329,992</u> |
| <b>Investment types not subject to interest rate risk:</b> |                               |                     |                      |                     |                      |
| Equity securities  | 129,981,739                   |                     |                      |                     |                      |
| Hedge funds & private equity                               | 31,546,756                    |                     |                      |                     |                      |
| Real estate  | 18,746,722                    |                     |                      |                     |                      |
| Money market funds   | 6,376,998                     |                     |                      |                     |                      |
| Total Investments  | <u>\$ 236,389,440</u>         |                     |                      |                     |                      |

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

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Corporate notes limits (25%) and commercial paper limits (25%) are established with additional asset allocation limits for the sector (10%) and issuer (2%). The following table discloses composite credit ratings by investment type for the City as rated by Moody's or Standard & Poor's (Fitch for LGIP) at September 30, 2017:

| Investment Type                               | Rating at September 30, 2017 |                     |                     |                                 |                     |
|---|------------------------------|---------------------|---------------------|---------------------------------|---------------------|
|   | Fair Value                   | AAAm                | P-1                 | Aaa/AAA/Aa1/Aa2<br>Aa3/A1/A2/A3 | AAAf/S2             |
| U.S. Treasury Notes                           | \$ 60,270,322                | \$ -                | \$ -                | \$ 60,270,322                   | \$ -                |
| U.S. Sponsored Agencies                       | 55,379,177                   | -                   | 1,173,296           | 54,205,881                      | -                   |
| Asset Backed Securities                       | 14,071,583                   | -                   | -                   | 14,071,583                      | -                   |
| Corporate Bonds                               | 35,860,424                   | -                   | -                   | 35,860,424                      | -                   |
| Money Market Mutual Funds                     | 2,332,563                    | 2,332,563           | -                   | -                               | -                   |
| Local Gov't Investment Pool (LGIP)            | 3,973,368                    | -                   | -                   | -                               | 3,973,368           |
| <b>Total Investments<br/>with Credit Risk</b> | 171,887,437                  | <u>\$ 2,332,563</u> | <u>\$ 1,173,296</u> | <u>\$ 164,408,210</u>           | <u>\$ 3,973,368</u> |
| Certificate of Deposit                        | 6,228,158                    |                     |                     |                                 |                     |
| Demand Deposits                               | 20,049,293                   |                     |                     |                                 |                     |
| <b>Total City Portfolio</b>                   | <u>\$ 198,164,888</u>        |                     |                     |                                 |                     |

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

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The following table discloses credit ratings by investment type for the General Employees Retirement Plan at September 30, 2017, as applicable:

|   | <u>Fair Value</u>    | <u>Percentage of Portfolio</u> |
|---|----------------------|--------------------------------|
| U.S. government guaranteed*                   | \$ 7,459,211         | 32.14%                         |
| Quality rating of credit risk debt securities |                      |                                |
| A1  | 1,868,095            | 8.05%                          |
| A2  | 1,653,855            | 7.13%                          |
| A3  | 3,062,637            | 13.22%                         |
| AA2   | 627,085              | 2.70%                          |
| AA3   | 370,232              | 1.60%                          |
| AAA   | 4,182,619            | 18.03%                         |
| BAA1  | 2,703,556            | 11.66%                         |
| BAA2  | 1,044,079            | 4.50%                          |
| BAA3  | 128,794              | 0.56%                          |
| WR  | 95,550               | 0.41%                          |
| Not rated                                     | -                    | -%                             |
| Total credit risk debt securities             | <u>15,736,502</u>    | <u>67.86%</u>                  |
| Total fixed income securities                 | <u>\$ 23,195,713</u> | <u>100.00%</u>                 |

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

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The City's Police and Firefighters Retirement Plan also utilize portfolio diversification in order to control credit risk. The Plan's investment policy requires all fixed income investments to hold a credit rating in one of the four highest classifications by a major rating service. Commercial paper, if used, must be of only the highest quality (rating of A-1 or P-1). Investments in fixed income securities with a rating of BBB are limited to 15% of the fixed income portfolio. The fixed income investments credit ratings for the fiscal year ended September 30, 2017 ranged between AAA and CCC and below ratings. All of the fixed income investments for the fiscal year ended September 30, 2017 met the ratings requirements of the investment policy or an approved exception thereto.

|   | <u>Fair Value</u>   | <u>Corporate</u>    | <u>Bond Fund</u>   | <u>Foreign</u>   | <u>Municipal</u>  | <u>U.S. Government</u> |
|---|---------------------|---------------------|--------------------|------------------|-------------------|------------------------|
| U.S. government guaranteed*                   | <u>\$26,311,723</u> | <u>\$ -</u>         | <u>\$ -</u>        | <u>\$ -</u>      | <u>\$ -</u>       | <u>\$ 26,311,723</u>   |
| Quality rating of credit risk debt securities |                     |                     |                    |                  |                   |                        |
| AAA   | 1,034,118           | 1,034,118           | -                  | -                | -                 | -                      |
| AA  | 1,995,802           | 1,527,376           | -                  | -                | 162,502           | 305,924                |
| A   | 7,112,477           | 7,112,477           | -                  | -                | -                 | -                      |
| BBB   | 9,776,774           | 9,418,760           | -                  | 94,941           | 263,073           | -                      |
| CCC and below                                 | 38,728              | 38,728              | -                  | -                | -                 | -                      |
| Not rated                                     | <u>3,467,603</u>    | <u>2,238,842</u>    | <u>1,228,761</u>   | <u>-</u>         | <u>-</u>          | <u>-</u>               |
| Total credit risk debt securities             | <u>23,425,502</u>   | <u>21,370,301</u>   | <u>1,228,761</u>   | <u>94,941</u>    | <u>425,575</u>    | <u>305,924</u>         |
| Total fixed income securities                 | <u>\$49,737,225</u> | <u>\$21,370,301</u> | <u>\$1,228,761</u> | <u>\$ 94,941</u> | <u>\$ 425,575</u> | <u>\$ 26,617,647</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, 2017.

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, 2017.

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

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equity investments in any one company to 10% of the equity portion of each portfolio manager (at market). The Invesco Core Real Estate U.S.A. LP investment is 6.62% of the System's net position restricted for pension benefits.

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

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**(B) Receivables and Other Assets, net**

Receivables at fiscal year-end for the City's governmental individual major funds, non-major governmental funds in the aggregate and internal service funds, including the applicable allowances for uncollectible accounts of \$3,067,195, are as follows:

| <b>Governmental</b>                  | <b>General</b>      | <b>NW<br/>CRA</b> | <b>EMS</b>          | <b>Capital<br/>Projects</b> | <b>Non-Major<br/>Gov't'l</b> | <b>Internal<br/>Service</b> | <b>Total</b>        |
|--------------------------------------|---------------------|-------------------|---------------------|-----------------------------|------------------------------|-----------------------------|---------------------|
| Receivables:                         |                     |                   |                     |                             |                              |                             |                     |
| Electric franchise tax               | \$ 1,627,519        | \$ -              | \$ -                | \$ -                        | \$ -                         | \$ -                        | 1,627,519           |
| Electric utility tax                 | 700,678             | -                 | -                   | 175,170                     | -                            | -                           | 875,848             |
| EMS transport fees                   | -                   | -                 | 3,716,464           | -                           | -                            | -                           | 3,716,464           |
| Utility tax                          | 135,571             | -                 | -                   | -                           | -                            | -                           | 135,571             |
| Slot machine revenue                 | 137,941             | -                 | -                   | -                           | -                            | -                           | 137,941             |
| Other                                | 40,941              | -                 | -                   | -                           | 241                          | -                           | 41,182              |
| Total governmental<br>receivables    | <u>\$ 2,642,650</u> | <u>\$ -</u>       | <u>\$ 3,716,464</u> | <u>\$ 175,170</u>           | <u>\$ 241</u>                | <u>\$ -</u>                 | <u>\$ 6,534,525</u> |
| Due from other governments:          |                     |                   |                     |                             |                              |                             |                     |
| State half cents sales tax           | 1,060,539           | -                 | -                   | -                           | -                            | -                           | 1,060,539           |
| State local option gas tax           | 186,907             | -                 | -                   | -                           | -                            | -                           | 186,907             |
| Motor fuel tax                       | -                   | -                 | -                   | 107,390                     | 66,526                       | 12,698                      | 186,614             |
| FL Communications service<br>tax     | 757,098             | -                 | -                   | 2,625,958                   | -                            | -                           | 3,383,056           |
| FL Historical Preservation           | -                   | -                 | -                   | 14,450                      | -                            | -                           | 14,450              |
| Broward County court fines           | 7,971               | -                 | -                   | -                           | -                            | -                           | 7,971               |
| Broward County - ad valorem<br>taxes | 98,427              | -                 | 15,336              | -                           | -                            | -                           | 113,763             |
| Broward County - OES                 | 14,846              | -                 | -                   | -                           | -                            | -                           | 14,846              |
| Broward County - Library<br>Project  | -                   | 138,495           | -                   | 568,546                     | -                            | -                           | 707,041             |
| Broward Sheriff's Office             | 125,614             | -                 | -                   | -                           | -                            | -                           | 125,614             |
| Matthew Grant                        | -                   | -                 | -                   | -                           | 49,224                       | -                           | 49,224              |
| FDOT                                 | -                   | -                 | -                   | 48,355                      | -                            | -                           | 48,355              |
| LETf - US Dept of Justice            | 28,848              | -                 | -                   | -                           | -                            | -                           | 28,848              |
| LETf - BSO                           | -                   | -                 | -                   | -                           | 39,590                       | -                           | 39,590              |
| Dept of Cultural Affairs             | -                   | -                 | -                   | 1,462,350                   | -                            | -                           | 1,462,350           |
| Florida Inland Navigation Dist       | -                   | -                 | -                   | 472,716                     | -                            | -                           | 472,716             |
| Broward County Boating               | -                   | -                 | -                   | 407,309                     | -                            | -                           | 407,309             |
| CDBG - HUD                           | -                   | -                 | -                   | -                           | 434,772                      | -                           | 434,772             |
| Home - HUD                           | -                   | -                 | -                   | -                           | 12,178                       | -                           | 12,178              |
| Hardest Hit Home                     | -                   | -                 | -                   | -                           | 1,250                        | -                           | 1,250               |
| Total due from other<br>governments  | <u>\$ 2,280,250</u> | <u>\$ 138,495</u> | <u>\$ 15,336</u>    | <u>\$ 5,707,074</u>         | <u>\$ 603,540</u>            | <u>\$ 12,698</u>            | <u>\$ 8,757,393</u> |

**CITY OF POMPANO BEACH, FLORIDA**

**NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017**

| Business-type                                      | Utility      | Parking   | Nonmajor<br>Enterprise | Total        |
|--|--------------|-----------|------------------------|--------------|
| Receivables:                                       |              |           |                        |              |
| Water /sewer customer charges                      | \$ 4,199,719 | \$ -      | \$ -                   | \$ 4,199,719 |
| Solid waste service charges                        | -            | -         | 1,836,519              | 1,836,519    |
| Stormwater customer charges                        | -            | -         | 732,285                | 732,285      |
| Parking Fees                                       | -            | 277,260   | -                      | 277,260      |
| Less: Allowance for uncollectibles                 | (153,038)    | 208,674)  | (514,650)              | (876,362)    |
| Total business-type receivables (net)              | \$ 4,046,681 | \$ 68,586 | \$ 2,054,154           | \$ 6,169,421 |
| Due from other governments:                        |              |           |                        |              |
| FDOT -Taxi D Pavement                              | -            | -         | 22,480                 | 22,480       |
| FDOT -Taxi D,S,T Construction                      | -            | -         | 44,489                 | 44,489       |
| FAA-Wildlife Assessment Grant                      | -            | -         | 42,515                 | 42,515       |
| Broward County Office of Environmental<br>Services | 2,780        | -         | 113,494                | 116,274      |
| City of Margate                                    | 79,024       | -         | -                      | 79,024       |
| Total due from other governments                   | \$ 81,804    | \$ -      | \$ 222,978             | \$ 304,782   |

**Mortgages**

The Northwest Community Redevelopment District (the Northwest District) provided qualified individuals with loans/grants to build new homes at the Canal Point (10 year amortization period), Sabal Chase (30 year amortization period), and Ortanique Estates (30 year amortization period) subdivisions which were reported as community redevelopment expenses/expenditures. In addition, the Northwest District also provided similar grants for various infill housing projects during the current fiscal year. The Northwest District has placed a mortgage lien on these new homes with a covenant that the owner must reside at the property for the respective period of time in order to remain eligible for the grant. The Northwest District's reasonable assumption is that the homeowner will reside at the home for the stipulated period. The Northwest District maintains a memorandum record of the outstanding mortgage amounts related to these grants. These amounts are reduced ratably over the ten year period as it relates to the grants for the Canal Point subdivision and the infill housing projects. Should the homeowner move, sell or refinance, the Northwest District is paid a prorated amount of the initial grant. As it relates to the Sabal Chase and Ortanique Estates grants, these amounts are not amortized over the 30 year period, as they are required to be repaid in full at the end of the 30 year period. During fiscal year 2017, 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, 2017 the unamortized amount outstanding related to these grants was \$2,451,481. Due to the uncertainty of collections regarding this amount a receivable has not been recorded.

**CITY OF POMPANO BEACH, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

**Notes Receivable**

On April 23, 2013 the City sold equipment related to its golf course for \$575,000 to Cypress Golf Management, LLC. Payment is to be made in 5 equal annual installments of \$115,000. The loan is non-interest bearing with an implicit interest rate of 3.48%.

The loan payments are as follows:

| Fiscal Year<br>Ending | Principal  | Interest | Total      |
|-----------------------|------------|----------|------------|
| 2018                  | \$ 111,133 | \$ 3,867 | \$ 115,000 |

**Assets Held for Resale for Development**

The City and the Agency acquires and develops property in economically depressed areas, for the intention of rendering the property suitable for economic development and then reselling it to private sector purchasers meeting certain criteria. Since these properties are acquired with the express intent of resale and development, they are reported at lower of cost/donated value or net realizable value. Assets donated from the City or other related entities are recorded at the carrying value of the donor entity. Donated assets from other sources are recorded at 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 requirements. The cost basis of assets held for resale and development in this category include all costs incurred by the City to acquire and redevelop or rehabilitate the homes or properties up to a marketable, safe, and habitable condition. These assets are recorded at the lower of cost or net realizable value.

**CITY OF POMPANO BEACH, FLORIDA**  
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**SEPTEMBER 30, 2017**

Assets held for resale and development activity for the year ended September 30, 2017 was as follows:

|                                      | <u>Beginning<br/>Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending<br/>Balance</u> |
|--------------------------------------|------------------------------|------------------|------------------|---------------------------|
| Assets held for resale & development | \$ 36,822,612                | \$ 1,697,243     | \$ 775,423       | \$ 37,744,432             |

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

Capital asset activity for the fiscal year ended September 30, 2017 was as follows:

|   | <u>Beginning<br/>Balance</u> | <u>Additions</u>     | <u>Deletions</u>     | <u>Ending<br/>Balance</u> |
|---|------------------------------|----------------------|----------------------|---------------------------|
| <b>Governmental activities:</b>             |                              |                      |                      |                           |
| Capital assets, not being depreciated       |                              |                      |                      |                           |
| Land  | \$ 61,206,197                | \$ 325,429           | \$ 186,823           | \$ 61,344,803             |
| Construction in progress                    | <u>22,356,347</u>            | <u>21,030,452</u>    | <u>28,729,039</u>    | <u>14,657,760</u>         |
| Total capital assets, not being depreciated | <u>83,562,544</u>            | <u>21,355,881</u>    | <u>28,915,862</u>    | <u>76,002,563</u>         |
| Capital assets, being depreciated:          |                              |                      |                      |                           |
| Buildings                                   | 52,090,418                   | 24,489,618           | -                    | 76,580,036                |
| Infrastructure                              | 154,761,035                  | 1,399,293            | -                    | 156,160,328               |
| Improvements other than buildings           | 135,788,518                  | 15,399,966           | -                    | 151,188,484               |
| Machinery and equipment                     | 37,145,031                   | 2,553,351            | 938,397              | 38,759,985                |
| Art Work                                    | <u>4,250</u>                 | <u>-</u>             | <u>-</u>             | <u>4,250</u>              |
| Total capital assets being depreciated      | <u>379,789,252</u>           | <u>43,842,228</u>    | <u>938,397</u>       | <u>422,693,083</u>        |
| Less accumulated depreciation for:          |                              |                      |                      |                           |
| Buildings                                   | 27,719,841                   | 3,584,550            | -                    | 31,304,391                |
| Infrastructure                              | 57,709,928                   | 6,446,267            | -                    | 64,156,195                |
| Improvements other than buildings           | 55,700,510                   | 9,718,776            | -                    | 65,419,286                |
| Machinery and equipment                     | 29,171,451                   | 2,916,145            | 892,414              | 31,195,182                |
| Art Work                                    | <u>71</u>                    | <u>850</u>           | <u>-</u>             | <u>921</u>                |
| Total accumulated depreciation              | <u>170,301,801</u>           | <u>22,666,588</u>    | <u>892,414</u>       | <u>192,075,975</u>        |
| Total capital assets being depreciated, net | <u>209,487,451</u>           | <u>21,175,640</u>    | <u>45,983</u>        | <u>230,617,108</u>        |
| Governmental activities capital assets, net | <u>\$ 293,049,995</u>        | <u>\$ 42,531,521</u> | <u>\$ 28,961,845</u> | <u>\$ 306,619,671</u>     |

**CITY OF POMPANO BEACH, FLORIDA**

**NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017**

|   | <u>Beginning<br/>Balance</u> | <u>Increases</u>    | <u>Decreases</u>    | <u>Ending<br/>Balance</u> |
|---|------------------------------|---------------------|---------------------|---------------------------|
| <b>Business-type activities:</b>                    |                              |                     |                     |                           |
| <b>Utility Fund:</b>                                |                              |                     |                     |                           |
| Capital assets, not being depreciated:              |                              |                     |                     |                           |
| Land  | \$ 467,725                   | \$ -                | \$ -                | \$ 467,725                |
| Construction in progress                            | <u>528,149</u>               | <u>5,278,868</u>    | <u>3,832,898</u>    | <u>1,974,119</u>          |
| Total capital assets, not being depreciated         | <u>995,874</u>               | <u>5,278,868</u>    | <u>3,832,898</u>    | <u>2,441,844</u>          |
| Capital assets, being depreciated:                  |                              |                     |                     |                           |
| Buildings   | 50,604,759                   | 112,546             | -                   | 50,717,305                |
| Infrastructure                                      | 106,103,065                  | 1,866,725           | -                   | 107,969,790               |
| Improvement other than buildings                    | 58,164,320                   | 3,692,889           | -                   | 61,857,209                |
| Machinery and equipment                             | <u>23,463,524</u>            | <u>1,494,172</u>    | <u>591,589</u>      | <u>24,366,107</u>         |
| Total capital assets being depreciated              | <u>238,335,668</u>           | <u>7,166,332</u>    | <u>591,589</u>      | <u>244,910,411</u>        |
| Less accumulated depreciation for:                  |                              |                     |                     |                           |
| Buildings   | 24,084,473                   | 1,453,719           | -                   | 25,538,192                |
| Infrastructure                                      | 62,457,067                   | 2,686,578           | -                   | 65,143,645                |
| Improvements other than buildings                   | 37,757,224                   | 1,539,174           | -                   | 39,296,398                |
| Machinery and equipment                             | <u>18,519,317</u>            | <u>1,142,715</u>    | <u>591,867</u>      | <u>19,070,165</u>         |
| Total accumulated depreciation                      | <u>142,818,081</u>           | <u>6,822,186</u>    | <u>591,867</u>      | <u>149,048,400</u>        |
| Utility Fund capital assets, being depreciated, net | <u>95,517,587</u>            | <u>344,146</u>      | <u>(278)</u>        | <u>95,862,011</u>         |
| <b>Utility Fund capital assets, net</b>             | <u>\$ 96,513,461</u>         | <u>\$ 5,623,014</u> | <u>\$ 3,832,620</u> | <u>\$ 98,303,855</u>      |
| <b>Parking Fund:</b>                                |                              |                     |                     |                           |
| Capital assets, not being depreciated:              |                              |                     |                     |                           |
| Construction in progress                            | \$ -                         | 210,041             | \$ 210,041          | \$ -                      |
| Capital assets, being depreciated:                  |                              |                     |                     |                           |
| Buildings   | 22,129,191                   | 210,041             | -                   | 22,339,232                |
| Machinery and equipment                             | <u>98,518</u>                | <u>17,310</u>       | -                   | <u>115,828</u>            |
| Total capital assets being depreciated              | <u>22,227,709</u>            | <u>227,351</u>      | -                   | <u>22,455,060</u>         |
| Less accumulated depreciation for:                  |                              |                     |                     |                           |
| Buildings   | -                            | 737,639             | -                   | 737,639                   |
| Machinery and equipment                             | <u>19,704</u>                | <u>21,213</u>       | -                   | <u>40,917</u>             |
| Total accumulated depreciation                      | <u>19,704</u>                | <u>758,852</u>      | -                   | <u>778,556</u>            |
| Parking Fund capital assets, being depreciated, net | <u>22,208,005</u>            | <u>(531,501)</u>    | -                   | <u>21,676,504</u>         |
| <b>Parking Fund capital assets</b>                  | <u>\$ 22,208,005</u>         | <u>\$ (321,460)</u> | <u>\$ 210,041</u>   | <u>\$ 21,676,504</u>      |

**CITY OF POMPANO BEACH, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

|   | <u>Beginning<br/>Balance</u> | <u>Increases</u>    | <u>Decreases</u>     | <u>Ending<br/>Balance</u> |
|---|------------------------------|---------------------|----------------------|---------------------------|
| <b>Nonmajor Enterprise Funds:</b>                                   |                              |                     |                      |                           |
| Capital assets, not being depreciated                               |                              |                     |                      |                           |
| Land  | \$ 60,992                    | \$ -                | \$ -                 | \$ 60,992                 |
| Construction in progress  | <u>2,683,056</u>             | <u>3,647,954</u>    | <u>706,756</u>       | <u>5,624,254</u>          |
| Total capital assets, not being depreciated                         | <u>2,744,048</u>             | <u>3,647,954</u>    | <u>706,756</u>       | <u>5,685,246</u>          |
| Capital assets, being depreciated:                                  |                              |                     |                      |                           |
| Buildings   | 4,380,273                    | -                   | 2,723,603            | 1,656,670                 |
| Infrastructure  | 20,226,621                   | 23,058              | 5,025,450            | 15,224,229                |
| Improvements other than buildings                                   | 31,088,591                   | 174,212             | 4,717,808            | 26,544,995                |
| Machinery and equipment   | <u>3,090,074</u>             | <u>260,143</u>      | <u>416,501</u>       | <u>2,933,716</u>          |
| Total capital assets being depreciated                              | <u>58,785,559</u>            | <u>457,413</u>      | <u>12,883,362</u>    | <u>46,359,610</u>         |
| Less accumulated depreciation for:                                  |                              |                     |                      |                           |
| Buildings   | 2,836,870                    | 36,880              | 2,138,050            | 735,700                   |
| Infrastructure  | 8,746,219                    | 159,433             | 2,241,915            | 6,663,737                 |
| Improvements other than buildings                                   | 12,134,832                   | 1,472,695           | 2,104,672            | 11,502,855                |
| Machinery and equipment   | <u>2,539,813</u>             | <u>319,641</u>      | <u>279,161</u>       | <u>2,580,293</u>          |
| Total accumulated depreciation                                      | <u>26,257,734</u>            | <u>1,988,649</u>    | <u>6,763,798</u>     | <u>21,482,585</u>         |
| Nonmajor Enterprise Funds capital assets,<br>being depreciated, net | <u>32,527,825</u>            | <u>(1,531,236)</u>  | <u>6,119,564</u>     | <u>24,877,025</u>         |
| <b>Nonmajor Enterprise Funds capital assets,<br/>net</b>            | <u>35,271,873</u>            | <u>2,116,718</u>    | <u>6,826,320</u>     | <u>30,562,271</u>         |
| <b>Business-type activities capital assets, net</b>                 | <u>\$ 153,993,339</u>        | <u>\$ 7,418,272</u> | <u>\$ 10,868,981</u> | <u>\$ 150,542,630</u>     |

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

|   |                      |
|---|----------------------|
| <b>Governmental activities:</b>                       |                      |
| General government                                    | \$ 8,083,933         |
| Public safety   | 3,309,334            |
| Transportation  | 1,097,371            |
| Physical environment                                  | 1,223,193            |
| Culture and recreation                                | 2,242,844            |
| Total depreciation expense - governmental activities  | <u>\$ 15,956,675</u> |
| <br>  |                      |
| <b>Business-type activities:</b>                      |                      |
| Utilities   | \$ 6,822,186         |
| Parking   | 758,852              |
| Pier  | 56,379               |
| Airpark   | 1,130,935            |
| Sanitation  | 31,084               |
| Stormwater  | 770,250              |
| Total depreciation expense - business-type activities | <u>\$ 9,569,686</u>  |

The City has active construction projects as of September 30, 2017. Significant projects that were ongoing as of September 30, 2017 for governmental activities with significant commitments, were as follows:

| Project                                     | Expended<br>through<br>September 30, 2017 | Committed           |
|---|---|---------------------|
| OHUI - Old Pompano Area Improvements        | \$ 312,180                                | \$ 220,535          |
| A1A Underground Electric                    | 1,171,893                                 | 103,398             |
| Martin Luther King Boulevard Reconstruction | 4,155,853                                 | 950,890             |
| Briny Ave Streetscape and Utilities         | 5,371,681                                 | 939,842             |
| Fire Station #24                            | 968,131                                   | 4,382,634           |
| CRA Atlantic and ICW Bridge                 | 560,495                                   | 1,033,459           |
|   | <u>\$ 12,540,233</u>                      | <u>\$ 7,630,758</u> |

**CITY OF POMPANO BEACH, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

Significant projects that were ongoing as of September 30, 2017 for business-type activities with significant commitments were as follows:

| Project  | Expended<br>through<br>September 30, 2017 | Committed            |
|--|---|----------------------|
| Water - A1A Water Main Replacement                               | \$ 672,863                                | \$ 432,927           |
| Water Treatment Plant - Concentrate Deep Well Re-Lining          | 243,351                                   | 1,119,929            |
| Water Treatment Plant - Recarbonation Feed System Rehabilitation | 522,048                                   | 83,225               |
| Stormwater - Lyons Park Neighborhood                             | 497,593                                   | 68,885               |
| Pier Replacement   | 3,637,505                                 | 9,643,004            |
|  | <u>\$ 5,573,360</u>                       | <u>\$ 11,347,970</u> |

**(D) Unearned/Unavailable Revenue**

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

| Governmental Activities              | General Fund        | N.W. CRA          | EMS Fund            | Capital Projects    | Non Major Gov't Funds | Total               |
|--------------------------------------|---------------------|-------------------|---------------------|---------------------|-----------------------|---------------------|
| Unearned revenue:                    |                     |                   |                     |                     |                       |                     |
| Local Business Taxes                 | \$ 1,394,069        | \$ -              | \$ -                | \$ -                | \$ -                  | 1,394,069           |
| Law Enforcement Trust Fund           | -                   | -                 | -                   | -                   | 1,033,489             | 1,033,489           |
| Unredeemed Gift Cards                | 24,574              | -                 | -                   | -                   | -                     | 24,574              |
| Prepaid Rent                         | -                   | 4,500             | -                   | -                   | -                     | 4,500               |
| SHIP Grant Funds                     | -                   | -                 | -                   | -                   | 436,373               | 436,373             |
| Total unearned revenue               | <u>\$ 1,418,643</u> | <u>\$ 4,500</u>   | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ 1,469,862</u>   | <u>\$ 2,893,005</u> |
| Unavailable revenue:                 |                     |                   |                     |                     |                       |                     |
| FEMA - Hurricane Matthew Grant       | -                   | -                 | -                   | -                   | 49,224                | 49,224              |
| Broward County - Library Project     | -                   | 138,495           | -                   | 568,546             | -                     | 707,041             |
| Broward County - Ad Valorem          | 53,292              | -                 | 13,782              | -                   | -                     | 67,074              |
| Broward Sheriff Office               | 83,254              | -                 | -                   | -                   | -                     | 83,254              |
| Florida Dept of Transportation       | -                   | -                 | -                   | 48,355              | -                     | 48,355              |
| Communications Service Tax           | -                   | -                 | -                   | 2,499,512           | -                     | 2,499,512           |
| EMS Transport Fees                   | -                   | -                 | 3,062,573           | -                   | -                     | 3,062,573           |
| FL. Inland Navigation District Grant | -                   | -                 | -                   | 472,716             | -                     | 472,716             |
| CDBG - HUD                           | -                   | -                 | -                   | -                   | 45,245                | 45,245              |
| Home - HUD                           | -                   | -                 | -                   | -                   | 12,178                | 12,178              |
| Dept of Cultural Affairs             | -                   | -                 | -                   | 1,000,000           | -                     | 1,000,000           |
| Broward County - TDT Grant           | -                   | -                 | -                   | 462,350             | -                     | 462,350             |
| Broward County - Boating Grant       | -                   | -                 | -                   | 407,309             | -                     | 407,309             |
| Total unavailable revenue            | <u>\$ 136,546</u>   | <u>\$ 138,495</u> | <u>\$ 3,076,355</u> | <u>\$ 5,458,788</u> | <u>\$ 106,647</u>     | <u>\$ 8,916,831</u> |

**CITY OF POMPANO BEACH, FLORIDA**  
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**(E) Interfund Loans and Transfers**

The composition of interfund balances as of September 30, 2017, is as follows:

**Due to/from other funds:**

| <b>Receivable</b> | <b>Payable</b>        | <b>Amount</b>            |
|-------------------|-----------------------|--------------------------|
| General Fund      | Internal Service Fund | \$ 462,645 (a)           |
| General Fund      | Other Grants          | <u>353,747 (b)</u>       |
|                   |                       | <u><u>\$ 816,392</u></u> |

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

**Advances to/from other funds:**

| <b>Advances to Fund</b>     | <b>Advances From Fund</b> | <b>Amount</b> |
|-----------------------------|---------------------------|---------------|
| Northwest CRA District Fund | General Fund              | \$ 2,500,000  |

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>Principal</b>           | <b>Interest</b>          | <b>Total</b>               |
|-----------|----------------------------|--------------------------|----------------------------|
| 2018      | \$ 107,641                 | \$ 72,750                | \$ 180,391                 |
| 2019      | 110,774                    | 69,618                   | 180,392                    |
| 2020      | 113,997                    | 66,394                   | 180,391                    |
| 2021      | 117,315                    | 63,077                   | 180,392                    |
| 2022      | 120,729                    | 59,663                   | 180,392                    |
| 2023-2025 | <u>1,929,544</u>           | <u>202,482</u>           | <u>2,132,026</u>           |
|           | <u><u>\$ 2,500,000</u></u> | <u><u>\$ 533,984</u></u> | <u><u>\$ 3,033,984</u></u> |

In the government-wide statement of net position, interfund balances between governmental activities and business-type activities have been consolidated and reported on a single line called "internal balances" (net amount of \$902,238), 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.

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

| Transfers out             | Transfers In:       |                     |                     |                      |                           |                  |                           | Total                |
|---------------------------|---------------------|---------------------|---------------------|----------------------|---------------------------|------------------|---------------------------|----------------------|
|                           | General Fund        | EMS                 | Capital Projects    | Nonmajor Gov't Funds | Subtotal Gov't Activities | Utility Fund     | Nonmajor Enterprise Funds |                      |
| General Fund              | \$ -                | \$ 6,497,084        | \$ 7,263,114        | \$ 1,346,783         | \$ 15,106,981             | \$ -             | \$ 9,906,758              | \$ 25,013,739        |
| Capital Projects          | -                   | -                   | -                   | -                    | -                         | -                | 2,637,160                 | 2,637,160            |
| Nonmajor Gov't Funds      | -                   | -                   | 292,600             | -                    | 292,600                   | -                | -                         | 292,600              |
| Parking                   | 687,447             | -                   | -                   | -                    | 687,447                   | -                | -                         | 687,447              |
| Nonmajor Enterprise Funds | 8,633,248           | -                   | 105,513             | -                    | 8,738,761                 | 28,421           | -                         | 8,767,182            |
|                           | <u>\$ 9,320,695</u> | <u>\$ 6,497,084</u> | <u>\$ 7,661,227</u> | <u>\$ 1,346,783</u>  | <u>\$ 24,825,789</u>      | <u>\$ 28,421</u> | <u>\$ 12,543,918</u>      | <u>\$ 37,398,128</u> |

The transfer from the General Fund to the Emergency Management Services (EMS) Fund was required to support operating costs, as the General Fund subsidizes the EMS Fund. Transfers from the General Fund to the Capital Projects Fund were to support capital projects, including Fire Station 24 renovation and the MLK Boulevard Reconstruction Project - Phase III. The transfer from the General Fund to the Nonmajor Governmental Funds were to fund costs relating to Hurricane Matthew and Hurricane Irma. The transfer from the General Fund to the Nonmajor Enterprise Funds were to fund costs relating to the Pier Replacement project and the Taxiway Delta project at the Air Park. The transfer from the Capital Projects Fund to the Nonmajor Enterprise Funds were to fund costs relating to the Pier Replacement project.

Transfers from the Nonmajor Enterprise Funds to the General Fund were primarily due to the transfer of residual equity associated with the transfer of golf course operations to the General Fund. Due to the measurement focus of the General Fund; notes receivable, long term obligations and the net book value of capital assets transferred totaling \$5,993,658 are reflected in the government-wide financial statements. The remaining amounts is due an administrative charge to garbage customers to cover services provided by the Public Works Department and the transfer of the annual rebate received from Waste Management as part of the agreement with the vendor, with funds being utilized for general purposes.

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**(F) Long-term Obligations**

Summarized below are the City's debt issued to finance the acquisition of properties for community development and construction of capital facilities, which were outstanding at September 30, 2017.

**Governmental Activities Debt:**

- On December 16, 2003, the Pompano Beach Community Redevelopment Agency (the Agency) authorized the issuance of Tax Increment Bond – Series 2003A in an original principal amount not to exceed \$10,000,000, with Wachovia Bank, National Association (the Bank) being the registered holder of the bond. On December 22, 2003, the Agency also entered into a non-revolving line of credit agreement (line of credit) with the Bank, not to exceed \$10,000,000, which represents the Bank's obligation to fund advances of principal of the Series 2003A Bond. The Series 2003A Bond represent the Agency's obligation to reimburse the Bank for up to \$10,000,000 of drawings made under the line of credit. The line of credit is secured by a senior lien on all tax increment revenues generated within the Agency's Northwest District's Redevelopment Area boundaries on a parity with the lien of the Agency's Series 2004A Bond as discussed below. At September 30, 2017 the Agency had \$1,351,352 outstanding related to this line of credit. Proceeds of these draws were used to finance the current refunding of the Agency's Special Obligation Bonds – Series 1999, the cost of redevelopment projects in the Northwest District Redevelopment Area and costs of issuance. Interest on the 2003A Bond is at a fixed rate of 4.39%, with a final maturity date of November 1, 2018. Principal and interest on the Series 2003A Bond is due and payable quarterly.
- On January 21, 2004, the Agency authorized the issuance of Tax Increment Bonds – Series 2004A in an original principal amount not to exceed \$10,000,000, with Wachovia Bank, National Association (the Bank) being the registered holder of the Series 2004A Bond. On January 21, 2004, the Agency also entered into a non-revolving line of credit agreement (line of credit) with Wachovia Bank, National Association (the Bank), in an amount not to exceed \$10,000,000, representing the Bank's obligation to fund advances of principal of the Series 2004A Bond. The Series 2004A Bond represents the Agency's obligation to reimburse the Bank for up to \$10,000,000 of drawings made under the line of credit. The line of credit is secured by a senior lien on all tax increment revenues generated within the Agency's Northwest District Redevelopment Area boundaries, on a parity with the Agency's Series 2003A Bond, as discussed above. At September 30, 2017 the Agency had \$1,351,352 outstanding related to this line of credit. Proceeds of these draws were used to finance the cost of redevelopment projects in the Northwest District Redevelopment Area. Interest on the Series 2004A Bond is at a fixed rate of 4.39%, with a final maturity date of November 1, 2018. Principal and

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interest on the Series 2004A Bond is due and payable quarterly.

For the Series 2003A & 2004A bonds, principal and interest paid for the current fiscal year and total tax increment revenues were \$2,340,135 and \$7,050,237, respectively. At September 30, 2017, total principal and interest remaining on the bonds is \$2,791,690 payable through November 2018.

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

At September 30, 2017, the City had \$11,490,000 outstanding related to this obligation. Principal and interest paid for the current fiscal year and total tax increment revenues were \$1,096,771 and \$2,777,669, respectively. At September 30, 2017, total principal and interest remaining on the bonds is \$14,283,396 payable through February 2030.

**Business-type Activities Debt:**

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

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

Principal and interest payments on the Series 2014 bonds are due semi-annually through maturity. Annual principal and interest payments on the Series 2014

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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 \$3,030,720 and \$16,585,831, respectively. The total principal and interest remaining to be paid on the bonds is \$9,112,864.

- 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 \$44,303,917.

**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, 2017, total principal and interest remaining related to Governmental Activities was \$1,752,447 and \$6,345,028 was related to Business-type Activities. Interest on the loan is fixed at 2.72%, with a final maturity date of August 12, 2023. Principal and interest is due and payable quarterly.

**Conduit Debt:**

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

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payments due from the Village. The City is not obligated to pay the principal or interest on the bonds except from the loan payments made by the Village, and neither the faith and credit nor the taxing power of the City is pledged to the payment of the principal and interest on the bonds. At September 30, 2017, total principal and interest outstanding related to this debt issue was \$22,270,000 and \$6,471,200, 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, 2017, total principal and interest outstanding related to this debt issue was \$28,360,000 and \$21,911,238, respectively.

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**Changes in long-term liabilities**

|                                    | <u>Beginning<br/>Balance</u> | <u>Additions</u>     | <u>Reductions</u>    | <u>Ending<br/>Balance</u> | <u>Due Within<br/>One Year</u> |
|------------------------------------|------------------------------|----------------------|----------------------|---------------------------|--------------------------------|
| <b>Governmental activities:</b>    |                              |                      |                      |                           |                                |
| Bonds payable:                     |                              |                      |                      |                           |                                |
| Tax increment bonds-East           |                              |                      |                      |                           |                                |
| District                           | \$ 12,175,000                | \$ -                 | \$ 685,000           | \$ 11,490,000             | \$ 710,000                     |
| Tax increment bonds-NW             |                              |                      |                      |                           |                                |
| District                           | 4,864,866                    | -                    | 2,162,162            | 2,702,704                 | 2,162,162                      |
| Total bonds payable                | <u>17,039,866</u>            | <u>-</u>             | <u>2,847,162</u>     | <u>14,192,704</u>         | <u>2,872,162</u>               |
| Claims and judgments               | 13,926,000                   | 1,528,290            | 2,962,290            | 12,492,000                | 3,053,219                      |
| Net pension liability:             |                              |                      |                      |                           |                                |
| PFRS                               | 108,284,052                  | 32,771,671           | 35,904,649           | 105,151,074               | -                              |
| GERS                               | 42,927,544                   | 18,695,192           | 17,965,087           | 43,657,649                | -                              |
| Total net pension liability        | <u>151,211,596</u>           | <u>51,466,863</u>    | <u>53,869,736</u>    | <u>148,808,723</u>        | <u>-</u>                       |
| Net OPEB obligation                | 7,175,127                    | 1,240,309            | 467,719              | 7,947,717                 | -                              |
| Pollution remediation obligation   | -                            | 1,394,000            | -                    | 1,394,000                 | -                              |
| Notes payable:                     |                              |                      |                      |                           |                                |
| Energy Equipment                   | 1,855,948                    | -                    | 244,068              | 1,611,880                 | 250,775                        |
| HUD Section 108                    | 388,000                      | -                    | 157,000              | 231,000                   | 163,000                        |
| Total notes payable                | <u>2,243,948</u>             | <u>-</u>             | <u>401,068</u>       | <u>1,842,880</u>          | <u>413,775</u>                 |
| Compensated absences               | 5,817,009                    | 5,297,783            | 5,130,052            | 5,984,740                 | 325,818                        |
| Capital lease payable:             |                              |                      |                      |                           |                                |
| Building                           | 1,368,010                    | -                    | 37,823               | 1,330,187                 | 41,253                         |
| Fleet Equipment                    | 1,929,169                    | -                    | 443,668              | 1,485,501                 | 449,912                        |
| Total capital lease payable        | <u>3,297,179</u>             | <u>-</u>             | <u>481,491</u>       | <u>2,815,688</u>          | <u>491,165</u>                 |
| Long-term liabilities              | <u>\$ 200,710,725</u>        | <u>\$ 60,927,245</u> | <u>\$ 66,159,518</u> | <u>\$ 195,478,452</u>     | <u>\$ 7,156,139</u>            |
| <b>Business-type activities:</b>   |                              |                      |                      |                           |                                |
| Water & sewer revenue bonds        | \$ 11,650,000                | \$ -                 | \$ 2,835,000         | \$ 8,815,000              | \$ 2,890,000                   |
| Certificates of Participation      | 23,875,000                   | -                    | -                    | 23,875,000                | -                              |
| Net pension liability (GERS)*      | 14,887,383                   | 5,257,440            | 6,869,020            | 13,275,803                | -                              |
| Net OPEB obligation                | 1,628,494                    | 41,037               | 72,999               | 1,596,532                 | -                              |
| Notes payable - Energy Equipment   | 6,719,769                    | -                    | 883,689              | 5,836,080                 | 907,972                        |
| Capital lease payable - Golf Carts | 75,179                       | -                    | 75,179               | -                         | -                              |
| Compensated absences               | 1,081,063                    | 672,339              | 667,974              | 1,085,428                 | 121,452                        |
| Business-type activity             |                              |                      |                      |                           |                                |
| Long-term liabilities              | <u>59,916,888</u>            | <u>5,970,816</u>     | <u>11,403,861</u>    | <u>54,483,843</u>         | <u>3,919,424</u>               |
| Total long-term liabilities        | <u>\$ 260,627,613</u>        | <u>\$ 66,898,061</u> | <u>\$ 77,563,379</u> | <u>\$ 249,962,295</u>     | <u>\$ 11,075,563</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

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payments, restricted account transactions, minimum sinking fund requirements, and minimum revenue levels. The City believes that it is in compliance with all bond provisions and maintained reserves totaling \$4,414,723 at September 30, 2017.

The City Charter limits the amount of net general obligation bonded debt to 15% of the assessed property valuation. At September 30, 2017, the statutory limit for the City was approximately \$1.7 billion, providing a legal debt margin of approximately \$1.7 billion, as the City had no general obligation debt outstanding at September 30, 2017.

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, 2017 the City had negative arbitrage related to all outstanding bond issues. Amounts to be rebated, if any, depend on net results of arbitrage calculations in future years.

The annual requirements to pay principal and interest on bonds and notes at September 30, 2017 are as follows:

**Bonds:**

|                | <b>Governmental Activities</b>     |                  |                                 |                          |                    |                                   |  |
|----------------|------------------------------------|------------------|---------------------------------|--------------------------|--------------------|-----------------------------------|--|
|                | <b>Northwest (NW) CRA District</b> |                  |                                 | <b>East CRA District</b> |                    |                                   | <b>Total<br/>Governmental<br/>Activities</b> |
|                | <b>Principal</b>                   | <b>Interest</b>  | <b>Subtotal<br/>NW District</b> | <b>Principal</b>         | <b>Interest</b>    | <b>Subtotal<br/>East District</b> |  |
| 2018           | \$2,162,162                        | \$ 83,054        | \$ 2,245,216                    | \$ 710,000               | \$ 387,498         | \$ 1,097,498                      | \$ 3,342,714                                 |
| 2019           | 540,542                            | 5,932            | 546,474                         | 735,000                  | 362,355            | 1,097,355                         | 1,643,829                                    |
| 2020           | -                                  | -                | -                               | 765,000                  | 336,255            | 1,101,255                         | 1,101,255                                    |
| 2021           | -                                  | -                | -                               | 790,000                  | 309,198            | 1,099,198                         | 1,099,198                                    |
| 2022           | -                                  | -                | -                               | 820,000                  | 281,184            | 1,101,184                         | 1,101,184                                    |
| 2023 -<br>2027 | -                                  | -                | -                               | 4,540,000                | 950,910            | 5,490,910                         | 5,490,910                                    |
| 2028 -<br>2030 | -                                  | -                | -                               | 3,130,000                | 165,996            | 3,295,996                         | 3,295,996                                    |
|                | <u>\$2,702,704</u>                 | <u>\$ 88,986</u> | <u>\$ 2,791,690</u>             | <u>\$11,490,000</u>      | <u>\$2,793,396</u> | <u>\$ 14,283,396</u>              | <u>\$ 17,075,086</u>                         |

|      | <b>Business-type Activities</b> |                   |                     |
|------|---------------------------------|-------------------|---------------------|
|      | <b>Principal</b>                | <b>Interest</b>   | <b>Total</b>        |
| 2018 | \$ 2,890,000                    | \$ 148,092        | \$ 3,038,092        |
| 2019 | 2,935,000                       | 99,540            | 3,034,540           |
| 2020 | 2,990,000                       | 50,232            | 3,040,232           |
|      | <u>\$ 8,815,000</u>             | <u>\$ 297,864</u> | <u>\$ 9,112,864</u> |

**Notes:**

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

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reimbursed for the purchase of energy equipment up to a maximum of \$13,500,000. At September 30, 2017, the City's obligation under the note, inclusive of accrued interest was \$7,447,960 and allocated between Governmental and Business-type Activities was as follows:

|             | <u>Governmental Activities</u> |                   |                     | <u>Business-type Activities</u> |                   |                     |
|-------------|--------------------------------|-------------------|---------------------|---------------------------------|-------------------|---------------------|
|             | <u>Principal</u>               | <u>Interest</u>   | <u>Total</u>        | <u>Principal</u>                | <u>Interest</u>   | <u>Total</u>        |
| 2018        | \$ 250,775                     | \$ 41,300         | \$ 292,075          | \$ 907,972                      | \$ 149,532        | \$ 1,057,504        |
| 2019        | 257,666                        | 34,409            | 292,075             | 932,922                         | 124,582           | 1,057,504           |
| 2020        | 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 - 2023 | 287,176                        | 4,897             | 292,073             | 1,039,769                       | 17,737            | 1,057,506           |
|             | <u>\$ 1,611,880</u>            | <u>\$ 140,567</u> | <u>\$ 1,752,447</u> | <u>\$ 5,836,080</u>             | <u>\$ 508,948</u> | <u>\$ 6,345,028</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, 2017, the City has received \$388,000 in interim financing related to the \$4,308,000 loan commitment from HUD. The balance on the loan as of September 30, 2017 is \$231,000. 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 HUD after the conversion of the loan.

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**Other unamortized amounts on bond refunding**

Deferred charges (difference between carrying value of old debt and reacquisition price of new debt) on the bond refunding of the 1993, 2000 and 2006 Water and Sewer Revenue Bonds are being amortized over the life of the latest refunding (Water and Sewer Revenue Refunding Bonds, Series 2014) in the Utility Fund and the government-wide financial statements using the effective interest method. The deferred charge was \$162,902 at September 30, 2017. This amount is reported as a deferred outflows of resources at September 30, 2017.

**Certificates of Participation**

The annual requirements to pay principal and interest on certificates of participation at September 30, 2017 are as follows:

|           | <b>Business-type Activities</b> |                      |                      |
|-----------|---------------------------------|----------------------|----------------------|
|           | <b>Principal</b>                | <b>Interest</b>      | <b>Total</b>         |
| 2018      | \$ -                            | \$ 1,249,960         | \$ 1,249,960         |
| 2019      | -                               | 1,249,960            | 1,249,960            |
| 2020      | 100,000                         | 1,248,431            | 1,348,431            |
| 2021      | 500,000                         | 1,238,335            | 1,738,335            |
| 2022      | 500,000                         | 1,220,700            | 1,720,700            |
| 2023-2027 | 3,060,000                       | 5,766,969            | 8,826,969            |
| 2028-2032 | 5,035,000                       | 4,815,659            | 9,850,659            |
| 2033-2037 | 7,990,000                       | 3,058,687            | 11,048,687           |
| 2038-2040 | 6,690,000                       | 580,216              | 7,270,216            |
|           | <u>\$ 23,875,000</u>            | <u>\$ 20,428,917</u> | <u>\$ 44,303,917</u> |

**CITY OF POMPANO BEACH, FLORIDA**  
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**Capital Lease**

On September 27, 2013 the City entered into a master lease agreement as lessee for financing the acquisition of golf carts in the amount of \$294,200. The lease is for four (4) years, with annual payments being subject to annual appropriations by the City. The annual interest rate on the lease is 1.47%. The lease agreement qualifies as a capital lease for accounting purposes and therefore has been recorded at the present value of the future minimum lease payments as of the inception date. As of September 30, 2017 there is no capital lease obligation as fiscal year 2017 was the final year of lease payments.

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

Future minimum lease obligations are as follows:

|   | <b>Fiscal Year Ending September 30,</b> | <b>Governmental<br/>Activities</b> |
|---|---|------------------------------------|
| 2018                                    |   | \$ 79,961                          |
| 2019                                    |   | 82,360                             |
| 2020                                    |   | 84,831                             |
| 2021                                    |   | 87,376                             |
| 2022                                    |   | 89,997                             |
| 2023 - 2027                             |   | 492,142                            |
| 2028 - 2032                             |   | 570,527                            |
| 2033 - 2035                             |   | 252,892                            |
| Total minimum lease payments            |   | <u>1,740,086</u>                   |
| Less: Amount represent interest         |   | <u>409,899</u>                     |
| Present value of minimum lease payments |   | <u>\$ 1,330,187</u>                |

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.

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Future minimum lease obligations are as follows:

| Fiscal Year Ended September 30,         | <u>Governmental<br/>Activities</u> |
|---|------------------------------------|
| 2018                                    | \$ 468,354                         |
| 2019                                    | 468,354                            |
| 2020                                    | 468,354                            |
| 2021                                    | 117,089                            |
| Total minimum lease payments            | <u>1,522,151</u>                   |
| Less: Amount represent interest         | <u>36,650</u>                      |
| Present value of minimum lease payments | <u>\$ 1,485,501</u>                |

**(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 56 years and is adjusted for changes in the Consumer Price Index every three years.

The lease payments are as follows:

| Fiscal Year<br>Ending September 30, | <u>Governmental<br/>Activities</u> |
|-------------------------------------|------------------------------------|
| 2018                                | \$ 357,674                         |
| 2019                                | 357,674                            |
| 2020                                | 357,674                            |
| 2021                                | 357,674                            |
| 2022                                | 357,674                            |
| 2023 - 2027                         | 1,788,370                          |
| 2028 - 2032                         | 1,788,370                          |
| 2033 - 2037                         | 1,788,370                          |
| 2038 - 2042                         | 1,788,370                          |
| 2043 - 2047                         | 1,788,370                          |
| 2048 - 2052                         | 1,788,370                          |
| 2053 - 2057                         | 1,788,370                          |
| 2058 - 2062                         | 1,788,370                          |
| 2063 - 2067                         | 1,788,370                          |
| 2068 - 2071                         | 1,788,370                          |
| 2072 - 2073                         | 357,674                            |
| Total lease payments                | <u>\$ 20,029,744</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

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the General Fund via Resolution No. 2013-358, whereby a target equal to at least 17% of that fund's annual appropriation budget must be maintained.

Below is a table of fund balance categories and classifications at September 30, 2017 for the City's governmental funds:

|   | <u>General</u>       | <u>NW CRA<br/>District</u> | <u>East CRA<br/>District</u> | <u>Emergency<br/>Medical<br/>Services</u> | <u>Capital<br/>Projects</u> | <u>Non-major<br/>Gov't Funds</u> |
|---|----------------------|----------------------------|------------------------------|---|-----------------------------|----------------------------------|
| <b>Fund Balances:</b>                                     |                      |                            |                              |   |                             |                                  |
| <b>Non-spendable</b>                                      |                      |                            |                              |   |                             |                                  |
| Inventory   | \$ 220,269           | \$ -                       | \$ -                         | \$ 310,482                                | \$ -                        | \$ -                             |
| Prepays   | 218,083              | -                          | -                            | -   | 537,805                     | 712                              |
| Advances to other funds                                   | 2,500,000            | -                          | -                            | -   | -                           | -                                |
| Notes Receivable  | 111,133              | -                          | -                            | -   | -                           | -                                |
| <b>Restricted:</b>  |                      |                            |                              |   |                             |                                  |
| Building Permit Function                                  | -                    | -                          | -                            | -   | -                           | 10,414,189                       |
| Emergency Medical Services                                | -                    | -                          | -                            | 1,115,311                                 | -                           | -                                |
| Transportation  | 7,500                | -                          | -                            | -   | -                           | 74,892                           |
| Cultural Arts   | -                    | -                          | -                            | -   | -                           | 530                              |
| Community Redevelopment                                   | -                    | 38,290,787                 | 11,024,936                   | -   | -                           | 811,132                          |
| <b>Committed:</b>   |                      |                            |                              |   |                             |                                  |
| Cemetery Care   | -                    | -                          | -                            | -   | -                           | 1,391,528                        |
| Disaster Relief   | -                    | -                          | -                            | -   | -                           | 400,054                          |
| Affordable Housing  | -                    | -                          | -                            | -   | -                           | 695,334                          |
| Tree Canopy Landscape/<br>Tricentennial/Nautica Flea Mkt. | -                    | -                          | -                            | -   | -                           | 423,094                          |
| Beach Area Parking  | -                    | -                          | -                            | -   | -                           | 5,637                            |
| Emergency Medical Services                                | -                    | -                          | -                            | -   | -                           | 26,356                           |
| <b>Assigned:</b>  |                      |                            |                              |   |                             |                                  |
| Fire Stations   | -                    | -                          | -                            | -   | 250,626                     | -                                |
| Culture, Recreation & Leisure                             | -                    | -                          | -                            | -   | 1,308,291                   | -                                |
| Canal Dredging/Seawall Repairs                            | -                    | -                          | -                            | -   | 527,695                     | -                                |
| Alleyway Improvements                                     | -                    | -                          | -                            | -   | 500,000                     | -                                |
| General Government Bldg. Improvs.                         | -                    | -                          | -                            | -   | 1,517,001                   | -                                |
| City Landscaping\Signage\Lighting                         | -                    | -                          | -                            | -   | 3,113,188                   | -                                |
| Bridge Repairs\Enhancements                               | -                    | -                          | -                            | -   | 1,094,064                   | -                                |
| Underground Utilities/Traffic Signals                     | -                    | -                          | -                            | -   | 2,115,214                   | -                                |
| Railroad Crossing Repairs                                 | -                    | -                          | -                            | -   | 4,500,504                   | -                                |
| Road/Sidewalks/Parking Lots                               | -                    | -                          | -                            | -   | 8,798,587                   | -                                |
| Art in Public Places                                      | -                    | -                          | -                            | -   | 589,547                     | -                                |
| Capital Reserves  | -                    | -                          | -                            | -   | 923,560                     | -                                |
| General Government (Encumbrances)                         | 699,135              | -                          | -                            | -   | -                           | -                                |
| Public Safety (Encumbrances)                              | 76,728               | -                          | -                            | -   | -                           | -                                |
| Physical Environment (Encumbrances)                       | 252,065              | -                          | -                            | -   | -                           | -                                |
| Culture & Recreation (Encumbrances)                       | 209,254              | -                          | -                            | -   | -                           | -                                |
| Subsequent Year's Expenditures                            | 6,417,817            | -                          | -                            | -   | -                           | -                                |
| <b>Unassigned</b>   |                      |                            |                              |   |                             |                                  |
| General Government  | 28,647,748           | -                          | -                            | -   | -                           | -                                |
| <b>Total Fund Balances</b>                                | <b>\$ 39,359,732</b> | <b>\$ 38,290,787</b>       | <b>\$ 11,024,936</b>         | <b>\$ 1,425,793</b>                       | <b>\$ 25,776,082</b>        | <b>\$ 14,243,458</b>             |

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**(I) Property Taxes**

The City levies property taxes each October 1, which becomes a lien on real and personal property located in the City. Property taxes are based on the assessed values determined by the Broward County Property Appraiser as of the prior January 1. The current year's levy is based on assessed property values totaling approximately \$9.5 billion. Taxes are collected directly by Broward County and remitted to the City as collected.

The State of Florida permits the City to levy taxes up to 10 mills of assessed property valuation for the General Fund. The City levied taxes at 4.8252 mills for the General Fund and .5000 mills for the EMS District for the fiscal year ended September 30, 2017.

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, 2017 were approximately 97.2% 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). Pursuant to Section 112.0801, Florida Statutes, the City is mandated to permit participation in the health insurance program by eligible retirees (as defined in the City's pension plans as discussed in more detail at Note III) and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. Retirees pay 100% of the blended (active and retiree combined) equivalent premium rates. The blended rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. The OPEB Plan does not issue a separate stand alone financial report.

**Funding Policy** - The City is financing the post employee benefits on a pay-as-you go basis. For fiscal year 2017, 57 retirees received health care benefits. Annual required contributions amounted to \$1,690,552 for the current fiscal year, towards which the City made a contribution of \$540,718. Retiree contributions totaled \$1,129,431 for the fiscal year ended September 30, 2017. At September 30, 2017 the City recorded a net OPEB obligation of \$7,947,717 for governmental activities and \$1,596,532 for business-type activities in its government-wide statement of net position. The Utility Fund reported a net OPEB obligation of \$1,371,115, while the non-major enterprise funds reported \$225,417. Internal Service Funds reported a net OPEB obligation of \$381,758. The OPEB obligation is a function of annual required contributions, interest, adjustments to the annual required contribution, annual pension costs and actual employers' contributions made to the plan.

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

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changes in the City's net OPEB obligation to the retiree health plan:

|  |    |                            |
|--|----|----------------------------|
| Annual Required Contribution               | \$ | 1,690,552                  |
| Interest on Net OPEB Obligation            |    | 352,146                    |
| Adjustment to Annual Required Contribution |    | <u>(761,352)</u>           |
| Annual OPEB Cost (Expense)                 |    | 1,281,346                  |
| Implied Employer Contribution              |    | <u>(540,718)</u>           |
| Increase in Net OPEB Obligation            |    | 740,628                    |
| Net OPEB Obligation-beginning of year      |    | <u>8,803,621</u>           |
| Net OPEB Obligation-end of year            |    | <u><u>\$ 9,544,249</u></u> |

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of September 30, 2017 was as follows:

| Fiscal Year<br>Ended | Annual<br>OPEB Cost | Percentage of<br>Annual OPEB<br>Cost<br>Contributed | Net<br>OPEB<br>Obligation |
|----------------------|---------------------|---|---------------------------|
| September 30, 2017   | \$ 1,281,346        | 42%   | \$ 9,544,249              |
| September 30, 2016   | \$ 614,649          | 48%   | \$ 8,803,621              |
| September 30, 2015   | \$ 596,721          | 47%   | \$ 8,486,447              |

Funded Status and Funding Progress - As of October 1, 2017 the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$11,371,379 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of \$11,371,379. The covered payroll (annual payroll of active employees covered by the plan) was \$45,542,532, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 25 percent. The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial

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value of assets, consistent with the long-term perspective of the calculations.

In the actuarial valuation as of October 1, 2017 the Projected Unit Credit method (PUC) was used to determine all liabilities, with the liability for each active employee assumed to accrue over his working lifetime based on elapsed time from his date of hire until retirement. The unfunded actuarial accrued liability is being amortized over a fifteen year open period, utilizing the level dollar payment method.

The following simplifying assumptions were made:

***Eligibility***

For firefighters and police officers – Age 47 with at least 20 years of service (if hired prior to May 27, 2014), or age 50 with at least 20 years of service (if hired on or after May 27, 2014), or age 55 with at least 10 years of service, but no earlier than age 55.

For general employees – Age 55 with at least 20 years of service, or age 62 with at least three years of service, but no earlier than age 60.

***Mortality***

Sex-distinct mortality rates set forth in the RP-2000 mortality table for annuitants, projected to 2015 by Scale AA, as published by the Internal Revenue Service for purposes of Internal Revenue Code Section 430 were used. Future generational improvements in mortality have not been reflected.

***Disability***

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

***Permanent Withdrawal from Active Status***

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

***Investment Rate of Return***

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

***Healthcare Cost Trend Rates***

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

2017/18-8.00%  
2018/19-7.50%  
2019/20-7.00%  
2020/21-6.50%  
2021/22-6.00%  
2022/23-5.50%  
2023/24 & later-5.00%

***Implied Subsidy***

The annual implied subsidy for a 62-year old retiree for the period October 1, 2017

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through September 30, 2018 is assumed to be \$5,100 per year under the HMO plan and \$6,600 per year PPO plan. Upon the attainment of Medicare eligibility, the subsidy is assumed to disappear.

***Age Related Morbidity***

The cost of covered medical services has been assumed to increase with age at the rate of 3.50% per annum.

***Retiree Contributions***

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

***Cost of Living Increases***

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

***Medical Plan Choice***

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

***Future Participation Rates***

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

***Marriage and Dependent Assumption***

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

***COBRA Assumption***

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

**(K) Pollution Remediation Obligations**

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

- Pollution poses an imminent danger to the public and the City is compelled to take action;

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- The City is found in violation of a pollution related permit or license;
- The City is named, or has evidence that it will be named as a responsible party by a regulator;
- The City is named, or has evidence that it will be named in a lawsuit to enforce a cleanup; or
- The City commences or legally obligates itself to conduct remediation activities.

The City has recorded a pollution remediation liability at September 30, 2017 utilizing the expected cash flow technique. Under this technique, the City estimated a reasonable range of potential outlays and multiplied those outlays by their probability of occurring. This liability could change over time due to changes in costs of goods and services, changes in remediation technology, or changes in laws and regulations governing the remediation efforts.

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

The following pollution remediation obligation has been recorded at September 30, 2017, related to 12 acre park by the City:

|  | <b>Governmental<br/>Activities</b> |
|--|------------------------------------|
| Environmental remediation liability, beginning of year             | \$ -                               |
| Expected additional future outlays, increasing liability estimates | 1,394,000                          |
| Fiscal year 2017 outlays for environmental remediation             | -                                  |
| Reduction in liability estimates                                   | -                                  |
| Estimated recoveries from third parties or tax credits             | -                                  |
| Environmental remediation liability, end of year                   | \$ 1,394,000                       |

**(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

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

*Method used to value investments* – Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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 requires the plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

## **2. Plan Description and Contribution Information**

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

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

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

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

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

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

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

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

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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, 2016, the date of the latest actuarial valuation:

|   |                   |
|---|-------------------|
| Retirees and beneficiaries currently receiving benefits       | 399               |
| Inactive plan members entitled but not yet receiving benefits | 4                 |
| Active plan members   | <u>162</u>        |
| Total   | <u><u>565</u></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. 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 of participation. As of September 30, 2017, the balance in the DROP account was \$18,704,793, with 53 DROP participants. These amounts are included in the total investment balance presented on the statement of fiduciary net position.

*Drop Loan Program* - Effective June 22, 2010, the PFRS allowed participants (Police officers only) to borrow from their DROP account. The loan limit is up to 50% of participant's account balance, subject to a minimum of \$5,000 and a maximum of \$50,000. The interest rate charged is the "prime rate" in effect on the day of loan application and the repayment schedule and maturity date may not exceed five years. At September 30, 2017, the balance of DROP loans outstanding was \$430,792.

*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.

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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, 2017, the balance in the share plan account was \$5,130,041. 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. As of September 30, 2017, the balance in the police officers' Share Plan account was \$314,032, and the manner of allocation and distribution has not yet been determined. This amount is included in the total investment balance presented on the statement of fiduciary net position.

*Contributions* – Contribution requirements are established and may be amended by the City in conjunction with the Broward County Police Benevolent Association and the Pompano Beach Professional Firefighters Local 1549. The contribution requirements are determined based on the benefit structure established by the City. The City is required to contribute amounts necessary to finance the benefits through periodic contributions at actuarially determined rates. Police officers are required to contribute 8.6% and firefighters 11.6% of their annual covered salary.

Pursuant to chapters 175 and 185 of the Florida Statutes, a premium tax on certain property and casualty insurance contracts written on Pompano Beach properties is collected by the State and is remitted to the PFRS. As of the October 1, 2016 actuarial valuation, the cumulative balance of additional premium tax revenues reserved to provide future benefit improvements totals \$395,660. This balance pertains to the firefighter members (Chapter 175 funds) and was allocated to the members' Share Plan accounts on January 1, 2017. In compliance with new legislation under Florida Chapters 175 and 185, the cumulative balance totaling \$232,106 of additional premium tax revenues pertaining to police members (Chapter 185 funds), was allocated as 50% to the Plan's unfunded liability and 50% set aside to fund a members' Share Plan.

Administrative costs are financed through investment earnings.

**3. Due to Brokers**

Pending trades payable amounting to \$1,088,340 at September 30, 2017 account for amounts due to the PFRS's broker for investment purchases made with trade dates prior to the fiscal year end and settlement dates after the fiscal year end. The trades will be settled by receiving or liquidating cash equivalents.

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**(B) Employee Retirement System**  
**General Employees' Retirement System**

**1. Summary of Significant Accounting Policies**

*Basis of Accounting* – The GERS's financial statements are prepared using the accrual basis of accounting. Member contributions are recognized as revenues in the period in which employee contributions are due. City and County contributions are recognized as revenues when due pursuant to actuarial valuations. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Interest and dividend income are recorded as earned and dividend income is recorded as of the ex-dividend date.

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

*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).

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

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

*Use of Estimates* – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, benefit obligations and changes therein, and disclosure of contingent assets and liabilities. Accordingly, actual results could differ from those estimates.

**2. Plan Description**

*Organization* – The City of Pompano Beach General Employees' Retirement System (the GERS) is a single employee defined benefit pension plan established by the City of Pompano Beach, Florida (the City), on 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

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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, 2017, pension plan membership consisted of the following:

|   |   |
|---|---|
| Inactive members or their beneficiaries<br>currently receiving benefits | 430   |
| Inactive members entitled to but not yet<br>receiving benefits          | 26  |
| Active members  | 477   |
| Total   | <hr style="border: 1px solid black;"/> <hr style="border: 1px solid black;"/> 933 |

***Pension Benefits***

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

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

**Tier One members**

Normal retirement benefit is calculated using 2.75% of the Average Monthly Salary multiplied by the years of credited service. Average Monthly Salary is the average of the highest completed 78 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

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participant would have received had the participant separated from service and commenced receipt of pension benefits plus interest. Interest shall be at the same rate as the investment earnings assumption for the Plan. Participation in the DROP is limited to sixty months.

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

**Tier One members**

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

**Tier Two members**

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

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

**Member Contributions:**

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

**City Contributions:**

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

**County Contributions:**

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

***Investments***

The Plan contracts with investment managers who supervise and direct the investment of equity and fixed income securities. In addition, the Plan utilizes an investment advisor who monitors the investing activity. The investments owned are held in the name of the GERS.

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**(C) Other Pension Information**

**1. Contribution Rates and Actual Contributions**

|                     | <u>Police and<br/>Firefighters'</u> | <u>General<br/>Employees</u> |
|---------------------|-------------------------------------|------------------------------|
| Contributions:      |                                     |                              |
| Contribution rates: |                                     |                              |
| City:               |                                     |                              |
| General Employees   | -                                   | 23.58%                       |
| Police              | 1,184.61%                           | -                            |
| Fire                | 42.84%                              | -                            |
| Plan members:       |                                     |                              |
| General Employees   |                                     | 10.00% <sup>(1)</sup>        |
| Police              | 8.60%                               | -                            |
| Fire                | 11.60%                              | -                            |
| Contributions made: |                                     |                              |
| Employer            | \$ 8,142,644                        | \$ 6,755,068                 |
| Plan members        | 1,632,948                           | 2,617,652                    |
| State               | 2,336,040 <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, 2017 the Plan received \$2,336,040 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.

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

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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. 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, 2017, the balance in the Share Plan account was \$5,130,041. As of the October 1, 2016 actuarial valuation, the cumulative balance of additional premium tax revenues reserved to provide future benefit improvements totals \$395,660 for firefighter members (Chapter 175 funds). In compliance with new legislation under Florida Chapters 175 and 185, the cumulative balance totaling \$197,979 of additional premium tax revenues pertaining to police members (Chapter 185 funds), was allocated as 50% to the Plan's unfunded liability and 50% set aside to fund police members' Share Plan accounts.

**2. Net Pension Liability**

***Police and Firefighters***

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

|   |                      |
|---|----------------------|
| Total pension liability   | \$343,088,836        |
| Plan fiduciary net position   | <u>237,937,762</u>   |
| Net pension liability   | <u>\$105,151,074</u> |
| Plan fiduciary net position as a percentage<br>of the total pension liability | 69.35%               |

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***General Employees***

The City's net pension liability was measured as of September 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2015. 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, 2017 were as follows:

|   |                      |
|---|----------------------|
| Total pension liability   | \$217,355,750        |
| Plan fiduciary net position   | <u>160,422,298</u>   |
| Net pension liability   | <u>\$ 56,933,452</u> |
| Plan fiduciary net position as a percentage<br>of the total pension liability | 73.81%               |

**Actuarial Methods and Assumptions**

***Police and Firefighters***

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

|   |                        |
|---|------------------------|
| Actuarial cost method                           | Entry Age Normal       |
| Asset Method                                    | Market Value of Assets |
| Interest rates:                                 |                        |
| Discount rate                                   | 7.5%                   |
| Expected long-term rate of return               | 7.5%                   |
| Municipal bond rate                             | N/A                    |
| Inflation                                       | 2.5%                   |
| Annual salary increases, excluding<br>inflation | 0.5%-8.5%              |
| Ad-hoc Cost of Living Increases                 | none                   |

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

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The long-term expected rate of return on PFRS pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2017 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%                   | 7.24%   |
| Fixed income                   | 22.50%                   | 2.25%   |
| Real estate                    | 7.50%                    | 3.70%   |
| Hedge funds and private equity | 20.00%                   | 4.84%   |
| Short-term investments         | -%                       | 0.90%   |
| Cash                           | -%                       | 0.90%   |
| <b>Total</b>                   | <b>100.00%</b>           |   |

**General Employees**

The total pension liability was determined by an actuarial valuation as of October 1, 2015 updated to September 30, 2016 using the following actuarial assumptions applied to all measurement periods:

|                               |   |
|-------------------------------|---|
| Actuarial cost method         | Entry Age Normal  |
| Amortization method           | Level percent of payroll, closed  |
| Remaining amortization period | 1 to 30 years   |
| Asset valuation method        | 5 year smoothed market  |
| Inflation                     | 3.50%   |
| Salary increase               | 4.25 - 7.50%, including inflation   |
| Investment rate of return     | 8.00 percent, net of pension plan investment expense, including inflation |

Mortality rates were the 1983 Group Annuity Mortality Table for men and women. For the period after disability retirement, the mortality tables were set back five years. This assumption measures the probabilities of each benefit payment being made after retirement.

The long-term expected rate of return on GERS pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2017 are summarized in the following table:

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| <b>Asset Class</b> | <b>Target Allocation</b> | <b>Long-Term Expected<br/>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              | <u>100.00%</u>           |   |

**Discount Rate:**

***Police and Firefighters***

The discount rate used to measure the total pension liability was 7.50%. 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.

***General Employees***

The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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**Changes in the Net Pension Liability:**

Changes in the City's net pension liability for the Police and Firefighters and General Employees Plans for the fiscal year ended September 30, 2017 is as follows:

|   | <b>Police and Firefighters</b>         |  |                                      | <b>General Employees</b>               |  |                                      |
|---|--|--|--------------------------------------|--|--|--------------------------------------|
|   | <b>Total<br/>Pension<br/>Liability</b> | <b>Plan<br/>Fiduciary<br/>Net Position</b> | <b>Net<br/>Pension<br/>Liability</b> | <b>Total<br/>Pension<br/>Liability</b> | <b>Plan<br/>Fiduciary<br/>Net Position</b> | <b>Net<br/>Pension<br/>Liability</b> |
| <b>Beginning Balances</b>   | <u>\$ 332,155,565</u>                  | <u>\$ 223,871,513</u>                      | <u>\$ 108,284,052</u>                | <u>\$ 208,070,480</u>                  | <u>\$ 150,255,553</u>                      | <u>\$ 57,814,927</u>                 |
| <b>Changes for the year:</b>                                      |  |  |                                      |  |  |                                      |
| Service cost  | 4,117,315                              | -  | 4,117,315                            | 4,065,485                              | -  | 4,065,485                            |
| Interest  | 24,421,412                             | -  | 24,421,412                           | 16,453,581                             | -  | 16,453,581                           |
| Changes of benefit terms  | -                                      | -  | -                                    | 62,449                                 | -  | 62,449                               |
| Differences between expected<br>and actual experience             | 3,702,653                              | -  | 3,702,653                            | 1,438,845                              | -  | 1,438,845                            |
| Contributions - employer  | -                                      | 8,142,644                                  | (8,142,644)                          | -                                      | 6,545,407                                  | (6,545,407)                          |
| Contributions - member  | -                                      | 1,632,948                                  | (1,632,948)                          | -                                      | 2,593,355                                  | (2,593,355)                          |
| Contributions - nonemployer<br>contributing member                | -                                      | 2,336,040                                  | (2,336,040)                          | -                                      | -  | -                                    |
| Net investment income (loss)                                      | -                                      | 23,717,202                                 | (23,717,202)                         | -                                      | 14,289,309                                 | (14,289,309)                         |
| Benefit payments, including<br>refunds<br>of member contributions | (21,308,109)                           | (21,308,109)                               | -                                    | (12,735,090)                           | (12,735,090)                               | -                                    |
| Administrative expense  | -                                      | (530,291)                                  | 530,291                              | -                                      | (526,236)                                  | 526,236                              |
| Other changes   | -                                      | 75,815                                     | (75,815)                             | -                                      | -  | -                                    |
| <b>Net changes</b>  | <u>10,933,271</u>                      | <u>14,066,249</u>                          | <u>(3,132,978)</u>                   | <u>9,285,270</u>                       | <u>10,166,745</u>                          | <u>(881,475)</u>                     |
| <b>Ending Balances</b>  | <u>\$ 343,088,836</u>                  | <u>\$ 237,937,762</u>                      | <u>\$ 105,151,074</u>                | <u>\$ 217,355,750</u>                  | <u>\$ 160,422,298</u>                      | <u>\$ 56,933,452</u>                 |

The City's aggregate net pension liability for the Police and Firefighters Plan measured at September 30, 2017 and General Employees Plan measured at September 30, 2016 was \$162,084,526 for the fiscal year ended September 30, 2017.

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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 7.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

|                              | <b>1%<br/>Decrease<br/>(6.50%)</b> | <b>Current<br/>Discount<br/>Rate (7.50%)</b> | <b>1%<br/>Increase<br/>(8.50%)</b> |
|------------------------------|------------------------------------|--|------------------------------------|
| City's net pension liability | \$ 142,473,149                     | \$ 105,151,074                               | \$ 71,490,664                      |

***General Employees***

The following presents the net pension liability, calculated using the discount rate of 8.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00%) or 1-percentage-point higher (9.00%) than the current rate:

|                              | <b>1%<br/>Decrease<br/>(7.00%)</b> | <b>Current<br/>Discount<br/>Rate (8.00%)</b> | <b>1%<br/>Increase<br/>(9.00%)</b> |
|------------------------------|------------------------------------|--|------------------------------------|
| City's net pension liability | \$ 79,495,108                      | \$ 56,933,452                                | \$ 37,675,412                      |

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

For the year ended September 30, 2017, the City recognized pension expense related to the pension plans as follows:

|                 | <b>Police and<br/>Firefighters</b> | <b>General<br/>Employees</b> | <b>Total</b>  |
|-----------------|------------------------------------|------------------------------|---------------|
| Pension expense | \$ 22,379,615                      | \$ 8,861,032                 | \$ 31,240,647 |

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At September 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pension plans from the following sources:

|  | <u>Police and Firefighters</u>        |                                      | <u>General Employees</u>              |                                      | <u>Total</u>                          |                                      |
|--|---------------------------------------|--------------------------------------|---------------------------------------|--------------------------------------|---------------------------------------|--------------------------------------|
|  | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
| Differences between expected and actual experience                               | \$ 3,381,816                          | \$ 491,922                           | \$ 1,335,316                          | \$ -                                 | \$ 4,717,132                          | \$ 491,922                           |
| Changes of assumptions   | 14,803,377                            | -                                    | -                                     | -                                    | 14,803,377                            | -                                    |
| Net difference between projected and actual earnings on pension plan investments | 2,371,585                             | -                                    | 5,083,485                             | -                                    | 7,455,070                             | -                                    |
| Employer contributions subsequent to the measurement date                        | -                                     | -                                    | 6,755,068                             | -                                    | 6,755,068                             | -                                    |
| <b>Total</b>   | <b>\$ 20,556,778</b>                  | <b>\$ 491,922</b>                    | <b>\$ 13,173,869</b>                  | <b>\$ -</b>                          | <b>\$ 33,730,647</b>                  | <b>\$ 491,922</b>                    |

The City reported \$6,755,068 reported as 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 year ended September 30, 2017. 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>Fiscal year ending September 30:</b> | <u>Police and Firefighters</u>        |                                      | <u>General Employees</u>              |                                      |
|---|---------------------------------------|--------------------------------------|---------------------------------------|--------------------------------------|
|   | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
| 2018                                    | \$ 11,615,116                         | \$ 245,962                           | \$ 2,202,177                          | \$ -                                 |
| 2019                                    | 11,010,289                            | 245,960                              | 2,202,178                             | -                                    |
| 2020                                    | (595,144)                             | -                                    | 2,370,393                             | -                                    |
| 2021                                    | (1,473,483)                           | -                                    | (355,947)                             | -                                    |
|   | <u>\$ 20,556,778</u>                  | <u>\$ 491,922</u>                    | <u>\$ 6,418,801</u>                   | <u>\$ -</u>                          |

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

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

**CITY OF POMPANO BEACH, FLORIDA**  
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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 2017 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 airpark 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 2017.

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, 2017 reflect management's loss estimate of \$12,492,000, which includes reported claims and claims incurred but not reported (IBNR).

Changes in the fund's estimated claims payable amount in fiscal years 2017 and 2016 were:

| Fiscal Year | Liability<br>October 1 | New Claims<br>and Changes<br>in Estimates | Claims<br>Payments | Liability<br>September 30 |
|-------------|------------------------|---|--------------------|---------------------------|
| 2017        | \$ 13,926,000          | \$ 1,528,290                              | \$ 2,962,290       | \$ 12,492,000             |
| 2016        | \$ 14,093,000          | \$ 3,088,177                              | \$ 3,255,177       | \$ 13,926,000             |

**(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,

**CITY OF POMPANO BEACH, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

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.

**(G) New Accounting Pronouncements**

***GASB 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68***, is effective for financial statements for periods beginning after June 15, 2015—except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for fiscal years beginning after June 15, 2016. The primary objective of this Statement is to improve the usefulness of information for decisions made by the various users of the general purpose external financial reports of governments whose employees—both active employees and inactive employees—are provided with pensions that are not within the scope of Statement 68, *Accounting and Financial Reporting for Pensions*, as amended. The City has implemented the requirements of this statement that are effective for financial statements for periods beginning after June 15, 2015. The implementation of this pronouncement had no impact on the City's financial statements for the fiscal year ended September 30, 2017.

***GASB 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans***, is effective for financial statements for periods beginning after June 15, 2016. The primary objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions included in the general purpose external financial reports of state and local governmental benefit plans for making decisions and assessing accountability. These benefits are referred to as other postemployment benefits (OPEB), and the plans through which the benefits are provided are referred to as OPEB plans. The implementation of this pronouncement had no impact on the City's financial statements for the fiscal year ended September 30, 2017.

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

**CITY OF POMPANO BEACH, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

**GASB 77, *Tax Abatement Disclosures***, is effective for financial statements for periods beginning after December 15, 2015. The objective of this Statement is to provide financial statement users with essential information about the nature and magnitude of the reduction in tax revenues through tax abatement programs in order to better assess (a) whether current-year revenues were sufficient to pay for current-year services, (b) compliance with finance-related legal or contractual requirements, (c) where a government's financial resources come from and how it uses them, and (d) financial position and economic condition and how they have changed over time. The implementation of this pronouncement had no impact on the City's financial statements for the fiscal year ended September 30, 2017.

**GASB 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans***, is effective for financial statements for periods beginning after December 15, 2015. The objective of this Statement is to amend the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). The implementation of this pronouncement had no impact on the City's financial statements for the fiscal year ended September 30, 2017.

**GASB 80, *Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14***, is effective for financial statements for periods beginning after June 15, 2016. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity*, as amended. The implementation of this pronouncement had no impact on the City's financial statements for the fiscal year ended September 30, 2017.

**GASB 81, *Irrevocable Split-Interest Agreements***, is effective for financial statements for periods beginning after December 15, 2016. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The City is aware of this requirement and will assess its impact to ensure timely implementation.

**GASB 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73***, is effective for financial statements for periods beginning after June 15, 2016—except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end, which are effective for fiscal years beginning after June 15, 2017. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope*

**CITY OF POMPANO BEACH, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. The implementation of this pronouncement had no impact on the City's financial statements for the fiscal year ended September 30, 2017.

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

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

**GASB 85, *Omnibus 2017***, is effective for financial statements for periods beginning after June 15, 2017. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The City is aware of this requirement and will assess its impact to ensure timely implementation.

**GASB 86, *Certain Debt Extinguishment Issues***, is effective for financial statements for periods beginning after June 15, 2017. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The 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 requirement and will assess its impact to ensure timely implementation.

**CITY OF POMPANO BEACH, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

**(H) Pompano Beach Community Redevelopment Agency**

Pursuant to Florida Statute 163.387, listed below is a summary of the sources and amounts of deposits to, and the purpose and amounts of withdrawals from, the Community Redevelopment Agency Funds (CRA) for the fiscal year ended September 30, 2017:

|                             | <b>NW CRA</b>       |                     |
|-----------------------------|---------------------|---------------------|
|                             | <b>Deposits</b>     | <b>Withdrawals</b>  |
| Sources of deposits:        |                     |                     |
| Tax increment revenues      | \$ 7,050,237        |                     |
| Investment income           | 36,498              |                     |
| Other revenue               | 204,794             |                     |
| Purpose of withdrawals:     |                     |                     |
| Debt service - principal    |                     | \$ 2,199,985        |
| Debt service - interest     |                     | 290,532             |
| Professional services       |                     | 321,371             |
| Other contractual           |                     | 1,253,819           |
| Reimbursement for services  |                     | 149,098             |
| Administrative and overhead |                     | 196,202             |
| Utilities                   |                     | 23,342              |
| Rentals and leases          |                     | 141,833             |
| Insurance premiums          |                     | 19,204              |
| Economic development        |                     | 1,457,840           |
| Advertising                 |                     | 13,256              |
| Supplies                    |                     | 16,715              |
| Miscellaneous               |                     | 11,990              |
| <b>Total</b>                | <b>\$ 7,291,529</b> | <b>\$ 6,095,187</b> |

|                             | <b>East CRA</b>     |                     |
|-----------------------------|---------------------|---------------------|
|                             | <b>Deposits</b>     | <b>Withdrawals</b>  |
| Sources of deposits:        |                     |                     |
| Tax increment revenues      | \$ 2,777,669        |                     |
| Investment income           | 42,068              |                     |
| Purpose of withdrawals:     |                     |                     |
| Debt service - principal    |                     | \$ 685,000          |
| Debt service - interest     |                     | 411,771             |
| Professional services       |                     | 228,188             |
| Other contractual           |                     | 516,241             |
| Reimbursement for services  |                     | 39,489              |
| Administrative and overhead |                     | 32,224              |
| Rentals and leases          |                     | 1,364               |
| Insurance premiums          |                     | 194                 |
| Economic development        |                     | 153,043             |
| Advertising                 |                     | 6,162               |
| Supplies                    |                     | 1,571               |
| Miscellaneous               |                     | 5,831               |
| <b>Total</b>                | <b>\$ 2,819,737</b> | <b>\$ 2,081,078</b> |

**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 FOUR FISCAL YEARS**

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

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.

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

|   | <u>2008</u>      | <u>2009</u>      | <u>2010</u>      | <u>2011</u>      | <u>2012</u>      | <u>2013</u>      | <u>2014</u>      | <u>2015</u>      | <u>2016</u>      | <u>2017</u>      |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Actuarially determined contribution                                     | \$ 6,541,199     | \$ 6,321,557     | \$ 6,828,542     | \$ 6,085,623     | \$ 5,527,605     | \$ 8,121,441     | \$ 9,722,948     | \$ 8,129,211     | \$ 8,154,934     | \$ 8,142,644     |
| Contributions in relation to the<br>actuarially determined contribution | <u>6,541,199</u> | <u>6,321,557</u> | <u>6,828,542</u> | <u>6,085,623</u> | <u>5,527,605</u> | <u>8,121,441</u> | <u>9,722,948</u> | <u>8,129,211</u> | <u>8,154,934</u> | <u>8,142,644</u> |
| Contribution deficiency (excess)  | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      |
| Covered-employee payroll  | \$ 18,938,141    | \$ 18,187,155    | \$ 16,804,153    | \$ 15,514,029    | \$ 14,432,987    | \$ 13,137,295    | \$ 12,948,557    | \$ 13,065,752    | \$ 13,061,612    | \$ 13,527,197    |
| Contributions as a percentage of<br>covered-employee payroll            | 34.54%           | 34.76%           | 40.64%           | 39.23%           | 38.30%           | 61.82%           | 75.09%           | 62.22%           | 62.43%           | 60.19%           |

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 30 years from the date established   |
| 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                     | 7.5% 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 THREE FISCAL YEARS

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

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.

**Note:** The Plan's actuary utilized a measurement date of September 30, 2015 in calculating the Net Pension Liability to be recorded by the City at September 30, 2016, as discussed in more detail at Note (III)(C)(2).

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

|   | <u>2008</u>      | <u>2009</u>      | <u>2010</u>      | <u>2011</u>      | <u>2012</u>      | <u>2013</u>      | <u>2014</u>      | <u>2015</u>      | <u>2016</u>      | <u>2017</u>      |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Actuarially determined contribution                                     | \$ 3,416,488     | \$ 3,706,870     | \$ 4,338,870     | \$ 5,351,521     | \$ 5,801,971     | \$ 6,332,731     | \$ 6,697,862     | \$ 6,669,132     | \$ 6,545,407     | \$ 6,755,068     |
| Contributions in relation to the<br>actuarially determined contribution | <u>3,416,488</u> | <u>3,706,870</u> | <u>4,338,870</u> | <u>5,351,521</u> | <u>5,801,971</u> | <u>6,332,731</u> | <u>6,697,862</u> | <u>6,669,132</u> | <u>6,545,407</u> | <u>6,755,068</u> |
| Contribution deficiency (excess)  | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>      |
| Covered-employee payroll  | \$ 27,611,132    | \$ 27,477,396    | \$ 26,596,532    | \$ 26,238,403    | \$ 25,833,472    | \$ 25,922,708    | \$ 26,048,410    | \$ 27,015,680    | \$ 27,957,210    | \$ 28,647,136    |
| Contributions as a percentage of<br>covered-employee payroll            | 12.37%           | 13.49%           | 16.31%           | 20.40%           | 22.46%           | 24.43%           | 25.71%           | 24.69%           | 23.41%           | 23.58%           |

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 | 8.00 percent, net of plan investment expense, including inflation |

**CITY OF POMPANO BEACH, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED**  
**OTHER POST EMPLOYMENT BENEFITS**  
**SCHEDULE OF FUNDING PROGRESS**

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An analysis of funding progress for the Unfunded Actuarial Accrued Liability (UAAL) for the most recent actuarial valuation date available for the City's post employment benefits (other than pension) is presented as follows:

| <b>Actuarial Valuation Date</b> | <b>Actuarial Value of Assets<br/>(1)</b> | <b>Actuarial Liability (AAL)-Entry Age<br/>(2)</b> | <b>Unfunded AAL (UAAL)<br/>(2)-(1)</b> | <b>Funded Ratio<br/>(1):(2)</b> | <b>Covered Payroll<br/>(3)</b> | <b>UAAL as a Percentage of Covered Payroll<br/>[(2)-(1):(3)]</b> |
|---------------------------------|--|--|--|---------------------------------|--------------------------------|--|
| October 1, 2017                 | \$ -                                     | \$ 11,371  | \$ 11,371                              | 0.0%                            | \$ 45,543                      | 25.0%  |
| July 1, 2015                    | \$ -                                     | \$ 6,692   | \$ 6,692                               | 0.0%                            | \$ 42,066                      | 15.9%  |
| July 1, 2013                    | \$ -                                     | \$ 5,628   | \$ 5,628                               | 0.0%                            | \$ 39,689                      | 14.2%  |
| July 1, 2011                    | \$ -                                     | \$ 9,281   | \$ 9,281                               | 0.0%                            | \$ 39,640                      | 23.4%  |

**CITY OF POMPANO BEACH, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE (UNAUDITED) - BUDGETARY BASIS**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

|  | <u>Budgeted Amounts</u> |                        | <u>Actual<br/>(Budgetary Basis)</u> | <u>Variance with Final<br/>Budget -<br/>Positive (Negative)</u> |
|--|-------------------------|------------------------|-------------------------------------|---|
|  | <u>Original</u>         | <u>Final</u>           |                                     |   |
| <b>REVENUES</b>  |                         |                        |                                     |   |
| Taxes  | \$ 68,922,289           | \$ 69,294,279          | \$ 69,789,816                       | \$ 495,537  |
| Judgments, fines and forfeitures                             | 992,500                 | 992,500                | 833,271                             | (159,229)   |
| Permits, fees and special assessments                        | 19,993,904              | 20,213,597             | 21,012,262                          | 798,665   |
| Intergovernmental  | 12,363,377              | 13,029,399             | 13,437,062                          | 407,663   |
| Charges for services   | 17,141,469              | 17,141,469             | 16,800,021                          | (341,448)   |
| Pari-mutuel  | 2,375,000               | 2,375,000              | 2,310,138                           | (64,862)  |
| Donations  | 9,000                   | 14,700                 | 6,200                               | (8,500)   |
| Investment earnings  | 649,230                 | 649,230                | 539,387                             | (109,843)   |
| Other revenue  | 724,000                 | 843,485                | 913,378                             | 69,893  |
| Total revenues   | <u>123,170,769</u>      | <u>124,553,659</u>     | <u>125,641,535</u>                  | <u>1,087,876</u>  |
| <b>EXPENDITURES</b>  |                         |                        |                                     |   |
| Current:   |                         |                        |                                     |   |
| General government   | 10,623,918              | 10,610,429             | 10,407,302                          | 203,127   |
| Finance  | 2,891,326               | 3,012,837              | 2,924,400                           | 88,437  |
| Development services   | 4,378,640               | 4,730,593              | 4,660,452                           | 70,141  |
| Police   | 42,858,829              | 43,523,119             | 43,486,881                          | 36,238  |
| Fire department  | 21,561,750              | 21,730,893             | 21,665,982                          | 64,911  |
| Public works   | 16,218,778              | 16,827,338             | 16,790,744                          | 36,594  |
| Non departmental   | 6,631,111               | 7,053,537              | 6,855,834                           | 197,703   |
| Culture and recreation                                       | 11,518,085              | 11,515,875             | 11,529,011                          | (13,136)  |
| Capital outlay   | 1,564,850               | 8,016,499              | 1,996,962                           | 6,019,537   |
| Debt Service:  |                         |                        |                                     |   |
| Principal  | 788,201                 | 762,915                | 762,915                             | -   |
| Interest & other charges                                     | 73,292                  | 73,291                 | 73,291                              | -   |
| Total expenditures   | <u>119,108,780</u>      | <u>127,857,326</u>     | <u>121,153,774</u>                  | <u>6,703,552</u>  |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>4,061,989</u>        | <u>(3,303,667)</u>     | <u>4,487,761</u>                    | <u>7,791,428</u>  |
| <b>OTHER FINANCING SOURCES<br/>(USES)</b>                    |                         |                        |                                     |   |
| Proceeds from sale of capital assets                         | 30,000                  | 30,000                 | 104,203                             | 74,203  |
| Proceeds from loan   | -                       | -                      | 107,395                             | 107,395   |
| Transfers in   | 2,765,769               | 3,108,509              | 3,327,037                           | 218,528   |
| Transfers out  | (6,965,595)             | (25,013,739)           | (25,013,739)                        | -   |
| Total other financing sources<br>(uses)                      | <u>(4,169,826)</u>      | <u>(21,875,230)</u>    | <u>(21,475,104)</u>                 | <u>400,126</u>  |
| Net change in fund balances                                  | <u>\$ (107,837)</u>     | <u>\$ (25,178,897)</u> | <u>(16,987,343)</u>                 | <u>\$ 8,191,554</u>   |
| <b>FUND BALANCE - BEGINNING</b>                              |                         |                        | <u>55,109,893</u>                   |   |
| <b>FUND BALANCE - ENDING</b>                                 |                         |                        | <u>\$ 38,122,550</u>                |   |

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

**CITY OF POMPANO BEACH, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE (UNAUDITED) - BUDGETARY BASIS**  
**NORTHWEST COMMUNITY REDEVELOPMENT DISTRICT FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

|  | <u>Budgeted Amounts</u> |                       | <u>Actual<br/>(Budgetary Basis)</u> | <u>Variance with Final<br/>Budget -<br/>Positive (Negative)</u> |
|--|-------------------------|-----------------------|-------------------------------------|---|
|  | <u>Original</u>         | <u>Final</u>          |                                     |   |
| <b>REVENUES</b>  |                         |                       |                                     |   |
| Taxes  | \$ 7,118,674            | \$ 7,118,674          | \$ 7,050,237                        | \$ (68,437)   |
| Charges for services   | 170,215                 | 170,215               | 163,658                             | (6,557)   |
| Investment earnings  | 16,000                  | 16,000                | 36,498                              | 20,498  |
| Other revenue  | 43,000                  | 43,000                | 37,636                              | (5,364)   |
| Total revenues   | <u>7,347,889</u>        | <u>7,347,889</u>      | <u>7,288,029</u>                    | <u>(59,860)</u>   |
| <b>EXPENDITURES</b>  |                         |                       |                                     |   |
| Current:   |                         |                       |                                     |   |
| Economic environment   | 4,440,830               | 4,814,221             | 3,481,091                           | 1,333,130   |
| Capital outlay   | 2,480,000               | 3,106,437             | 466,449                             | 2,639,988   |
| Debt service:  |                         |                       |                                     |   |
| Principal  | 2,162,163               | 2,199,985             | 2,199,985                           | -   |
| Interest & other charges                                     | 635,723                 | 675,532               | 290,532                             | 385,000   |
| Total expenditures   | <u>9,718,716</u>        | <u>10,796,175</u>     | <u>6,438,057</u>                    | <u>4,358,118</u>  |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(2,370,827)</u>      | <u>(3,448,286)</u>    | <u>849,972</u>                      | <u>4,298,258</u>  |
| <b>OTHER FINANCING SOURCES<br/>(USES)</b>                    |                         |                       |                                     |   |
| Proceeds from sale of capital assets                         | -                       | -                     | 3,500                               | 3,500   |
| Total other financing sources (uses)                         | -                       | -                     | 3,500                               | 3,500   |
| Net change in fund balances                                  | <u>\$ (2,370,827)</u>   | <u>\$ (3,448,286)</u> | <u>853,472</u>                      | <u>\$ 4,301,758</u>   |
| <b>FUND BALANCE - BEGINNING</b>                              |                         |                       | <u>37,094,445</u>                   |   |
| <b>FUND BALANCE - ENDING</b>                                 |                         |                       | <u>\$ 37,947,917</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, 2017**

|  | <u>Budgeted Amounts</u> |                       | <u>Actual<br/>(Budgetary Basis)</u> | <u>Variance with Final<br/>Budget -<br/>Positive (Negative)</u> |
|--|-------------------------|-----------------------|-------------------------------------|---|
|  | <u>Original</u>         | <u>Final</u>          |                                     |   |
| <b>REVENUES</b>  |                         |                       |                                     |   |
| Taxes  | \$ 2,803,455            | \$ 2,803,455          | \$ 2,777,669                        | \$ (25,786)   |
| Investment earnings  | 18,000                  | 18,000                | 42,068                              | 24,068  |
| Total Revenues   | <u>2,821,455</u>        | <u>2,821,455</u>      | <u>2,819,737</u>                    | <u>(1,718)</u>  |
| <b>EXPENDITURES</b>  |                         |                       |                                     |   |
| Current:   |                         |                       |                                     |   |
| Economic environment   | 1,278,703               | 1,421,853             | 980,999                             | 440,854   |
| Debt service:  |                         |                       |                                     |   |
| Principal  | 685,000                 | 685,000               | 685,000                             | -   |
| Interest & other charges                                     | 411,771                 | 411,771               | 411,771                             | -   |
| Capital outlay   | <u>6,235,000</u>        | <u>9,324,452</u>      | <u>1,131,438</u>                    | <u>8,193,014</u>  |
| Total expenditures   | <u>8,610,474</u>        | <u>11,843,076</u>     | <u>3,209,208</u>                    | <u>8,633,868</u>  |
| Excess (deficiency) of revenues over<br>(under) expenditures | <u>(5,789,019)</u>      | <u>(9,021,621)</u>    | <u>(389,471)</u>                    | <u>8,632,150</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                         |                       |                                     |   |
| Net Change in Fund Balances                                  | <u>\$ (5,789,019)</u>   | <u>\$ (9,021,621)</u> | <u>(389,471)</u>                    | <u>\$ 8,632,150</u>   |
| <b>FUND BALANCE - BEGINNING</b>                              |                         |                       | <u>10,286,277</u>                   |   |
| <b>FUND BALANCE - ENDING</b>                                 |                         |                       | <u>\$ 9,896,806</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, 2017**

|  | <u>Budgeted Amounts</u> |                     | <u>Actual<br/>(Budgetary Basis)</u> | <u>Variance with Final<br/>Budget -<br/>Positive (Negative)</u> |
|--|-------------------------|---------------------|-------------------------------------|---|
|  | <u>Original</u>         | <u>Final</u>        |                                     |   |
| <b>REVENUES</b>  |                         |                     |                                     |   |
| Taxes  | \$ 5,377,899            | \$ 5,377,899        | \$ 5,353,334                        | \$ (24,565)   |
| Intergovernmental  | 96,309                  | 278,771             | 236,610                             | (42,161)  |
| Charges for services   | 3,600,000               | 3,600,000           | 3,610,666                           | 10,666  |
| Donations  | -                       | -                   | 424                                 | 424   |
| Investment earnings  | 41,800                  | 41,800              | 37,140                              | (4,660)   |
| Total revenues   | <u>9,116,008</u>        | <u>9,298,470</u>    | <u>9,238,174</u>                    | <u>(60,296)</u>   |
| <b>EXPENDITURES</b>  |                         |                     |                                     |   |
| Current:   |                         |                     |                                     |   |
| Public safety  | 14,496,225              | 15,805,299          | 15,759,251                          | 46,048  |
| Capital outlay   | 415,378                 | 664,141             | 640,595                             | 23,546  |
| Total expenditures   | <u>14,911,603</u>       | <u>16,469,440</u>   | <u>16,399,846</u>                   | <u>69,594</u>   |
| Excess (deficiency) of revenues over<br>(under) expenditures | <u>(5,795,595)</u>      | <u>(7,170,970)</u>  | <u>(7,161,672)</u>                  | <u>9,298</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                         |                     |                                     |   |
| Transfers in   | 5,615,595               | 6,497,084           | 6,497,084                           | -   |
| Total other financing sources (uses)                         | <u>5,615,595</u>        | <u>6,497,084</u>    | <u>6,497,084</u>                    | <u>-</u>  |
| Net change in fund balances                                  | <u>\$ (180,000)</u>     | <u>\$ (673,886)</u> | <u>(664,588)</u>                    | <u>\$ 9,298</u>   |
| <b>FUND BALANCE - BEGINNING</b>                              |                         |                     | <u>1,541,539</u>                    |   |
| <b>FUND BALANCE - ENDING</b>                                 |                         |                     | <u>\$ 876,951</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, 2017**

**Budgetary Information**

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

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

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

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

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

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

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

**CITY OF POMPANO BEACH, FLORIDA**

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

**SEPTEMBER 30, 2017**

Adjustments necessary to convert the general fund and the major special revenue fund results of operations and change in fund balances at September 30, 2017 from the accounting principles generally accepted in the United States of America basis of accounting to the budget basis are as follows:

|  | <u>Revenues/<br/>Other Financing<br/>Sources</u> | <u>Expenditures/<br/>Other Financing<br/>Uses</u> | <u>Change in Fund<br/>Balances</u> |
|--|--|---|------------------------------------|
| <b><u>General Fund</u></b>                                   |  |   |                                    |
| GAAP Basis   | \$ 129,065,170                                   | \$ 144,815,331                                    | \$ (15,750,161)                    |
| Encumbrances   | -  | 1,237,182   | (1,237,182)                        |
| Budgetary Basis  | <u>\$ 129,065,170</u>                            | <u>\$ 146,052,513</u>                             | <u>\$ (16,987,343)</u>             |
| <br>   |  |   |                                    |
| <b><u>Northwest Community<br/>Redevelopment District</u></b> |  |   |                                    |
| GAAP Basis   | \$ 7,291,529                                     | \$ 6,095,187                                      | \$ 1,196,342                       |
| Encumbrances   | -  | 342,870   | (342,870)                          |
| Budgetary Basis  | <u>\$ 7,291,529</u>                              | <u>\$ 6,438,057</u>                               | <u>\$ 853,472</u>                  |
| <br>   |  |   |                                    |
| <b><u>East Community<br/>Redevelopment District</u></b>      |  |   |                                    |
| GAAP Basis   | \$ 2,819,737                                     | \$ 2,081,078                                      | \$ 738,659                         |
| Encumbrances   | -  | 1,128,130   | (1,128,130)                        |
| Budgetary Basis  | <u>\$ 2,819,737</u>                              | <u>\$ 3,209,208</u>                               | <u>\$ (389,471)</u>                |
| <br>   |  |   |                                    |
| <b><u>EMS</u></b>  |  |   |                                    |
| GAAP Basis   | \$ 15,735,258                                    | \$ 15,851,004                                     | \$ (115,746)                       |
| Encumbrances   | -  | 548,842   | (548,842)                          |
| Budgetary Basis  | <u>\$ 15,735,258</u>                             | <u>\$ 16,399,846</u>                              | <u>\$ (664,588)</u>                |

**Excess of Expenditures Over Appropriations**

For the year ended September 30, 2017, expenditures did not exceed appropriations in any governmental fund departments (the legal level of budgetary control).

## **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.

**CITY OF POMPANO BEACH, FLORIDA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2017**

**Special Revenue Funds**

|   | <b>Building Permit</b> | <b>Special Purpose</b> | <b>LETF</b>         | <b>SHIP</b>       |
|---|------------------------|------------------------|---------------------|-------------------|
| <b>ASSETS</b>   |                        |                        |                     |                   |
| Cash and cash equivalents   | \$ 1,262,419           | \$ 107,543             | \$ 119,320          | \$ 487,593        |
| Restricted investments  | -                      | 74,893                 | -                   | -                 |
| Unrestricted investments  | 9,302,108              | 717,540                | 879,204             | -                 |
| Interest receivable   | 36,655                 | -                      | 2,656               | -                 |
| Accounts receivables, net   | -                      | -                      | -                   | 241               |
| Assets held for resale and redevelopment                            | -                      | -                      | -                   | -                 |
| Due from other governments  | -                      | 66,526                 | 39,590              | -                 |
| Prepays   | 712                    | -                      | -                   | -                 |
| Other assets  | -                      | -                      | -                   | -                 |
| Total assets  | <u>\$ 10,601,894</u>   | <u>\$ 966,502</u>      | <u>\$ 1,040,770</u> | <u>\$ 487,834</u> |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b> |                        |                        |                     |                   |
| Liabilities:  |                        |                        |                     |                   |
| Accounts payable  | 12,775                 | 36,469                 | 7,237               | 48,154            |
| Accrued expenditures  | 174,218                | -                      | -                   | 3,351             |
| Due to other funds  | -                      | -                      | -                   | -                 |
| Unearned revenue  | -                      | -                      | 1,033,533           | 436,329           |
| Deposits  | -                      | -                      | -                   | -                 |
| Total liabilities   | <u>186,993</u>         | <u>36,469</u>          | <u>1,040,770</u>    | <u>487,834</u>    |
| Deferred inflows of resources:                                      |                        |                        |                     |                   |
| Unavailable revenue   | -                      | -                      | -                   | -                 |
| Fund balances:  |                        |                        |                     |                   |
| Nonspendable  | 712                    | -                      | -                   | -                 |
| Restricted  | 10,414,189             | 74,892                 | -                   | -                 |
| Committed   | -                      | 855,141                | -                   | -                 |
| Total fund balances   | <u>10,414,901</u>      | <u>930,033</u>         | <u>-</u>            | <u>-</u>          |
| Total liabilities, deferred inflows of resources and fund balances  | <u>\$ 10,601,894</u>   | <u>\$ 966,502</u>      | <u>\$ 1,040,770</u> | <u>\$ 487,834</u> |

**Special Revenue Funds**

| <u>Other Grants</u> | <u>Affordable Housing</u> | <u>Cultural Arts Foundation</u> | <u>Cemetery</u>     | <u>Total Non-major Governmental Funds</u> |
|---------------------|---------------------------|---------------------------------|---------------------|---|
| \$ 2,110,189        | \$ 592,264                | \$ 530                          | \$ 166,282          | \$ 4,846,140                              |
| -                   | -                         | -                               | -                   | 74,893                                    |
| -                   | -                         | -                               | 1,225,246           | 12,124,098                                |
| -                   | -                         | -                               | -                   | 39,311                                    |
| -                   | -                         | -                               | -                   | 241                                       |
| 173,952             | 103,625                   | -                               | -                   | 277,577                                   |
| 497,424             | -                         | -                               | -                   | 603,540                                   |
| -                   | -                         | -                               | -                   | 712                                       |
| 8,474               | -                         | -                               | -                   | 8,474                                     |
| <u>\$ 2,790,039</u> | <u>\$ 695,889</u>         | <u>\$ 530</u>                   | <u>\$ 1,391,528</u> | <u>\$ 17,974,986</u>                      |
| 1,502,806           | 192                       | -                               | -                   | 1,607,633                                 |
| 15,273              | 363                       | -                               | -                   | 193,205                                   |
| 353,747             | -                         | -                               | -                   | 353,747                                   |
| -                   | -                         | -                               | -                   | 1,469,862                                 |
| 434                 | -                         | -                               | -                   | 434                                       |
| <u>1,872,260</u>    | <u>555</u>                | <u>-</u>                        | <u>-</u>            | <u>3,624,881</u>                          |
| 106,647             | -                         | -                               | -                   | 106,647                                   |
| -                   | -                         | -                               | -                   | 712                                       |
| 811,132             | -                         | 530                             | -                   | 11,300,743                                |
| -                   | 695,334                   | -                               | 1,391,528           | 2,942,003                                 |
| <u>811,132</u>      | <u>695,334</u>            | <u>530</u>                      | <u>1,391,528</u>    | <u>14,243,458</u>                         |
| <u>\$ 2,790,039</u> | <u>\$ 695,889</u>         | <u>\$ 530</u>                   | <u>\$ 1,391,528</u> | <u>\$ 17,974,986</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, 2017**

|  | <b>Special Revenue Funds</b> |                            |               |                |
|--|------------------------------|----------------------------|---------------|----------------|
|  | <b>Building<br/>Permit</b>   | <b>Special<br/>Purpose</b> | <b>LETF</b>   | <b>SHIP</b>    |
| <b>REVENUES</b>  |                              |                            |               |                |
| Taxes  | \$ -                         | \$ 145,754                 | \$ -          | \$ -           |
| Permits, fees and special assessments                        | 7,295,870                    | -                          | -             | -              |
| Intergovernmental  | -                            | 173,558                    | 15,590        | 613,427        |
| Charges for services   | -                            | 358,131                    | -             | -              |
| Donations  | -                            | 300                        | -             | -              |
| Program income   | -                            | -                          | -             | 47,640         |
| Investment earnings  | 74,048                       | (1,480)                    | 5,861         | 750            |
| Cemetary lot sales   | -                            | -                          | -             | -              |
| Total revenues   | <u>7,369,918</u>             | <u>676,263</u>             | <u>21,451</u> | <u>661,817</u> |
| <b>EXPENDITURES</b>  |                              |                            |               |                |
| <b>Current:</b>  |                              |                            |               |                |
| General government   | -                            | -                          | -             | -              |
| Public safety  | 7,316,637                    | -                          | 21,451        | -              |
| Transportation   | -                            | 336,306                    | -             | -              |
| Economic environment   | -                            | -                          | -             | 661,817        |
| Culture and recreation                                       | -                            | 117,275                    | -             | -              |
| <b>Debt Service:</b>   |                              |                            |               |                |
| Principal  | -                            | -                          | -             | -              |
| Interest   | -                            | -                          | -             | -              |
| Capital outlay   | 196,637                      | -                          | -             | -              |
| Total expenditures   | <u>7,513,274</u>             | <u>453,581</u>             | <u>21,451</u> | <u>661,817</u> |
| Excess (deficiency) of revenues over<br>(under) expenditures | <u>(143,356)</u>             | <u>222,682</u>             | <u>-</u>      | <u>-</u>       |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                              |                            |               |                |
| Proceeds from sale of capital assets                         | 21,456                       | -                          | -             | -              |
| Transfers out  | -                            | (292,600)                  | -             | -              |
| Transfers in   | -                            | -                          | -             | -              |
| Total other financing sources (uses)                         | <u>21,456</u>                | <u>(292,600)</u>           | <u>-</u>      | <u>-</u>       |
| Net change in fund balances (deficit)                        | (121,900)                    | (69,918)                   | -             | -              |
| Fund balances - beginning                                    | 10,536,801                   | 999,951                    | -             | -              |
| Fund balances - ending                                       | <u>\$ 10,414,901</u>         | <u>\$ 930,033</u>          | <u>\$ -</u>   | <u>\$ -</u>    |

**Special Revenue Funds**

| <u>Other Grants</u> | <u>Affordable Housing</u> | <u>Cultural Arts Foundation</u> | <u>Cemetery</u>     | <u>Total Non-major Governmental Funds</u> |
|---------------------|---------------------------|---------------------------------|---------------------|---|
| \$ -                | \$ -                      | \$ -                            | \$ -                | \$ 145,754                                |
| -                   | -                         | -                               | -                   | 7,295,870                                 |
| 1,758,588           | -                         | -                               | -                   | 2,561,163                                 |
| -                   | -                         | -                               | 79,157              | 437,288                                   |
| -                   | 491,093                   | -                               | -                   | 491,393                                   |
| 324,089             | -                         | -                               | -                   | 371,729                                   |
| 7,593               | 471                       | 2                               | -                   | 87,245                                    |
| -                   | -                         | -                               | 135,968             | 135,968                                   |
| <u>2,090,270</u>    | <u>491,564</u>            | <u>2</u>                        | <u>215,125</u>      | <u>11,526,410</u>                         |
| -                   | -                         | 5,010                           | -                   | 5,010                                     |
| 14,238              | -                         | -                               | -                   | 7,352,326                                 |
| -                   | -                         | -                               | -                   | 336,306                                   |
| 3,501,521           | 462,458                   | -                               | -                   | 4,625,796                                 |
| -                   | -                         | -                               | -                   | 117,275                                   |
| 157,000             | -                         | -                               | -                   | 157,000                                   |
| 4,774               | -                         | -                               | -                   | 4,774                                     |
| 173,303             | -                         | -                               | -                   | 369,940                                   |
| <u>3,850,836</u>    | <u>462,458</u>            | <u>5,010</u>                    | <u>-</u>            | <u>12,968,427</u>                         |
| <u>(1,760,566)</u>  | <u>29,106</u>             | <u>(5,008)</u>                  | <u>215,125</u>      | <u>(1,442,017)</u>                        |
| -                   | -                         | -                               | -                   | 21,456                                    |
| -                   | -                         | -                               | -                   | (292,600)                                 |
| <u>1,346,783</u>    | <u>-</u>                  | <u>-</u>                        | <u>-</u>            | <u>1,346,783</u>                          |
| <u>1,346,783</u>    | <u>-</u>                  | <u>-</u>                        | <u>-</u>            | <u>1,075,639</u>                          |
| (413,783)           | 29,106                    | (5,008)                         | 215,125             | (366,378)                                 |
| <u>1,224,915</u>    | <u>666,228</u>            | <u>5,538</u>                    | <u>1,176,403</u>    | <u>14,609,836</u>                         |
| <u>\$ 811,132</u>   | <u>\$ 695,334</u>         | <u>\$ 530</u>                   | <u>\$ 1,391,528</u> | <u>\$ 14,243,458</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, 2017**

|   | <u>Budgeted Amounts</u> |                  | <u>Actual<br/>(Budgetary<br/>Basis)</u> | <u>Variance with Final<br/>Budget -<br/>Positive (Negative)</u> |
|---|-------------------------|------------------|---|---|
|   | <u>Original</u>         | <u>Final</u>     |   |   |
| <b>REVENUES</b>   |                         |                  |   |   |
| Permits, fees and special assessments                     | \$ 7,522,838            | \$ 7,522,838     | \$ 7,295,870                            | \$ (226,968)  |
| Investment earnings                                       | 120,000                 | 120,000          | 74,048                                  | (45,952)  |
| Total Revenues  | <u>7,642,838</u>        | <u>7,642,838</u> | <u>7,369,918</u>                        | <u>(272,920)</u>  |
| <b>EXPENDITURES</b>                                       |                         |                  |   |   |
| Current:  |                         |                  |   |   |
| Development services                                      | 7,433,707               | 7,501,184        | 7,348,579                               | 152,605   |
| Capital outlay  | 209,131                 | 234,706          | 196,637                                 | 38,069  |
| Total expenditures  | <u>7,642,838</u>        | <u>7,735,890</u> | <u>7,545,216</u>                        | <u>190,674</u>  |
| Excess (deficiency) of revenues over (under) expenditures | \$ -                    | \$ (93,052)      | (175,298)                               | \$ (463,594)  |
| <b>OTHER FINANCING SOURCES (USES)</b>                     |                         |                  |   |   |
| Proceeds from sale of capital assets                      | -                       | -                | 21,456                                  | 21,456  |
| Total other financing sources (uses)                      | -                       | -                | 21,456                                  | 21,456  |
| Net change in fund balances                               | \$ -                    | \$ (93,052)      | (148,272)                               | \$ (442,138)  |
| <b>FUND BALANCE - BEGINNING</b>                           |                         |                  | 10,536,801                              |   |
| <b>FUND BALANCE - ENDING</b>                              |                         |                  | <u>\$ 10,388,529</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, 2017

|  | <u>Budgeted Amounts</u> |              | <u>Actual</u> | <u>Variance with Final<br/>Budget -<br/>Positive (Negative)</u> |
|--|-------------------------|--------------|---------------|---|
|  | <u>Original</u>         | <u>Final</u> |               |   |
| <b>REVENUES</b>  |                         |              |               |   |
| Intergovernmental  | \$ -                    | \$ 1,511,495 | \$ 613,427    | \$ (898,068)  |
| Program income   | -                       | 47,982       | 48,390        | 408   |
| Total revenues   | -                       | 1,559,477    | 661,817       | (897,660)   |
| <b>EXPENDITURES</b>  |                         |              |               |   |
| Current:   |                         |              |               |   |
| Economic environment   | -                       | 1,559,632    | 661,817       | 897,815   |
| Total expenditures   | -                       | 1,559,632    | 661,817       | 897,815   |
| Excess (deficiency) of revenues<br>over (under) expenditures | \$ -                    | \$ (155)     | -             | \$ 155  |
| <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, 2017**

|   | <u>Budgeted Amounts</u> |                     | <u>Actual<br/>(Budgetary<br/>Basis)</u> | <u>Variance with Final<br/>Budget -<br/>Positive (Negative)</u> |
|---|-------------------------|---------------------|---|---|
|   | <u>Original</u>         | <u>Final</u>        |   |   |
| <b>REVENUES</b>                                 |                         |                     |   |   |
| Intergovernmental                               | \$ -                    | \$ 6,724,677        | \$ 1,758,588                            | \$ (4,966,089)  |
| Program Income                                  | 1,240,315               | 1,752,372           | 324,089                                 | (1,428,283)   |
| Investment earnings                             | -                       | 8,540               | 7,593                                   | (947)   |
| Total Revenues                                  | <u>1,240,315</u>        | <u>8,485,589</u>    | <u>2,090,270</u>                        | <u>(6,395,319)</u>  |
| <b>EXPENDITURES</b>                             |                         |                     |   |   |
| <b>Current:</b>                                 |                         |                     |   |   |
| Economic environment                            | 1,240,315               | 3,828,436           | 3,746,590                               | 81,846  |
| <b>Debt service</b>                             |                         |                     |   |   |
| Principal                                       | -                       | 189,000             | 157,000                                 | 32,000  |
| Interest & other charges                        | -                       | 10,000              | 4,774                                   | 5,226   |
| Capital outlay                                  | -                       | 2,930,713           | 393,838                                 | 2,536,875   |
| Total expenditures                              | <u>1,240,315</u>        | <u>6,958,149</u>    | <u>4,302,202</u>                        | <u>2,655,947</u>  |
| Excess of revenues over<br>(under) expenditures | <u>\$ -</u>             | <u>1,527,440</u>    | <u>(2,211,932)</u>                      | <u>\$ (3,739,372)</u>   |
| <b>OTHER FINANCING SOURCES<br/>(USES)</b>       |                         |                     |   |   |
| Transfers in                                    |                         | 1,346,783           | 1,346,783                               |   |
| Total other financing sources<br>(uses)         |                         | <u>1,346,783</u>    | <u>1,346,783</u>                        |   |
| Net change in fund balances                     | <u>\$</u>               | <u>\$ 2,874,223</u> | <u>(865,149)</u>                        | <u>\$ (3,739,372)</u>   |
| <b>FUND BALANCE - BEGINNING</b>                 |                         |                     | <u>1,224,915</u>                        |   |
| <b>FUND BALANCE - ENDING</b>                    |                         |                     | <u>\$ 359,766</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  
 CEMETARY FUND - NONMAJOR  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

|  | <u>Budgeted Amounts</u> |              | <u>Actual</u> | <u>Variance with Final Budget - Positive (Negative)</u> |
|--|-------------------------|--------------|---------------|---|
|  | <u>Original</u>         | <u>Final</u> |               |   |
| <b>REVENUES</b>                              |                         |              |               |   |
| Charges for services                         | \$ -                    | \$ -         | \$ 79,157     | \$ 79,157   |
| Cemetary lots                                | -                       | -            | 135,968       | 135,968   |
| Total revenues                               | -                       | -            | 215,125       | 215,125   |
| <b>EXPENDITURES</b>                          |                         |              |               |   |
| Current:                                     |                         |              |               |   |
| General government                           | -                       | -            | -             | -   |
| Total expenditures                           | -                       | -            | -             | -   |
| Excess of revenues over (under) expenditures | \$ -                    | \$ -         | 215,125       | \$ 215,125  |
| <b>FUND BALANCE - BEGINNING</b>              |                         |              | 1,176,403     |   |
| <b>FUND BALANCE - ENDING</b>                 |                         |              | \$ 1,391,528  |   |

## **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.

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

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

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

**CITY OF POMPANO BEACH, FLORIDA**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**SEPTEMBER 30, 2017**

|  | <u>Pier</u>          | <u>Airpark</u>       | <u>Golf</u> |
|--|----------------------|----------------------|-------------|
| <b>ASSETS</b>  |                      |                      |             |
| Current Assets   |                      |                      |             |
| Cash and cash equivalents                                | \$ 1,258,547         | \$ 44,996            | \$ -        |
| Restricted cash and cash equivalents                     | -                    | 123,598              | -           |
| Interest receivable                                      | 17,287               | 3,515                | -           |
| Accounts receivables, net                                | -                    | -                    | -           |
| Due from other governments                               | -                    | 109,484              | -           |
| Inventories  | -                    | -                    | -           |
| Total current assets                                     | <u>1,275,834</u>     | <u>281,593</u>       | <u>-</u>    |
| Noncurrent Assets  |                      |                      |             |
| Unrestricted investments                                 | 9,273,571            | 331,555              | -           |
| Restricted investments                                   | -                    | 910,727              | -           |
| Capital assets:  |                      |                      |             |
| Land   | 60,058               | 934                  | -           |
| Construction in progress                                 | 3,637,505            | 421,141              | -           |
| Buildings  | -                    | 1,656,670            | -           |
| Infrastructure   | 2,433,574            | 4,222,359            | -           |
| Improvements   | -                    | 16,745,470           | -           |
| Machinery and equipment                                  | 15,080               | 563,836              | -           |
| Less accumulated depreciation                            | <u>(1,626,595)</u>   | <u>(10,491,528)</u>  | <u>-</u>    |
| Total capital assets (net of accumulated depreciation)   | <u>4,519,622</u>     | <u>13,118,882</u>    | <u>-</u>    |
| Total noncurrent assets                                  | <u>13,793,193</u>    | <u>14,361,164</u>    | <u>-</u>    |
| Total assets   | <u>15,069,027</u>    | <u>14,642,757</u>    | <u>-</u>    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                    |                      |                      |             |
| Deferred outflows related to pensions                    | <u>8,975</u>         | <u>113,495</u>       | <u>-</u>    |
| <b>LIABILITIES</b>                                       |                      |                      |             |
| Current liabilities, unrestricted:                       |                      |                      |             |
| Accounts payable   | 610,840              | 4,029                | -           |
| Accrued expenses   | -                    | 17,076               | -           |
| Compensated absences                                     | -                    | 382                  | -           |
| Total current liabilities, unrestricted                  | <u>610,840</u>       | <u>21,487</u>        | <u>-</u>    |
| Current liabilities payable from restricted assets:      |                      |                      |             |
| Accounts payable   | -                    | 72,078               | -           |
| Total current liabilities payable from restricted assets | <u>-</u>             | <u>72,078</u>        | <u>-</u>    |
| Noncurrent liabilities:                                  |                      |                      |             |
| Compensated absences                                     | -                    | 54,043               | -           |
| Net OPEB obligation                                      | -                    | 105,582              | -           |
| Net pension liability                                    | -                    | 489,945              | -           |
| Total noncurrent liabilities                             | <u>-</u>             | <u>649,570</u>       | <u>-</u>    |
| Total liabilities  | <u>610,840</u>       | <u>743,135</u>       | <u>-</u>    |
| <b>NET POSITION</b>                                      |                      |                      |             |
| Net investment in capital assets                         | 4,519,622            | 13,118,882           | -           |
| Restricted for:  |                      |                      |             |
| Capital Projects   | -                    | 1,034,325            | -           |
| Unrestricted   | <u>9,947,540</u>     | <u>(140,090)</u>     | <u>-</u>    |
| Total net position                                       | <u>\$ 14,467,162</u> | <u>\$ 14,013,117</u> | <u>\$ -</u> |

| <u>Sanitation</u>   | <u>Stormwater</u>    | <u>Total</u>         |
|---------------------|----------------------|----------------------|
| \$ 51,771           | \$ 1,100,997         | \$ 2,456,311         |
| -                   | -                    | 123,598              |
| -                   | 26,735               | 47,537               |
| 1,793,659           | 260,495              | 2,054,154            |
| 87,423              | 26,071               | 222,978              |
| -                   | 8,613                | 8,613                |
| <u>1,932,853</u>    | <u>1,422,911</u>     | <u>4,913,191</u>     |
| 381,474             | 8,112,667            | 18,099,267           |
| -                   | -                    | 910,727              |
| -                   | -                    | 60,992               |
| -                   | 1,565,608            | 5,624,254            |
| -                   | -                    | 1,656,670            |
| -                   | 8,568,296            | 15,224,229           |
| -                   | 9,799,525            | 26,544,995           |
| 458,483             | 1,896,317            | 2,933,716            |
| <u>(247,948)</u>    | <u>(9,116,514)</u>   | <u>(21,482,585)</u>  |
| 210,535             | 12,713,232           | 30,562,271           |
| <u>592,009</u>      | <u>20,825,899</u>    | <u>49,572,265</u>    |
| <u>2,524,862</u>    | <u>22,248,810</u>    | <u>54,485,456</u>    |
| 103,821             | 136,107              | 362,398              |
| 842,365             | 49,553               | 1,506,787            |
| 48,513              | 19,268               | 84,857               |
| -                   | 915                  | 1,297                |
| <u>890,878</u>      | <u>69,736</u>        | <u>1,592,941</u>     |
| -                   | -                    | 72,078               |
| -                   | -                    | 72,078               |
| 67,567              | 32,231               | 153,841              |
| 26,282              | 93,553               | 225,417              |
| <u>307,360</u>      | <u>554,121</u>       | <u>1,351,426</u>     |
| <u>401,209</u>      | <u>679,905</u>       | <u>1,730,684</u>     |
| <u>1,292,087</u>    | <u>749,641</u>       | <u>3,395,703</u>     |
| 210,535             | 12,713,232           | 30,562,271           |
| -                   | -                    | 1,034,325            |
| <u>1,126,061</u>    | <u>8,922,044</u>     | <u>19,855,555</u>    |
| <u>\$ 1,336,596</u> | <u>\$ 21,635,276</u> | <u>\$ 51,452,151</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, 2017**

|   | <u>Pier</u>          | <u>Airpark</u>       | <u>Golf</u>        |
|---|----------------------|----------------------|--------------------|
| <b>OPERATING REVENUES</b>                         |                      |                      |                    |
| Charges for services                              | \$ -                 | \$ 1,116,171         | \$ -               |
| Miscellaneous                                     | -                    | -                    | -                  |
| Total operating revenues                          | <u>-</u>             | <u>1,116,171</u>     | <u>-</u>           |
| <b>OPERATING EXPENSES</b>                         |                      |                      |                    |
| Personnel services                                | (64,557)             | 441,864              | -                  |
| Other current expenses                            | 119,351              | 654,920              | -                  |
| Depreciation                                      | 56,379               | 1,130,935            | -                  |
| Total operating expenses                          | <u>111,173</u>       | <u>2,227,719</u>     | <u>-</u>           |
| Operating income (loss)                           | <u>(111,173)</u>     | <u>(1,111,548)</u>   | <u>-</u>           |
| <b>NONOPERATING REVENUES</b>                      |                      |                      |                    |
| <b>(EXPENSES)</b>                                 |                      |                      |                    |
| Investment earnings                               | 44,403               | 9,152                | -                  |
| Miscellaneous revenue                             | -                    | 100                  | -                  |
| Operating grants and contributions                | -                    | 68,235               | -                  |
| Gain or (loss) from disposition of capital assets | -                    | 7,968                | -                  |
| Total nonoperating revenues                       | <u>-</u>             | <u>7,968</u>         | <u>-</u>           |
| (expenses)  | <u>44,403</u>        | <u>85,455</u>        | <u>-</u>           |
| Income (loss) before contributions and transfers  | (66,770)             | (1,026,093)          | -                  |
| Capital grants and contributions                  | -                    | 66,969               | -                  |
| Transfers in                                      | 11,710,603           | 833,315              | -                  |
| Transfers out                                     | -                    | -                    | (6,619,083)        |
| Change in net position                            | <u>11,643,833</u>    | <u>(125,809)</u>     | <u>(6,619,083)</u> |
| Total net position - beginning                    | <u>2,823,329</u>     | <u>14,138,926</u>    | <u>6,619,083</u>   |
| Total net position - ending                       | <u>\$ 14,467,162</u> | <u>\$ 14,013,117</u> | <u>\$ -</u>        |

| <u>Sanitation</u>   | <u>Stormwater</u>    | <u>Total</u>         |
|---------------------|----------------------|----------------------|
| \$ 7,912,850        | \$ 3,153,355         | \$ 12,182,376        |
| 55,000              | -                    | 55,000               |
| <u>7,967,850</u>    | <u>3,153,355</u>     | <u>12,237,376</u>    |
| 598,191             | 436,539              | 1,412,037            |
| 5,252,437           | 663,427              | 6,690,135            |
| 31,084              | 770,250              | 1,988,648            |
| <u>5,881,712</u>    | <u>1,870,216</u>     | <u>10,090,820</u>    |
| <u>2,086,138</u>    | <u>1,283,139</u>     | <u>2,146,556</u>     |
| (862)               | 57,764               | 110,457              |
| -                   | -                    | 100                  |
| -                   | -                    | 68,235               |
| <u>5,280</u>        | <u>3,600</u>         | <u>16,848</u>        |
| <u>4,418</u>        | <u>61,364</u>        | <u>195,640</u>       |
| 2,090,556           | 1,344,503            | 2,342,196            |
| -                   | 23,058               | 90,027               |
| -                   | -                    | 12,543,918           |
| <u>(1,882,700)</u>  | <u>(265,400)</u>     | <u>(8,767,183)</u>   |
| 207,856             | 1,102,161            | 6,208,958            |
| <u>1,128,740</u>    | <u>20,533,115</u>    | <u>45,243,193</u>    |
| <u>\$ 1,336,596</u> | <u>\$ 21,635,276</u> | <u>\$ 51,452,151</u> |

**CITY OF POMPANO BEACH, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

|   | <u>Pier</u>         | <u>Airpark</u>    |
|---|---------------------|-------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                     |                   |
| Receipts from customers   | \$ -                | \$ 1,116,171      |
| Payments to suppliers   | (130,870)           | (580,972)         |
| Payments to employees   | -                   | (422,749)         |
| Net cash provided (used) by operating activities  | <u>(130,870)</u>    | <u>112,450</u>    |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>  |                     |                   |
| Operating grants and contributions  | -                   | 43,855            |
| Transfers to other funds  | -                   | -                 |
| Transfers from other funds  | 11,710,603          | 833,315           |
| Net cash provided (used) by noncapital financing activities   | <u>11,710,603</u>   | <u>877,170</u>    |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>                                       |                     |                   |
| Acquisition and construction of capital assets  | (2,170,257)         | (185,562)         |
| Capital grants and contributions  | -                   | 22,480            |
| Proceeds from the sale of surplus materials/capital assets  | -                   | 8,068             |
| Net cash provided (used) by capital and related financing activities                                  | <u>(2,170,257)</u>  | <u>(155,014)</u>  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                     |                   |
| Calls/maturities of investments   | 7,674,668           | 1,028,094         |
| Purchase of investments   | (15,920,230)        | (1,734,338)       |
| Interest income   | 29,833              | 7,053             |
| Net cash provided (used) by investing activities  | <u>(8,215,729)</u>  | <u>(699,191)</u>  |
| Net increase (decrease) in cash and cash equivalents  | 1,193,747           | 135,415           |
| Cash and cash equivalents at beginning of the year  | 64,800              | 33,179            |
| Cash and cash equivalents at end of the year  | <u>\$ 1,258,547</u> | <u>\$ 168,594</u> |
| Cash and cash equivalents, unrestricted   | 1,258,547           | 44,996            |
| Cash and cash equivalents, restricted   | -                   | 123,598           |
| Cash and cash equivalents, end of year  | <u>\$ 1,258,547</u> | <u>\$ 168,594</u> |
| <b>Non-cash transactions (Capital &amp; Related Financing Activities):</b>                            |                     |                   |
| Contribution of capital assets from developers  | -                   | -                 |
| <b>Non-cash transactions (Investing Activities):</b>  |                     |                   |
| Change in fair value of investments   | (9,288)             | (1,889)           |
|   | <u>(9,288)</u>      | <u>(1,889)</u>    |
| <b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b> |                     |                   |
| Operating income (loss)   | \$ (111,173)        | \$ (1,111,548)    |
| Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:  |                     |                   |
| Depreciation expense  | 56,379              | 1,130,935         |
| Non-cash pension expense  | (64,557)            | 11,976            |
| Non-cash transfer of residual equity  | -                   | -                 |
| <b>Change in assets and liabilities:</b>  |                     |                   |
| <b>(Increase) decrease in assets:</b>   |                     |                   |
| Accounts receivables  | -                   | -                 |
| Inventories   | -                   | -                 |
| <b>Increase (decrease) in liabilities</b>   |                     |                   |
| Accounts and other payables   | (11,519)            | 65,841            |
| Accrued expenses  | -                   | 1,364             |
| Due to other governments  | -                   | -                 |
| Unearned revenue  | -                   | -                 |
| Other post employment benefits (OPEB)   | -                   | 8,107             |
| Compensated absences  | -                   | 5,775             |
| Net cash provided (used) by operating activities  | <u>\$ (130,870)</u> | <u>\$ 112,450</u> |

| <u>Golf</u>     | <u>Sanitation</u>   | <u>Stormwater</u>   | <u>Total</u>        |
|-----------------|---------------------|---------------------|---------------------|
| \$ -            | \$ 6,979,075        | \$ 3,209,223        | \$ 11,304,469       |
| -               | (4,812,512)         | (683,817)           | (6,208,171)         |
| -               | (600,266)           | (519,243)           | (1,542,258)         |
| -               | <u>1,566,297</u>    | <u>2,006,163</u>    | <u>3,554,040</u>    |
| -               | -                   | -                   | 43,855              |
| (43,993)        | (1,882,700)         | (265,400)           | (2,192,093)         |
| -               | -                   | -                   | 12,543,918          |
| <u>(43,993)</u> | <u>(1,882,700)</u>  | <u>(265,400)</u>    | <u>10,395,680</u>   |
| -               | (196,917)           | (744,519)           | (3,297,255)         |
| -               | -                   | -                   | 22,480              |
| -               | 5,280               | 3,600               | 16,948              |
| -               | <u>(191,637)</u>    | <u>(740,919)</u>    | <u>(3,257,827)</u>  |
| -               | 315,702             | 6,713,921           | 15,732,385          |
| -               | (576,191)           | (7,339,590)         | (25,570,349)        |
| -               | (485)               | 50,838              | 87,239              |
| -               | <u>(260,974)</u>    | <u>(574,831)</u>    | <u>(9,750,725)</u>  |
| (43,993)        | (769,014)           | 425,013             | 941,168             |
| 43,993          | 820,785             | 675,984             | 1,638,741           |
| <u>\$ -</u>     | <u>\$ 51,771</u>    | <u>\$ 1,100,997</u> | <u>\$ 2,579,909</u> |
| -               | 51,771              | 1,100,997           | 2,456,311           |
| -               | -                   | -                   | 123,598             |
| <u>\$ -</u>     | <u>\$ 51,771</u>    | <u>\$ 1,100,997</u> | <u>\$ 2,579,909</u> |
| -               | -                   | 23,058              | 23,058              |
| -               | 99                  | (14,364)            | (25,442)            |
| <u>\$ -</u>     | <u>\$ 99</u>        | <u>\$ 8,694</u>     | <u>\$ (2,384)</u>   |
| \$ -            | \$ 2,086,138        | \$ 1,283,139        | \$ 2,146,556        |
| -               | 31,084              | 770,250             | 1,988,648           |
| -               | (44,305)            | (73,632)            | (170,518)           |
| 438,006         | -                   | -                   | 438,006             |
| -               | (988,775)           | 55,868              | (932,907)           |
| 6,254           | -                   | 388                 | 6,642               |
| (162,494)       | 427,811             | (25,586)            | 294,053             |
| (27,208)        | 37,255              | (2,095)             | 9,316               |
| (122,542)       | -                   | -                   | (122,542)           |
| (18,306)        | -                   | -                   | (18,306)            |
| (113,710)       | 12,114              | 4,808               | (88,681)            |
| -               | 4,975               | (6,977)             | 3,773               |
| <u>\$ -</u>     | <u>\$ 1,566,297</u> | <u>\$ 2,006,163</u> | <u>\$ 3,554,040</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, 2017**

|  | <u>Central Stores</u> | <u>Information<br/>Technology</u> | <u>Central Services</u> |
|--|-----------------------|-----------------------------------|-------------------------|
| <b>ASSETS</b>  |                       |                                   |                         |
| Current assets:  |                       |                                   |                         |
| Cash and cash equivalents                              | \$ 51,797             | \$ 166,944                        | \$ 48,237               |
| Interest receivable                                    | -                     | 4,339                             | 1,090                   |
| Due from other governments                             | -                     | -                                 | -                       |
| Inventories  | <u>538,616</u>        | <u>-</u>                          | <u>30,221</u>           |
| Total current assets:                                  | <u>590,413</u>        | <u>171,283</u>                    | <u>79,548</u>           |
| Noncurrent assets                                      |                       |                                   |                         |
| Investments  | -                     | 1,230,122                         | 355,437                 |
| Capital assets:  |                       |                                   |                         |
| Buildings  | 247,163               | -                                 | 7,373                   |
| Improvements   | -                     | -                                 | -                       |
| Machinery and equipment                                | 82,914                | 4,002,751                         | 118,424                 |
| Less accumulated depreciation                          | <u>(272,013)</u>      | <u>(3,941,983)</u>                | <u>(104,608)</u>        |
| Total capital assets (net of accumulated depreciation) | <u>58,064</u>         | <u>60,768</u>                     | <u>21,189</u>           |
| Total noncurrent assets                                | <u>58,064</u>         | <u>1,290,890</u>                  | <u>376,626</u>          |
| Total assets   | <u>648,477</u>        | <u>1,462,173</u>                  | <u>456,174</u>          |
| <b>LIABILITIES</b>                                     |                       |                                   |                         |
| Current liabilities:                                   |                       |                                   |                         |
| Accounts payable                                       | 34,172                | 17,387                            | 33,200                  |
| Accrued expenses                                       | 7,993                 | 40,269                            | 23,436                  |
| Due to other funds                                     | 462,645               | -                                 | -                       |
| Claims and judgments                                   | -                     | -                                 | -                       |
| Compensated absences                                   | -                     | -                                 | 1,425                   |
| Total current liabilities:                             | <u>504,810</u>        | <u>57,656</u>                     | <u>58,061</u>           |
| Noncurrent liabilities                                 |                       |                                   |                         |
| Compensated absences                                   | 30,892                | 190,865                           | 39,764                  |
| Net OPEB obligation                                    | 15,699                | 141,560                           | 79,122                  |
| Claims and judgments                                   | -                     | -                                 | -                       |
| Total noncurrent liabilities                           | <u>46,591</u>         | <u>332,425</u>                    | <u>118,886</u>          |
| Total liabilities                                      | <u>551,401</u>        | <u>390,081</u>                    | <u>176,947</u>          |
| <b>NET POSITION</b>                                    |                       |                                   |                         |
| Net investment in capital assets                       | 58,064                | 60,768                            | 21,189                  |
| Unrestricted   | <u>39,012</u>         | <u>1,011,324</u>                  | <u>258,038</u>          |
| Total net position                                     | <u>\$ 97,076</u>      | <u>\$ 1,072,092</u>               | <u>\$ 279,227</u>       |

| <u>Risk Management Health</u> | <u>Risk Management General</u> | <u>Vehicle Services</u> | <u>Total</u>        |
|-------------------------------|--------------------------------|-------------------------|---------------------|
| \$ 386,940                    | \$ 2,003,546                   | \$ 64,733               | \$ 2,722,197        |
| 9,897                         | 52,370                         | 2,097                   | 69,793              |
| -                             | -                              | 12,698                  | 12,698              |
| -                             | -                              | 92,171                  | 661,008             |
| <u>396,837</u>                | <u>2,055,916</u>               | <u>171,699</u>          | <u>3,465,696</u>    |
| 2,851,161                     | 14,763,078                     | 476,986                 | 19,676,784          |
| -                             | -                              | -                       | 254,536             |
| -                             | -                              | 423,838                 | 423,838             |
| -                             | 4,255                          | 873,843                 | 5,082,187           |
| -                             | <u>(3,792)</u>                 | <u>(1,109,864)</u>      | <u>(5,432,260)</u>  |
| -                             | 463                            | 187,817                 | 328,301             |
| <u>2,851,161</u>              | <u>14,763,541</u>              | <u>664,803</u>          | <u>20,005,085</u>   |
| <u>3,247,998</u>              | <u>16,819,457</u>              | <u>836,502</u>          | <u>23,470,781</u>   |
| 37,978                        | 87,659                         | 108,668                 | 319,064             |
| -                             | 17,515                         | 33,703                  | 122,916             |
| -                             | -                              | -                       | 462,645             |
| -                             | 3,053,219                      | -                       | 3,053,219           |
| -                             | -                              | 711                     | 2,136               |
| <u>37,978</u>                 | <u>3,158,393</u>               | <u>143,082</u>          | <u>3,959,980</u>    |
| -                             | 42,796                         | 111,368                 | 415,685             |
| -                             | 34,569                         | 110,808                 | 381,758             |
| -                             | 9,438,781                      | -                       | 9,438,781           |
| -                             | 9,516,146                      | 222,176                 | 10,236,224          |
| <u>37,978</u>                 | <u>12,674,539</u>              | <u>365,258</u>          | <u>14,196,204</u>   |
| -                             | 463                            | 187,817                 | 328,301             |
| <u>3,210,020</u>              | <u>4,144,455</u>               | <u>283,427</u>          | <u>8,946,276</u>    |
| <u>\$ 3,210,020</u>           | <u>\$ 4,144,918</u>            | <u>\$ 471,244</u>       | <u>\$ 9,274,577</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, 2017**

|   | <u>Central Stores</u> | <u>Information<br/>Technology</u> | <u>Central Services</u> |
|---|-----------------------|-----------------------------------|-------------------------|
| <b>OPERATING REVENUES</b>                         |                       |                                   |                         |
| Charges for services - internal                   | \$ 287,453            | \$ 1,810,884                      | \$ 1,115,427            |
| Charges for services - other                      | -                     | -                                 | 12                      |
| Miscellaneous                                     | -                     | -                                 | -                       |
| Total operating revenues                          | <u>287,453</u>        | <u>1,810,884</u>                  | <u>1,115,439</u>        |
| <b>OPERATING EXPENSES</b>                         |                       |                                   |                         |
| Personnel services                                | 174,081               | 1,049,402                         | 620,175                 |
| Other current expenses                            | 146,973               | 834,936                           | 458,707                 |
| Depreciation                                      | 8,389                 | 31,158                            | 4,575                   |
| Total operating expenses                          | <u>329,443</u>        | <u>1,915,496</u>                  | <u>1,083,457</u>        |
| Operating income (loss)                           | <u>(41,990)</u>       | <u>(104,612)</u>                  | <u>31,982</u>           |
| <b>NONOPERATING REVENUES (EXPENSES)</b>           |                       |                                   |                         |
| Investment earnings                               | (2,748)               | 9,645                             | 1,932                   |
| Miscellaneous revenue                             | 17                    | -                                 | 385                     |
| Gain or (loss) from disposition of capital assets | -                     | -                                 | -                       |
| Total nonoperating revenues (expenses)            | <u>(2,731)</u>        | <u>9,645</u>                      | <u>2,317</u>            |
| Income (loss)                                     | (44,721)              | (94,967)                          | 34,299                  |
| Net position - beginning                          | <u>141,797</u>        | <u>1,167,059</u>                  | <u>244,928</u>          |
| Net position - ending                             | <u>\$ 97,076</u>      | <u>\$ 1,072,092</u>               | <u>\$ 279,227</u>       |

| <u>Risk Management Health</u> | <u>Risk Management General</u> | <u>Vehicle Services</u> | <u>Total</u>        |
|-------------------------------|--------------------------------|-------------------------|---------------------|
| \$ 8,290,042                  | \$ 4,853,226                   | \$ 2,732,752            | \$ 19,089,784       |
| 3,149,592                     | -                              | -                       | 3,149,604           |
| 101,730                       | 10,686                         | 29,329                  | 141,745             |
| <u>11,541,364</u>             | <u>4,863,912</u>               | <u>2,762,081</u>        | <u>22,381,133</u>   |
| -                             | 340,017                        | 704,719                 | 2,888,394           |
| 11,647,277                    | 3,275,487                      | 2,210,399               | 18,573,779          |
| -                             | 206                            | 70,142                  | 114,470             |
| <u>11,647,277</u>             | <u>3,615,710</u>               | <u>2,985,260</u>        | <u>21,576,643</u>   |
| <u>(105,913)</u>              | <u>1,248,202</u>               | <u>(223,179)</u>        | <u>804,490</u>      |
| 20,424                        | 111,954                        | 4,623                   | 145,830             |
| -                             | -                              | 12                      | 414                 |
| -                             | -                              | (10,126)                | (10,126)            |
| <u>20,424</u>                 | <u>111,954</u>                 | <u>(5,491)</u>          | <u>136,118</u>      |
| (85,489)                      | 1,360,156                      | (228,670)               | 940,608             |
| <u>3,295,509</u>              | <u>2,784,762</u>               | <u>699,914</u>          | <u>8,333,969</u>    |
| <u>\$ 3,210,020</u>           | <u>\$ 4,144,918</u>            | <u>\$ 471,244</u>       | <u>\$ 9,274,577</u> |

**CITY OF POMPANO BEACH, FLORIDA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

|   | <u>Central Stores</u> | <u>Information<br/>Technology</u> | <u>Central Services</u> |
|---|-----------------------|-----------------------------------|-------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                       |                                   |                         |
| Receipts from other funds   | \$ 287,453            | \$ 1,810,884                      | \$ 1,115,427            |
| Receipts from customers   | -                     | -                                 | 12                      |
| Payments to suppliers   | (5,636)               | (817,965)                         | (440,857)               |
| Payments to employees   | (170,676)             | (1,019,032)                       | (621,662)               |
| Claims paid   | -                     | -                                 | -                       |
| Net cash provided (used) by operating activities  | <u>111,141</u>        | <u>(26,113)</u>                   | <u>52,920</u>           |
| Advances from (to) other funds  | <u>(70,887)</u>       | <u>-</u>                          | <u>-</u>                |
| Net cash provided (used) by noncapital financing activities   | <u>(70,887)</u>       | <u>-</u>                          | <u>-</u>                |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>                                       |                       |                                   |                         |
| Proceeds from sale of surplus materials/capital assets  | 17                    | -                                 | 385                     |
| Acquisition of capital assets   | <u>(36,852)</u>       | <u>(22,094)</u>                   | <u>(19,453)</u>         |
| Net cash provided (used) by capital and related financing activities                                  | <u>(36,835)</u>       | <u>(22,094)</u>                   | <u>(19,068)</u>         |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                       |                                   |                         |
| Calls/maturities of investments   | -                     | 1,018,030                         | 294,154                 |
| Purchase of investments   | -                     | (1,143,866)                       | (282,037)               |
| Interest income (loss)  | <u>(2,748)</u>        | <u>8,235</u>                      | <u>2,268</u>            |
| Net cash provided (used) by investing activities  | <u>(2,748)</u>        | <u>(117,601)</u>                  | <u>14,385</u>           |
| Net increase (decrease) in cash and cash equivalents  | 671                   | (165,808)                         | 48,237                  |
| Cash and cash equivalents at beginning of the year  | <u>51,126</u>         | <u>332,752</u>                    | <u>-</u>                |
| Cash and cash equivalents at end of the year  | <u>\$ 51,797</u>      | <u>\$ 166,944</u>                 | <u>\$ 48,237</u>        |
| <b>Non-cash transactions (Investing Activities):</b>  |                       |                                   |                         |
| Change in fair value of investments   | <u>671</u>            | <u>(2,331)</u>                    | <u>(585)</u>            |
| <b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b> |                       |                                   |                         |
| Operating income (loss)   | \$ (41,990)           | \$ (104,612)                      | \$ 31,982               |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities:        |                       |                                   |                         |
| Cash flows reported in other categories:  |                       |                                   |                         |
| Depreciation expense  | 8,389                 | 31,158                            | 4,575                   |
| <b>Changes in assets and liabilities</b>  |                       |                                   |                         |
| Due from other governments  | -                     | -                                 | -                       |
| Inventories   | 131,285               | -                                 | (11,387)                |
| Estimated claims payable  | -                     | -                                 | -                       |
| Accounts and other payables   | 6,523                 | 14,651                            | 21,939                  |
| Accrued expenses  | 873                   | 4,318                             | 1,605                   |
| Other post employment benefits (OPEB)   | 3,529                 | 2,320                             | 7,298                   |
| Compensated absences  | 2,532                 | 26,052                            | (3,092)                 |
| Net cash provided (used) by operating activities  | <u>\$ 111,141</u>     | <u>\$ (26,113)</u>                | <u>\$ 52,920</u>        |

| <u>Risk Management<br/>Health</u> | <u>Risk Management<br/>General</u> | <u>Vehicle Services</u> | <u>Total</u>        |
|-----------------------------------|------------------------------------|-------------------------|---------------------|
| \$ 8,290,042                      | \$ 4,853,226                       | \$ 2,732,752            | \$ 19,089,784       |
| 3,251,322                         | 10,686                             | 26,727                  | 3,288,747           |
| (11,609,566)                      | (296,349)                          | (2,099,769)             | (15,270,142)        |
| -                                 | (337,233)                          | (685,508)               | (2,834,111)         |
| -                                 | (4,396,290)                        | -                       | (4,396,290)         |
| <u>(68,202)</u>                   | <u>(165,960)</u>                   | <u>(25,798)</u>         | <u>(122,012)</u>    |
| -                                 | -                                  | -                       | (70,887)            |
| -                                 | -                                  | -                       | (70,887)            |
| -                                 | -                                  | 6,873                   | 7,275               |
| -                                 | -                                  | (139,950)               | (218,349)           |
| -                                 | -                                  | (133,077)               | (211,074)           |
| 2,359,578                         | 12,217,702                         | 394,746                 | 16,284,210          |
| (2,196,549)                       | (11,705,608)                       | (181,444)               | (15,509,504)        |
| 18,519                            | 100,319                            | 4,220                   | 130,813             |
| <u>181,548</u>                    | <u>612,413</u>                     | <u>217,522</u>          | <u>905,519</u>      |
| 113,346                           | 446,452                            | 58,647                  | 501,546             |
| 273,594                           | 1,557,093                          | 6,086                   | 2,220,651           |
| <u>\$ 386,940</u>                 | <u>\$ 2,003,546</u>                | <u>\$ 64,733</u>        | <u>\$ 2,722,197</u> |
| <u>(5,317)</u>                    | <u>\$ (28,136)</u>                 | <u>(1,126)</u>          | <u>\$ (36,824)</u>  |
| \$ (105,913)                      | \$ 1,248,202                       | \$ (223,179)            | \$ 804,490          |
| -                                 | 206                                | 70,142                  | 114,470             |
| -                                 | -                                  | (2,602)                 | (2,602)             |
| -                                 | -                                  | 6,316                   | 126,214             |
| -                                 | (1,434,000)                        | -                       | (1,434,000)         |
| 37,711                            | 17,799                             | 94,764                  | 193,387             |
| -                                 | 6,943                              | 8,782                   | 22,521              |
| -                                 | (951)                              | 9,550                   | 21,746              |
| -                                 | (4,159)                            | 10,429                  | 31,762              |
| <u>\$ (68,202)</u>                | <u>\$ (165,960)</u>                | <u>\$ (25,798)</u>      | <u>\$ (122,012)</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, 2017**

|   | <b>General<br/>Employees'<br/>Retirement<br/>System</b> | <b>Police and<br/>Firefighters'<br/>Retirement<br/>System</b> | <b>Total</b>          |
|---|---|---|-----------------------|
| <b>ASSETS</b>   |   |   |                       |
| Cash and cash equivalents                             | \$ 6,110,152  | \$ 66,595   | \$ 6,176,747          |
| <b>Receivables:</b>                                   |   |   |                       |
| Accrued interest and dividends                        | 241,731   | 357,733   | 599,464               |
| Due from brokers                                      | 84,078  | 306,497   | 390,575               |
| Other   | -   | 434,567   | 434,567               |
| Total receivables                                     | <u>325,809</u>  | <u>1,098,797</u>  | <u>1,424,606</u>      |
| Other assets  | <u>2,978</u>  | -   | <u>2,978</u>          |
| <b>Investments:</b>                                   |   |   |                       |
| US Government obligations                             | 10,874,090  | 14,894,413  | 25,768,503            |
| Mortgage backed securities                            | -   | 13,265,393  | 13,265,393            |
| Municipal obligations                                 | -   | 425,575   | 425,575               |
| Corporate obligations                                 | 12,321,623  | 21,151,844  | 33,473,467            |
| Equity securities                                     | 49,993,057  | 129,981,739   | 179,974,796           |
| Mutual funds and collective trusts                    | 61,573,836  | -   | 61,573,836            |
| Hedge funds & private equity funds                    | 14,738,384  | 47,293,478  | 62,031,862            |
| Real estate funds                                     | 21,527,766  | -   | 21,527,766            |
| Money market funds                                    | -   | 6,376,998   | 6,376,998             |
| Pompano Beach Investors LLC                           | -   | 3,000,000   | 3,000,000             |
| Total investments                                     | <u>171,028,756</u>                                      | <u>236,389,440</u>  | <u>407,418,196</u>    |
| Prepayments and other assets                          | -   | 1,609,409   | 1,609,409             |
| Property & equipment, net of accumulated depreciation | -   | 261,263   | 261,263               |
| Total assets  | <u>177,467,695</u>                                      | <u>239,425,504</u>  | <u>416,893,199</u>    |
| <b>LIABILITIES</b>                                    |   |   |                       |
| Accounts payable and accrued expenses                 | 141,890   | 399,402   | 541,292               |
| Due to brokers  | -   | 1,088,340   | 1,088,340             |
| Total liabilities                                     | <u>141,890</u>  | <u>1,487,742</u>  | <u>1,629,632</u>      |
| <b>NET POSITION</b>                                   |   |   |                       |
| Restricted for pension benefits                       | <u>\$ 177,325,805</u>                                   | <u>\$ 237,937,762</u>   | <u>\$ 415,263,567</u> |

**CITY OF POMPANO BEACH, FLORIDA**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**PENSION TRUST FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

|  | <b>General<br/>Employees'<br/>Retirement<br/>System</b> | <b>Police and<br/>Firefighters'<br/>Retirement<br/>System</b> | <b>Total</b>          |
|--|---|---|-----------------------|
| <b>ADDITIONS</b>                                       |   |   |                       |
| Contributions:   |   |   |                       |
| Employer   | \$ 6,417,918  | \$ 4,309,302  | \$ 10,727,220         |
| Broward County Sheriff's Office                        | 324,072   | 3,833,342   | 4,157,414             |
| Broward County - Library                               | 13,078  | -   | 13,078                |
| Members  | 2,617,652   | 1,632,948   | 4,250,600             |
| State  | -   | 2,336,040   | 2,336,040             |
| Total contributions                                    | <u>9,372,720</u>  | <u>12,111,632</u>   | <u>21,484,352</u>     |
| Investment income:                                     |   |   |                       |
| Net appreciation in fair value of investments          | 18,725,457  | 20,455,847  | 39,181,304            |
| Interest and dividends                                 | 3,144,265   | 4,720,167   | 7,864,432             |
| Other  | 2,504   | 75,815  | 78,319                |
| Total investment income                                | <u>21,872,226</u>                                       | <u>25,251,829</u>   | <u>47,124,055</u>     |
| Less: investment expenses                              | <u>745,664</u>  | <u>1,458,812</u>  | <u>2,204,476</u>      |
| Net investment income                                  | <u>21,126,562</u>                                       | <u>23,793,017</u>   | <u>44,919,579</u>     |
| Total  | <u>30,499,282</u>                                       | <u>35,904,649</u>   | <u>66,403,931</u>     |
| <b>DEDUCTIONS</b>                                      |   |   |                       |
| Participant benefit payments                           | 10,925,069  | 21,106,374  | 32,031,443            |
| Benefits paid from DROP                                | 2,072,245   | -   | 2,072,245             |
| Refunds of participant contributions                   | 122,787   | 201,735   | 324,522               |
| Administrative expenses                                | 475,674   | 530,291   | 1,005,965             |
| Total  | <u>13,595,775</u>                                       | <u>21,838,400</u>   | <u>35,434,175</u>     |
| Net increase (decrease)                                | 16,903,507  | 14,066,249  | 30,969,756            |
| <b>Net position held in trust for pension benefits</b> |   |   |                       |
| Beginning of the year                                  | 160,422,298   | 223,871,513   | 384,293,811           |
| End of the year  | <u>\$ 177,325,805</u>                                   | <u>\$ 237,937,762</u>   | <u>\$ 415,263,567</u> |

**CITY OF POMPANO BEACH, FLORIDA**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**GENERAL AGENCY FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

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|                                      | <b>BALANCE<br/>OCTOBER 1,<br/>2016</b> | <b>ADDITIONS</b>     | <b>DELETIONS</b>     | <b>Balance<br/>September 30,<br/>2017</b> |
|--------------------------------------|--|----------------------|----------------------|---|
| <b>Assets:</b>                       |  |                      |                      |   |
| Cash and cash equivalents            | \$ 1,141,881                           | \$ 27,867,761        | \$ 28,399,951        | \$ 609,691                                |
| Accounts receivable                  | 1,371                                  | 76,477               | 77,593               | 255                                       |
| Total assets                         | <u>\$ 1,143,252</u>                    | <u>\$ 27,944,238</u> | <u>\$ 28,477,544</u> | <u>\$ 609,946</u>                         |
| <b>Liabilities:</b>                  |  |                      |                      |   |
| Deposit, sales tax & payroll payable | <u>\$ 1,143,252</u>                    | <u>\$ 38,374,796</u> | <u>\$ 38,908,102</u> | <u>\$ 609,946</u>                         |
| Total liabilities                    | <u>\$ 1,143,252</u>                    | <u>\$ 38,374,796</u> | <u>\$ 38,908,102</u> | <u>\$ 609,946</u>                         |

## 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><br>These schedules provide financial trend information, which shows how the City's financial performance has changed over time.  | 154                |
| <u>Revenue Capacity</u><br>These schedules provide additional information about Property Tax, the City's most significant local revenue source   | 160                |
| <u>Debt Capacity</u><br>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><br>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><br>These schedules contain service and infrastructure data to help the financial statement user understand how the information in the City's financial statements relates to the services the City provides | 174                |

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

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

|  | <u>2008</u>           | <u>2009</u>           | <u>2010</u>           | <u>2011</u>           | <u>2012</u>           |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Governmental activities</b>                         |                       |                       |                       |                       |                       |
| Net investment in capital assets                       | \$ 207,930,782        | \$ 205,458,533        | \$ 212,893,367        | \$ 218,753,518        | \$ 221,483,539        |
| Restricted   | 83,854,283            | 91,297,882            | 80,138,395            | 64,179,337            | 52,668,454            |
| Unrestricted   | <u>69,996,425</u>     | <u>73,578,264</u>     | <u>99,545,328</u>     | <u>100,532,438</u>    | <u>108,003,793</u>    |
| <b>Total governmental-type activities net position</b> | <u>\$ 361,781,490</u> | <u>\$ 370,334,679</u> | <u>\$ 392,577,090</u> | <u>\$ 383,465,293</u> | <u>\$ 382,155,786</u> |
| <br><b>Business-type activities</b>                    |                       |                       |                       |                       |                       |
| Net investment in capital assets                       | \$ 97,062,152         | \$ 99,197,519         | \$ 102,762,337        | \$ 117,815,651        | \$ 119,425,239        |
| Restricted   | 13,573,396            | 4,476,707             | 9,897,046             | 8,506,787             | 6,465,995             |
| Unrestricted   | <u>45,222,436</u>     | <u>53,626,361</u>     | <u>44,225,710</u>     | <u>38,536,872</u>     | <u>42,778,697</u>     |
| <b>Total business-type activities net position</b>     | <u>\$ 155,857,984</u> | <u>\$ 157,300,587</u> | <u>\$ 156,885,093</u> | <u>\$ 164,859,310</u> | <u>\$ 168,669,931</u> |
| <br><b>Primary Government</b>                          |                       |                       |                       |                       |                       |
| Net investment in capital assets                       | \$ 304,992,934        | \$ 304,656,052        | \$ 315,655,704        | \$ 336,569,169        | \$ 340,908,778        |
| Restricted   | 97,427,679            | 95,774,589            | 90,035,441            | 72,686,124            | 59,134,449            |
| Unrestricted   | <u>115,218,861</u>    | <u>127,204,625</u>    | <u>143,771,038</u>    | <u>139,069,310</u>    | <u>150,782,490</u>    |
| <b>Total primary government net position</b>           | <u>\$ 517,639,474</u> | <u>\$ 527,635,266</u> | <u>\$ 549,462,183</u> | <u>\$ 548,324,603</u> | <u>\$ 550,825,717</u> |

|  | <u>2013</u>           | <u>2014</u>           | <u>2015</u>           | <u>2016</u>           | <u>2017</u>           |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Governmental activities</b>                         |                       |                       |                       |                       |                       |
| Net investment in capital assets                       | \$ 207,256,104        | \$ 215,941,575        | \$ 225,969,080        | \$ 270,890,727        | \$ 287,768,399        |
| Restricted   | 48,000,383            | 39,320,526            | 40,980,733            | 42,731,241            | 49,064,248            |
| Unrestricted   | <u>124,388,694</u>    | <u>128,134,327</u>    | <u>25,217,951</u>     | <u>5,078,645</u>      | <u>(33,588,535)</u>   |
| <b>Total governmental-type activities net position</b> | <u>\$ 379,645,181</u> | <u>\$ 383,396,428</u> | <u>\$ 292,167,764</u> | <u>\$ 318,700,613</u> | <u>\$ 303,244,112</u> |
| <br><b>Business-type activities</b>                    |                       |                       |                       |                       |                       |
| Net investment in capital assets                       | \$ 117,178,114        | \$ 114,647,356        | \$ 113,532,397        | \$ 113,914,818        | \$ 113,231,147        |
| Restricted   | 4,660,462             | 3,871,104             | 3,843,804             | 4,943,714             | 5,740,804             |
| Unrestricted   | <u>48,877,564</u>     | <u>52,140,506</u>     | <u>47,700,594</u>     | <u>47,852,883</u>     | <u>58,853,706</u>     |
| <b>Total business-type activities net position</b>     | <u>\$ 170,716,140</u> | <u>\$ 170,658,966</u> | <u>\$ 165,076,795</u> | <u>\$ 166,711,415</u> | <u>\$ 177,825,657</u> |
| <br><b>Primary Government</b>                          |                       |                       |                       |                       |                       |
| Net investment in capital assets                       | \$ 324,434,218        | \$ 330,588,931        | \$ 339,501,477        | \$ 384,805,545        | \$ 400,999,546        |
| Restricted   | 52,660,845            | 43,191,630            | 44,824,537            | 47,674,955            | 54,805,052            |
| Unrestricted   | <u>173,266,258</u>    | <u>180,274,833</u>    | <u>72,918,545</u>     | <u>52,931,528</u>     | <u>25,265,171</u>     |
| <b>Total primary government net position</b>           | <u>\$ 550,361,321</u> | <u>\$ 554,055,394</u> | <u>\$ 457,244,559</u> | <u>\$ 485,412,028</u> | <u>\$ 481,069,769</u> |

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

**Schedule 2**

|  | <b>2008</b>           | <b>2009</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>Expenses</b>  |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Governmental activities:                               |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| General government                                     | \$ 30,134,110         | \$ 30,976,218         | \$ 22,614,054         | \$ 31,870,782         | \$ 33,337,008         | \$ 33,052,054         | \$ 32,924,493         | \$ 29,660,009         | \$ 33,406,774         | \$ 33,740,533         |
| Public safety  | 70,342,631            | 72,982,320            | 75,248,897            | 76,787,154            | 72,981,195            | 76,932,640            | 79,092,062            | 81,641,409            | 96,143,601            | 103,714,272           |
| Physical environment                                   | 11,987,508            | 13,122,352            | 13,945,306            | 15,550,874            | 16,514,775            | 17,508,638            | 19,107,230            | 15,385,811            | 16,674,345            | 18,460,060            |
| Transportation   | 3,811,263             | 3,837,107             | 3,742,998             | 3,996,841             | 3,205,628             | 3,328,609             | 3,682,005             | 3,876,869             | 3,935,837             | 4,129,271             |
| Economic environment                                   | -                     | -                     | -                     | -                     | -                     | -                     | -                     | 6,076,489             | 7,442,683             | 8,709,265             |
| Culture and recreation                                 | 9,183,233             | 8,632,761             | 7,669,285             | 7,964,422             | 7,830,956             | 8,202,728             | 8,996,206             | 9,378,496             | 9,772,473             | 13,743,089            |
| Interest on long-term debt                             | 884,964               | 932,515               | 1,236,656             | 1,307,248             | 924,518               | 1,090,325             | 989,882               | 908,278               | 866,593               | 758,984               |
| <b>Total governmental activities expenses</b>          | <b>126,343,709</b>    | <b>130,483,273</b>    | <b>124,457,196</b>    | <b>137,477,321</b>    | <b>134,794,080</b>    | <b>140,114,994</b>    | <b>144,791,878</b>    | <b>146,927,361</b>    | <b>168,242,306</b>    | <b>183,255,474</b>    |
| Business-type activities:                              |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Utility  | 33,570,638            | 36,050,530            | 36,710,226            | 37,906,357            | 39,006,357            | 38,967,528            | 40,065,154            | 39,253,188            | 41,282,490            | 38,092,853            |
| Sanitation   | 3,302,781             | 3,605,435             | 3,338,231             | 3,815,493             | 4,161,979             | 4,225,019             | 4,315,686             | 4,225,411             | 4,645,492             | 5,863,604             |
| Stormwater   | 1,646,758             | 1,891,753             | 1,955,262             | 2,008,840             | 1,887,886             | 1,904,435             | 1,879,494             | 2,108,833             | 2,305,273             | 1,858,645             |
| Pier   | 127,568               | 139,979               | 230,969               | 267,233               | 246,386               | 349,096               | 260,103               | 273,574               | 238,055               | 110,149               |
| Airpark  | 1,412,469             | 1,399,077             | 1,461,977             | 1,417,254             | 1,383,706             | 1,430,544             | 2,167,927             | 2,211,600             | 2,206,241             | 2,217,302             |
| Golf course  | 3,386,558             | 3,469,586             | 3,464,818             | 3,643,143             | 3,616,352             | 4,239,802             | 4,732,472             | 4,750,326             | 4,030,947             | -                     |
| Parking  | -                     | -                     | -                     | -                     | -                     | -                     | 735,163               | 1,640,739             | 1,958,910             | 3,087,170             |
| <b>Total business-type activities expenses</b>         | <b>43,446,772</b>     | <b>46,556,360</b>     | <b>47,161,483</b>     | <b>49,058,320</b>     | <b>50,302,666</b>     | <b>51,116,424</b>     | <b>54,155,999</b>     | <b>54,463,671</b>     | <b>56,667,408</b>     | <b>51,229,723</b>     |
| <b>Total primary government expenses</b>               | <b>\$ 169,790,481</b> | <b>\$ 177,039,633</b> | <b>\$ 171,618,679</b> | <b>\$ 186,535,641</b> | <b>\$ 185,096,746</b> | <b>\$ 191,231,418</b> | <b>\$ 198,947,877</b> | <b>\$ 201,391,032</b> | <b>\$ 224,909,714</b> | <b>\$ 234,485,197</b> |
| <b>Program Revenues</b>                                |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Governmental activities:                               |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Charges for services:                                  |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| General Government                                     | \$ 10,751,746         | \$ 11,584,971         | \$ 12,007,347         | \$ 10,249,276         | \$ 10,043,560         | \$ 9,939,823          | \$ 10,269,011         | \$ 10,850,914         | \$ 12,933,022         | \$ 13,341,101         |
| Public Safety  | 20,559,395            | 20,623,910            | 19,978,399            | 20,800,209            | 22,086,284            | 23,469,809            | 25,504,703            | 27,233,712            | 27,441,872            | 25,943,671            |
| Physical Environment                                   | 33,938                | 38,491                | 70,676                | 74,417                | 92,024                | 106,076               | 81,640                | 102,780               | 126,380               | 139,948               |
| Transportation   | 297,829               | 352,597               | 452,867               | 611,102               | 519,767               | 813,641               | -                     | -                     | -                     | -                     |
| Economic Environment                                   | -                     | -                     | -                     | -                     | -                     | -                     | -                     | 128,319               | 116,975               | 108,172               |
| Culture and Recreation                                 | 1,575,211             | 1,689,470             | 1,683,521             | 1,736,482             | 1,919,986             | 1,584,673             | 1,849,242             | 1,744,145             | 1,832,901             | 4,044,516             |
| Operating grants and contributions                     | 4,718,209             | 3,384,796             | 3,021,158             | 3,551,981             | 3,487,028             | 3,374,362             | 3,981,238             | 3,699,270             | 2,950,496             | 3,740,302             |
| Capital grants and contributions                       | 2,367,151             | 3,736,634             | 8,016,883             | 3,763,722             | 3,886,738             | 4,107,045             | 5,508,176             | 6,046,134             | 40,830,735            | 12,396,198            |
| <b>Total governmental activities program revenues</b>  | <b>40,303,479</b>     | <b>41,410,869</b>     | <b>45,230,851</b>     | <b>40,787,189</b>     | <b>42,035,387</b>     | <b>43,395,429</b>     | <b>47,194,010</b>     | <b>49,805,274</b>     | <b>86,232,381</b>     | <b>59,713,908</b>     |
| Business-type activities:                              |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Charges for services:                                  |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Utility  | 33,868,521            | 35,633,508            | 34,324,271            | 40,663,118            | 41,457,871            | 40,113,717            | 39,795,045            | 42,673,872            | 41,695,146            | 42,425,662            |
| Sanitation   | 4,618,938             | 5,026,680             | 5,287,117             | 5,419,414             | 5,734,397             | 5,708,478             | 5,797,028             | 5,899,635             | 6,956,161             | 7,912,850             |
| Stormwater   | 2,456,094             | 2,529,879             | 2,468,001             | 2,457,922             | 2,440,888             | 2,399,107             | 2,621,597             | 2,843,950             | 2,973,219             | 3,153,355             |
| Pier   | -                     | -                     | 29,552                | 105,340               | 124,299               | 134,660               | 99,231                | 17,869                | -                     | -                     |
| Airpark  | 1,074,271             | 800,461               | 946,942               | 979,402               | 1,021,156             | 977,911               | 1,032,154             | 1,052,145             | 1,090,762             | 1,116,171             |
| Golf course  | 3,034,441             | 2,893,132             | 2,571,980             | 2,475,617             | 2,137,538             | 2,746,380             | 2,638,276             | 2,865,570             | 2,569,108             | -                     |
| Parking  | -                     | -                     | -                     | -                     | -                     | -                     | 1,641,003             | 2,067,899             | 1,983,567             | 1,928,136             |
| Operating grants and contributions                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | 27,639                | 112,724               |
| Capital grants and contributions                       | 840,535               | 796,775               | 732,036               | 1,643,613             | 575,691               | 2,019,095             | 1,102,648             | 1,139,355             | 256,261               | 1,912,263             |
| <b>Total business-type activities program revenues</b> | <b>45,892,800</b>     | <b>47,680,435</b>     | <b>46,359,899</b>     | <b>53,744,426</b>     | <b>53,491,840</b>     | <b>54,099,348</b>     | <b>54,726,982</b>     | <b>58,560,295</b>     | <b>57,551,863</b>     | <b>58,561,161</b>     |
| <b>Total primary government program revenues</b>       | <b>\$ 86,196,279</b>  | <b>\$ 89,091,304</b>  | <b>\$ 91,590,750</b>  | <b>\$ 94,531,615</b>  | <b>\$ 95,527,227</b>  | <b>\$ 97,494,777</b>  | <b>\$ 101,920,992</b> | <b>\$ 108,365,569</b> | <b>\$ 143,784,244</b> | <b>\$ 118,275,069</b> |

**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)**

|   | 2008                   | 2009                   | 2010                   | 2011                   | 2012                   | 2013                   | 2014                   | 2015                   | 2016                   | 2017                    |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------------|
| <b>Net (Expense) Revenue</b>                              |                        |                        |                        |                        |                        |                        |                        |                        |                        |                         |
| Governmental activities                                   | \$ (86,040,230)        | \$ (89,072,404)        | \$ (79,226,345)        | \$ (96,690,132)        | \$ (92,758,693)        | \$ (96,719,565)        | \$ (97,597,868)        | \$ (97,122,087)        | \$ (82,009,925)        | \$ (123,541,566)        |
| Business-type activities                                  | 2,446,028              | 1,124,075              | (801,584)              | 4,686,106              | 3,189,174              | 2,982,924              | 570,983                | 4,096,624              | 884,455                | 7,331,438               |
| Total Primary Government Net Expense                      | <u>\$ (83,594,202)</u> | <u>\$ (87,948,329)</u> | <u>\$ (80,027,929)</u> | <u>\$ (92,004,026)</u> | <u>\$ (89,569,519)</u> | <u>\$ (93,736,641)</u> | <u>\$ (97,026,885)</u> | <u>\$ (93,025,463)</u> | <u>\$ (81,125,470)</u> | <u>\$ (116,210,128)</u> |
| <b>General revenues and other changes in net position</b> |                        |                        |                        |                        |                        |                        |                        |                        |                        |                         |
| Governmental activities                                   |                        |                        |                        |                        |                        |                        |                        |                        |                        |                         |
| Taxes   |                        |                        |                        |                        |                        |                        |                        |                        |                        |                         |
| Property taxes, levied for general purposes               | \$ 46,615,842          | \$ 46,139,749          | \$ 49,080,745          | \$ 43,120,938          | \$ 43,713,354          | \$ 46,061,223          | \$ 46,147,415          | \$ 47,922,298          | \$ 53,776,846          | \$ 57,018,570           |
| Sales and use taxes                                       | 1,989,190              | 1,942,087              | 1,868,720              | 1,867,765              | 1,847,983              | 1,870,051              | 1,958,903              | 2,016,087              | 2,050,699              | 1,963,183               |
| Business tax receipts                                     | 1,878,968              | 1,852,958              | 1,883,460              | 1,900,445              | 1,962,253              | 2,092,722              | 2,151,110              | 2,134,279              | 2,184,088              | 2,167,235               |
| Utility taxes   | 9,087,211              | 8,940,920              | 9,366,079              | 9,603,801              | 9,830,191              | 10,371,991             | 11,209,858             | 11,487,684             | 11,987,773             | 12,317,208              |
| Communication service taxes                               | 6,345,750              | 5,349,898              | 5,711,305              | 5,775,772              | 5,694,717              | 5,378,539              | 9,732,176              | 4,999,534              | 5,222,681              | 4,671,936               |
| Pari Mutuel   | 2,053,356              | 1,795,128              | 1,881,081              | 1,897,796              | 2,067,263              | 2,171,040              | 2,267,089              | 2,520,242              | 2,428,142              | 2,310,138               |
| Tax increment fees - Community Redevelopment Agency       | 9,142,152              | 9,527,042              | 10,405,002             | 8,069,453              | 7,351,557              | 7,218,355              | 7,542,276              | 8,114,172              | 8,968,096              | 9,827,906               |
| Franchise fees  | 9,161,456              | 9,097,345              | 8,316,234              | 7,410,674              | 7,597,790              | 7,402,812              | 8,005,447              | 8,164,658              | 8,112,380              | 8,403,793               |
| State revenue sharing                                     | 8,299,249              | 7,417,427              | 7,341,044              | 7,664,439              | 7,985,879              | 8,549,198              | 9,215,154              | 9,852,996              | 10,504,444             | 10,528,661              |
| Investment earnings                                       | 5,571,020              | 3,518,665              | 3,584,734              | 1,607,688              | 1,495,590              | 426,002                | 826,960                | 1,339,969              | 1,660,595              | 918,763                 |
| Gain on sale of capital assets                            | 39,875                 | 3,626                  | 3,001                  | 3,062                  | 115,058                | 36,906                 | 49,006                 | 107,077                | 164,726                | 129,159                 |
| Miscellaneous revenue                                     | 704,511                | 835,460                | 850,783                | 988,393                | 1,288,255              | 1,096,266              | 1,099,493              | 800,707                | 800,824                | 946,223                 |
| Transfers   | (5,581,068)            | 1,205,288              | 1,176,568              | (2,331,891)            | 499,296                | 1,533,855              | 1,162,173              | (42,796)               | 681,480                | (3,117,710)             |
| Total Governmental activities                             | <u>95,307,512</u>      | <u>97,625,593</u>      | <u>101,468,756</u>     | <u>87,578,335</u>      | <u>91,449,186</u>      | <u>94,208,960</u>      | <u>101,367,060</u>     | <u>99,416,907</u>      | <u>108,542,774</u>     | <u>108,085,065</u>      |
| Business-type activities:                                 |                        |                        |                        |                        |                        |                        |                        |                        |                        |                         |
| Gain on sale of capital assets                            | 100,184                | 6,800                  | 15,295                 | 120,761                | 84,125                 | 73,659                 | (145,266)              | 54,796                 | 133,890                | 106,380                 |
| Investment earnings                                       | 1,690,003              | 1,099,783              | 1,129,631              | 407,549                | 425,541                | 92,380                 | 296,748                | 530,059                | 767,787                | 485,291                 |
| Miscellaneous revenue                                     | 439,655                | 417,233                | 417,732                | 427,910                | 611,077                | 431,101                | 446,197                | 37,307                 | 529,968                | 73,423                  |
| Special item  | 340,199                | -                      | -                      | -                      | -                      | -                      | -                      | -                      | -                      | -                       |
| Transfers   | 5,581,068              | (1,205,288)            | (1,176,568)            | 2,331,891              | (499,296)              | (1,533,855)            | (1,162,173)            | 42,796                 | (681,480)              | 3,117,710               |
| Total Business-type activities:                           | <u>8,151,109</u>       | <u>318,528</u>         | <u>386,090</u>         | <u>3,288,111</u>       | <u>621,447</u>         | <u>(936,715)</u>       | <u>(564,494)</u>       | <u>664,958</u>         | <u>750,165</u>         | <u>3,782,804</u>        |
| Total Primary Government                                  | <u>103,458,621</u>     | <u>97,944,121</u>      | <u>101,854,846</u>     | <u>90,866,446</u>      | <u>92,070,633</u>      | <u>93,272,245</u>      | <u>100,802,566</u>     | <u>100,081,865</u>     | <u>109,292,939</u>     | <u>111,867,869</u>      |
| <b>Change in Net Position</b>                             |                        |                        |                        |                        |                        |                        |                        |                        |                        |                         |
| Governmental activities                                   | 9,267,282              | 8,553,189              | 22,242,411             | (9,111,797)            | (1,309,507)            | (2,510,605)            | 3,769,192              | 2,294,820              | 26,532,849             | (15,456,501)            |
| Business-type activities:                                 | 10,597,137             | 1,442,603              | (415,494)              | 7,974,217              | 3,810,621              | 2,046,209              | 6,489                  | 4,761,582              | 1,634,620              | 11,114,242              |
| Total Primary Government                                  | <u>\$ 19,864,419</u>   | <u>\$ 9,995,792</u>    | <u>\$ 21,826,917</u>   | <u>\$ (1,137,580)</u>  | <u>\$ 2,501,114</u>    | <u>\$ (464,396)</u>    | <u>\$ 3,775,681</u>    | <u>\$ 7,056,402</u>    | <u>\$ 28,167,469</u>   | <u>\$ (4,342,259)</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**

|   | 2008                 | 2009                 | 2010                  | 2011                  | 2012                  | 2013                  | 2014                 | 2015                 | 2016                 | 2017                 |
|---|----------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>General Fund</b>                         |                      |                      |                       |                       |                       |                       |                      |                      |                      |                      |
| Reserved                                    | \$ 32,368,977        | \$ 30,732,081        | \$ -                  | \$ -                  | \$ -                  | \$ -                  | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| Unreserved                                  | 56,776,076           | 65,678,740           | -                     | -                     | -                     | -                     | -                    | -                    | -                    | -                    |
| Nonspendable                                | -                    | -                    | 284,411               | 245,514               | 1,380,183             | 328,490               | 194,404              | 2,725,821            | 2,747,561            | 3,049,485            |
| 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            |
| 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           |
| <b>Total General Fund</b>                   | <b>\$ 89,145,053</b> | <b>\$ 96,410,821</b> | <b>\$ 97,640,926</b>  | <b>\$ 67,162,819</b>  | <b>\$ 66,510,836</b>  | <b>\$ 65,086,338</b>  | <b>\$ 62,059,582</b> | <b>\$ 61,854,020</b> | <b>\$ 55,109,893</b> | <b>\$ 39,359,732</b> |
| <b>All Other Governmental Funds</b>         |                      |                      |                       |                       |                       |                       |                      |                      |                      |                      |
| Reserved                                    | 33,502,820           | 33,949,258           | -                     | -                     | -                     | -                     | -                    | -                    | -                    | -                    |
| Unreserved, reported in:                    |                      |                      |                       |                       |                       |                       |                      |                      |                      |                      |
| Northwest CRA District Funds                | 23,976,295           | 25,870,780           | -                     | -                     | -                     | -                     | -                    | -                    | -                    | -                    |
| Capital Projects Funds                      | 14,992,002           | 16,287,994           | -                     | -                     | -                     | -                     | -                    | -                    | -                    | -                    |
| Emergency Medical Services                  | 1,042,259            | 1,136,142            | -                     | -                     | -                     | -                     | -                    | -                    | -                    | -                    |
| Cultural Arts                               | 20,594               | 21,601               | -                     | -                     | -                     | -                     | -                    | -                    | -                    | -                    |
| East CRA                                    | 4,082,431            | 5,238,264            | -                     | -                     | -                     | -                     | -                    | -                    | -                    | -                    |
| Cemetery                                    | 741,611              | 748,036              | -                     | -                     | -                     | -                     | -                    | -                    | -                    | -                    |
| Nonspendable                                | -                    | -                    | 367,410               | 1,089,593             | 1,797,162             | 311,520               | 1,375,605            | 1,169,430            | 508,810              | 848,999              |
| 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           |
| 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            |
| Assigned                                    | -                    | -                    | -                     | 34,564,650            | 31,258,659            | 30,766,597            | 33,363,539           | 33,441,396           | 27,167,689           | 25,238,277           |
| Unassigned                                  | -                    | -                    | 773,761               | (209,951)             | (10,674)              | (176,494)             | -                    | -                    | -                    | -                    |
| <b>Total - All Other Governmental Funds</b> | <b>\$ 78,358,012</b> | <b>\$ 83,252,075</b> | <b>\$ 104,167,336</b> | <b>\$ 120,620,050</b> | <b>\$ 105,578,427</b> | <b>\$ 103,167,708</b> | <b>\$ 98,420,494</b> | <b>\$ 91,502,420</b> | <b>\$ 93,355,854</b> | <b>\$ 90,761,056</b> |

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**

|   | 2008                 | 2009                 | 2010                 | 2011                   | 2012                   | 2013                  | 2014                  | 2015                  | 2016                  | 2017                   |
|---|----------------------|----------------------|----------------------|------------------------|------------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|
| <b>Revenues</b>   |                      |                      |                      |                        |                        |                       |                       |                       |                       |                        |
| Taxes   | \$ 74,034,933        | \$ 74,292,736        | \$ 78,637,580        | \$ 70,255,567          | \$ 70,494,487          | \$ 73,182,138         | \$ 74,245,212         | \$ 77,169,918         | \$ 84,964,417         | \$ 88,681,421          |
| Judgments, fines and forfeitures                                | 1,249,857            | 1,466,766            | 1,353,607            | 1,204,590              | 1,085,139              | 1,200,681             | 983,420               | 1,055,782             | 967,783               | 833,271                |
| Permits, fees and special assessments                           | 23,802,123           | 22,436,894           | 22,018,532           | 23,283,619             | 24,686,920             | 24,855,651            | 27,540,501            | 31,500,484            | 29,405,962            | 28,531,878             |
| Intergovernmental   | 15,920,212           | 16,435,158           | 19,581,276           | 14,182,824             | 15,100,874             | 15,288,736            | 17,355,904            | 15,786,752            | 21,228,057            | 23,197,460             |
| Charges for services  | 14,505,728           | 16,243,058           | 15,764,204           | 16,172,851             | 16,043,017             | 16,986,200            | 16,128,244            | 16,953,246            | 18,966,483            | 22,159,041             |
| Pari-Mutuel   | 2,053,356            | 1,795,128            | 1,881,081            | 1,897,796              | 2,067,263              | 2,171,040             | 2,267,089             | 2,520,242             | 2,428,142             | 2,310,138              |
| Donations   | 113,756              | 44,730               | 23,315               | 59,539                 | 43,533                 | 49,880                | 42,705                | 99,446                | 9,376                 | 503,602                |
| Investment earnings   | 4,899,108            | 3,032,720            | 3,011,628            | 1,364,809              | 1,249,307              | 365,238               | 683,361               | 1,131,172             | 1,407,957             | 918,764                |
| Cemetery lot sales  | 125                  | 3,050                | 21,775               | 42,975                 | 52,332                 | 47,288                | 2,641                 | 760                   | 167,348               | 135,968                |
| Recaptured funds  | 96,025               | -                    | -                    | 23,571                 | 1,270                  | 14,523                | 1,581                 | 27,677                | 522                   | -                      |
| Program income  | 15,083               | -                    | -                    | 790,129                | 847,408                | 488,589               | 1,647,617             | 1,206,314             | 845,008               | 371,729                |
| Other revenue   | 499,470              | 458,782              | 683,291              | 768,841                | 916,330                | 1,062,012             | 559,355               | 671,666               | 651,627               | 946,225                |
| <b>Total revenues</b>   | <b>137,189,776</b>   | <b>136,209,022</b>   | <b>142,976,289</b>   | <b>130,047,111</b>     | <b>132,587,880</b>     | <b>135,711,976</b>    | <b>141,457,630</b>    | <b>148,123,459</b>    | <b>161,042,682</b>    | <b>168,589,497</b>     |
| <b>Expenditures</b>   |                      |                      |                      |                        |                        |                       |                       |                       |                       |                        |
| <b>Current</b>  |                      |                      |                      |                        |                        |                       |                       |                       |                       |                        |
| General government  | 18,482,902           | 18,962,681           | 21,786,373           | 22,249,998             | 23,068,801             | 24,023,015            | 23,613,044            | 24,445,400            | 23,171,303            | 24,218,567             |
| Public safety   | 68,611,664           | 72,671,842           | 74,708,661           | 74,794,319             | 71,529,455             | 74,361,660            | 75,218,105            | 76,913,019            | 82,736,275            | 88,228,536             |
| Physical environment  | 11,689,546           | 12,569,704           | 14,114,654           | 14,822,990             | 15,965,683             | 16,508,394            | 17,233,486            | 16,641,857            | 15,227,179            | 15,342,560             |
| Transportation  | 3,351,193            | 3,242,550            | 3,145,210            | 3,353,568              | 2,552,176              | 2,644,438             | 2,667,389             | 2,831,914             | 2,844,640             | 2,913,704              |
| Economic environment  | -                    | -                    | -                    | -                      | -                      | -                     | -                     | -                     | 7,442,686             | 8,720,541              |
| Culture and recreation  | 8,421,423            | 7,493,244            | 6,819,634            | 6,927,009              | 6,711,263              | 6,507,050             | 6,987,124             | 7,505,320             | 7,630,233             | 11,413,322             |
| <b>Debt service:</b>  |                      |                      |                      |                        |                        |                       |                       |                       |                       |                        |
| Principal   | 970,000              | 20,000               | 3,257,162            | 2,462,162              | 2,690,293              | 11,766,150            | 3,007,167             | 3,058,871             | 3,427,966             | 3,804,900              |
| Interest  | 987,830              | 889,628              | 1,179,245            | 1,252,726              | 1,220,909              | 1,106,701             | 1,009,691             | 928,222               | 882,005               | 780,368                |
| <b>Capital outlay</b>   | <b>8,130,010</b>     | <b>9,968,462</b>     | <b>7,078,998</b>     | <b>18,929,429</b>      | <b>25,150,062</b>      | <b>18,363,850</b>     | <b>20,712,118</b>     | <b>24,425,999</b>     | <b>26,063,169</b>     | <b>22,529,749</b>      |
| <b>Total expenditures</b>                                       | <b>120,644,568</b>   | <b>125,818,111</b>   | <b>132,089,937</b>   | <b>144,792,201</b>     | <b>148,888,642</b>     | <b>155,281,258</b>    | <b>150,448,124</b>    | <b>156,750,602</b>    | <b>169,425,456</b>    | <b>177,952,247</b>     |
| Excess (Deficiency) of Revenue Over (Under) Expenditures        | 16,545,208           | 10,390,911           | 10,886,352           | (14,745,090)           | (16,300,762)           | (19,569,282)          | (8,990,494)           | (8,627,143)           | (8,382,774)           | (9,362,750)            |
| <b>Other Financing Sources (Uses)</b>                           |                      |                      |                      |                        |                        |                       |                       |                       |                       |                        |
| Debt proceeds   | 457,968              | -                    | 10,000,000           | 53,150                 | -                      | 14,100,000            | -                     | -                     | 388,000               | -                      |
| Proceeds from capital lease                                     | -                    | -                    | -                    | 2,998,438              | -                      | -                     | -                     | 1,428,088             | 2,257,875             | -                      |
| Proceeds from sale of capital assets                            | 127,347              | 457,567              | 82,446               | -                      | 107,860                | 100,210               | 54,351                | 118,221               | 164,726               | 129,159                |
| Transfers in  | 11,096,477           | 6,623,660            | 11,834,055           | 35,052,824             | 25,960,746             | 24,133,274            | 27,448,016            | 22,726,691            | 22,388,163            | 18,832,131             |
| Transfers out   | (16,569,491)         | (5,312,307)          | (10,657,487)         | (37,384,715)           | (25,461,450)           | (22,599,419)          | (26,285,843)          | (22,769,487)          | (21,706,683)          | (27,943,499)           |
| <b>Total</b>  | <b>(4,887,699)</b>   | <b>1,768,920</b>     | <b>11,259,014</b>    | <b>719,697</b>         | <b>607,156</b>         | <b>15,734,065</b>     | <b>1,216,524</b>      | <b>1,503,513</b>      | <b>3,492,081</b>      | <b>(8,982,209)</b>     |
| <b>Net Changes in Fund Balances</b>                             | <b>\$ 11,657,509</b> | <b>\$ 12,159,831</b> | <b>\$ 22,145,366</b> | <b>\$ (14,025,393)</b> | <b>\$ (15,693,606)</b> | <b>\$ (3,835,217)</b> | <b>\$ (7,773,970)</b> | <b>\$ (7,123,630)</b> | <b>\$ (4,890,693)</b> | <b>\$ (18,344,959)</b> |
| <b>Debt Service as a Percentage of Non-Capital Expenditures</b> | 1.7%                 | 0.8%                 | 3.5%                 | 3.0%                   | 3.2%                   | 9.4%                  | 3.1%                  | 3.0%                  | 3.0%                  | 3.0%                   |

**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> |
|--------------------|-------------------|-------------------------|-----------------------------|
| 2008               | 2007              | \$ 17,169,012,896       | \$ 705,574,797              |
| 2009               | 2008              | 16,075,321,648          | 733,624,321                 |
| 2010               | 2009              | 14,088,383,450          | 699,411,335                 |
| 2011               | 2010              | 10,890,774,507          | 659,397,108                 |
| 2012               | 2011              | 10,431,372,238          | 608,684,957                 |
| 2013               | 2012              | 10,369,667,015          | 584,836,613                 |
| 2014               | 2013              | 10,583,449,362          | 605,640,437                 |
| 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                 |

**Source:** Broward County Property Appraiser

\* Assessed values as certified on October 24, 2016.

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

Note: The basis of assessed value is approximately 83% of actual value.

Tax rates are per \$1,000 of assessed value.

|    | <b>TOTAL<br/>ASSESSED<br/>VALUE</b> | <b>ALLOWABLE<br/>EXEMPTIONS</b> | <b>TAXABLE<br/>VALUE FOR<br/>OPERATIONS<br/>AND DEBT</b> | <b>TOTAL<br/>DIRECT<br/>TAX<br/>RATE</b> |
|----|-------------------------------------|---------------------------------|--|--|
| \$ | 17,874,587,693                      | \$ 5,021,089,922                | \$ 12,853,497,771  | 3.8073                                   |
|    | 16,808,945,969                      | 4,671,593,954                   | 12,137,352,015   | 3.9602                                   |
|    | 14,787,794,785                      | 4,900,944,575                   | 9,886,850,210  | 4.6663                                   |
|    | 11,550,171,615                      | 2,301,421,085                   | 9,248,750,530  | 4.9077                                   |
|    | 11,040,057,195                      | 2,272,132,460                   | 8,767,924,735  | 5.2027                                   |
|    | 10,954,503,628                      | 2,233,639,420                   | 8,720,864,208  | 5.4700                                   |
|    | 11,189,089,799                      | 2,195,810,716                   | 8,993,279,083  | 5.3712                                   |
|    | 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                                   |

**CITY OF POMPANO BEACH, FLORIDA**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**LAST TEN FISCAL YEARS**  
**(RATE PER \$1,000 OF ASSESSED VALUE)**

| Fiscal Year Ended Sept. 30 | City of Pompano Beach |              |                      |              | Overlapping Rates |                |              |
|----------------------------|-----------------------|--------------|----------------------|--------------|-------------------|----------------|--------------|
|                            | Tax Roll              | General Fund | Special Tax District | Debt Service | Direct Total      | Broward County | School Board |
| 2008                       | 2007                  | 3.2788       | 0.4449               | 0.0836       | 3.8073            | 5.2868         | 7.6484       |
| 2009                       | 2008                  | 3.4861       | 0.4718               | 0.0023       | 3.9602            | 5.3145         | 7.4170       |
| 2010                       | 2009                  | 4.0652       | 0.5000               | 0.1011       | 4.6663            | 5.3889         | 7.4310       |
| 2011                       | 2010                  | 4.4077       | 0.5000               | -            | 4.9077            | 5.5530         | 7.6310       |
| 2012                       | 2011                  | 4.7027       | 0.5000               | -            | 5.2027            | 5.5530         | 7.4180       |
| 2013                       | 2012                  | 4.9700       | 0.5000               | -            | 5.4700            | 5.5530         | 7.4560       |
| 2014                       | 2013                  | 4.8712       | 0.5000               | -            | 5.3712            | 5.7230         | 7.4800       |
| 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       |

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

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

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| <b>Overlapping Rates</b>                                       |  |                                     |   |   |   |
|--|--|-------------------------------------|---|---|---|
| <b>South<br/>Florida<br/>Water<br/>Management<br/>District</b> | <b>North<br/>Broward<br/>Hospital<br/>District</b> | <b>Children<br/>SVS<br/>Council</b> | <b>Hillsboro<br/>Inlet<br/>Improvement<br/>District *</b> | <b>Florida<br/>Inland<br/>Navigation<br/>District</b> | <b>Direct<br/>and<br/>Overlapping<br/>Total</b> |
| 0.6240   | 1.6255   | 0.3572                              | 0.0860  | 0.0345  | 21.3460   |
| 0.6240   | 1.7059   | 0.3754                              | 0.0860  | 0.0345  | 19.4697   |
| 0.6240   | 1.7059   | 0.4243                              | 0.0860  | 0.0345  | 19.5175   |
| 0.6240   | 1.8750   | 0.4696                              | 0.0860  | 0.0345  | 20.3609   |
| 0.4363   | 1.8750   | 0.4789                              | 0.0860  | 0.0345  | 21.1808   |
| 0.4289   | 1.8564   | 0.4902                              | 0.0860  | 0.0345  | 21.0844   |
| 0.4110   | 1.7554   | 0.4882                              | 0.1624  | 0.0345  | 21.3750   |
| 0.3842   | 1.5939   | 0.4882                              | 0.0860  | 0.0345  | 21.4257   |
| 0.3551   | 1.4425   | 0.4882                              | 0.0860  | 0.0320  | 20.9948   |
| 0.3307   | 1.3462   | 0.4882                              | 0.0860  | 0.0320  | 20.1836   |

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

**Schedule 7**

| TAXPAYER<br>(Local Exposure Recognition)            | 2017                      |      |   | TAXPAYER<br>(Local Exposure Recognition)            | 2008                      |      |   |
|---|---------------------------|------|---|---|---------------------------|------|---|
|   | TAXABLE<br>ASSESSED VALUE | Rank | PERCENT<br>OF TOTAL<br>CITY<br>TAXABLE<br>ASSESSED<br>VALUATION |   | TAXABLE<br>ASSESSED VALUE | Rank | PERCENT<br>OF TOTAL<br>CITY<br>TAXABLE<br>ASSESSED<br>VALUATION |
| John Knox Village of Florida                        | \$ 91,965,440             | 1    | 0.83%   | Preserve at Palm-Aire LLC                           | \$ 25,436,580             | 1    | 0.20%   |
| UH-Pompano  | 59,605,160                | 2    | 0.54%   | 416 LLC   | 23,311,310                | 2    | 0.18%   |
| Pompano Beach Apartments LLC                        | 54,754,090                | 3    | 0.49%   | Palm Vacation Group                                 | 19,743,099                | 3    | 0.15%   |
| Jag-Star Pompano LLC                                | 53,793,450                | 4    | 0.48%   | Associated Grocers LLC (Winn Dixie)                 | 18,608,170                | 4    | 0.15%   |
| Palm Vacation Group                                 | 50,391,800                | 5    | 0.45%   | Cobblestone Apt. Assoc. LLC                         | 16,489,970                | 5    | 0.13%   |
| PPI Inc   | 46,915,370                | 6    | 0.42%   | Faison-Pompano Citi Centre LLC                      | 15,320,500                | 6    | 0.12%   |
| EQR-Bayview LLC                                     | 46,914,430                | 7    | 0.42%   | SNH/LTA Properties Trust                            | 15,300,080                | 7    | 0.12%   |
| Pompano MZL LLC                                     | 40,788,550                | 8    | 0.37%   | Regency 288 LLC                                     | 15,056,510                | 8    | 0.12%   |
| Associated Grocers                                  | 37,965,130                | 9    | 0.34%   | St. Andrews Palm Aire Assoc.                        | 13,981,500                | 9    | 0.11%   |
| CRP Preserve Palm Aire LLC                          | <u>32,627,040</u>         | 10   | 0.29%   | CC-Pompano Inc                                      | <u>12,999,280</u>         | 10   | 0.10%   |
| Total taxable assessed value of principal taxpayers | 515,720,460               |      | 4.63%   | Total taxable assessed value of principal taxpayers | 176,246,999               |      | 1.38%   |
| Total taxable assessed value of other taxpayers     | <u>10,613,724,527</u>     |      | 95.37%  | Total taxable assessed value of other taxpayers     | <u>12,626,715,780</u>     |      | 98.62%  |
| Total taxable assessed valuation of all taxpayers   | <u>\$ 11,129,444,987</u>  |      | 100.00%   | Total taxable assessed valuation of all taxpayers   | <u>\$ 12,802,962,779</u>  |      | 100.00%   |

Source: Broward County Property Appraiser  
2016 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> |
|--------------------|-----------------|----|-------------------------------|----|--|----------------------------------|
| 2008               | 2007            | \$ | 48,744,720                    | \$ | 47,860,443                             | 98.19                            |
| 2009               | 2008            |    | 47,586,219                    |    | 47,091,073                             | 98.96                            |
| 2010               | 2009            |    | 50,653,057                    |    | 47,481,268                             | 93.74                            |
| 2011               | 2010            |    | 45,005,797                    |    | 42,489,007                             | 94.41                            |
| 2012               | 2011            |    | 45,616,882                    |    | 43,005,085                             | 94.27                            |
| 2013               | 2012            |    | 47,703,127                    |    | 45,859,390                             | 96.13                            |
| 2014               | 2013            |    | 48,304,700                    |    | 46,666,879                             | 96.61                            |
| 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                            |

**Source:** City Finance Department

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

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| <b>SUBSEQUENT<br/>DELINQUENT<br/>TAX<br/>COLLECTIONS</b> |    | <b>TOTAL TAX<br/>COLLECTIONS</b> | <b>PERCENT OF<br/>TOTAL TAX<br/>COLLECTIONS<br/>TO TAX LEVY</b> |
|--|----|----------------------------------|---|
| 92,352   | \$ | 47,952,795                       | 98.38   |
| 79,932   |    | 47,171,005                       | 99.13   |
| 1,749,556  |    | 49,230,824                       | 97.19   |
| 1,445,843  |    | 43,934,850                       | 97.62   |
| 1,553,222  |    | 44,558,307                       | 97.68   |
| 891,130  |    | 46,750,520                       | 98.00   |
| 909,236  |    | 47,576,115                       | 98.49   |
| 1,409,084  |    | 47,831,733                       | 95.99   |
| 1,277,836  |    | 54,146,028                       | 97.40   |
| -  | \$ | 57,614,616                       | 97.21   |

**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 |                          |                                  |               |
| 2008              | \$ 1,115,000             | \$ 20,000,000       | -             | -             | \$ 36,105,000            | -                             | -             | -             | \$ 57,220,000            | 0.01                             | 571.87        |
| 2009              | 1,095,000                | 20,000,000          | -             | -             | 33,229,506               | -                             | -             | -             | 54,324,506               | 0.01                             | 548.56        |
| 2010              | -                        | 27,837,838          | -             | -             | 30,239,506               | -                             | -             | -             | 58,077,344               | 0.01                             | 588.36        |
| 2011              | -                        | 25,375,676          | -             | 3,060,164     | 27,129,506               | -                             | 10,717,747    | -             | 66,283,093               | 0.02                             | 660.72        |
| 2012              | -                        | 22,898,514          | -             | 2,768,670     | 23,905,000               | -                             | 10,024,432    | -             | 59,596,616               | 0.01                             | 582.91        |
| 2013              | -                        | 25,451,352          | -             | 2,549,682     | 20,535,000               | -                             | 9,231,550     | -             | 57,767,584               | 0.01                             | 559.82        |
| 2014              | -                        | 22,669,190          | -             | 2,324,677     | 17,355,000               | -                             | 8,416,881     | -             | 50,988,011               | -                                | 487.17        |
| 2015              | -                        | 19,867,028          | 1,402,567     | 2,093,489     | 14,440,000               | 23,875,000                    | 7,579,826     | -             | 69,407,171               | *                                | 653.18        |
| 2016              | -                        | 17,039,866          | 3,297,179     | 2,243,948     | 11,650,000               | 23,875,000                    | 6,719,769     | 75,179        | 64,900,941               | *                                | 604.15        |
| 2017              | -                        | \$ 14,192,704       | \$ 2,815,688  | \$ 1,842,880  | \$ 8,815,000             | \$ 23,875,000                 | \$ 5,836,080  | -             | \$ 57,377,352            | 31.51                            | 524.28        |

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 ** |
| 2008        | \$ 1,115,000                           | \$ 1,140,450                      | \$ (25,450) | 0.00%  | -0.25         |
| 2009        | 1,095,000                              | 1,125,572                         | (30,572)    | 0.00%  | -0.31         |
| 2010        | -                                      | 1,062,556                         | (1,062,556) | -0.01%   | -10.76        |
| 2011        | -                                      | -                                 | -           | 0.00%  | 0.00          |
| 2012        | -                                      | -                                 | -           | 0.00%  | 0.00          |
| 2013        | -                                      | -                                 | -           | 0.00%  | 0.00          |
| 2014        | -                                      | -                                 | -           | 0.00%  | 0.00          |
| 2015        | -                                      | -                                 | -           | 0.00%  | 0.00          |
| 2016        | -                                      | -                                 | -           | 0.00%  | 0.00          |
| 2017        | -                                      | -                                 | -           | 0.00%  | 0.00          |

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

\* See schedule 5 for property value data

\*\* See schedule 14 for population data

**CITY OF POMPANO BEACH, FLORIDA**

**Schedule 11**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (IN THOUSANDS)**

AS OF SEPTEMBER 30, 2017

| <b>Government Unit</b>                     | <b>Debt<br/>Outstanding</b> | <b>Estimated<br/>Percentage<br/>Applicable</b> | <b>Estimated<br/>Share of<br/>Overlapping<br/>Debt</b> |
|--|-----------------------------|--|--|
| Debt repaid with property taxes:           |                             |  |  |
| City of Pompano Beach, Florida             | \$ -                        | -  | \$ -   |
| Broward County                             | 207,550                     | 6.83%  | 14,176   |
| Broward County School Board                | 156,361                     | 6.83%  | <u>10,679</u>  |
| Subtotal, overlapping debt                 |                             |  | <u>24,855</u>  |
| City direct debt (non ad valorem security) |                             |  | <u>18,851</u>  |
| Total direct and overlapping debt          |                             |  | <u>\$ 43,706</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>2008</b>             | <b>2009</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>             |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Debt limit  | \$ 1,920,444,417        | \$ 1,802,417,278        | \$ 1,628,261,915        | \$ 1,375,566,885        | \$ 1,315,188,710        | \$ 1,308,129,631        | \$ 1,348,991,862        | \$ 1,424,541,875        | \$ 1,519,824,121        | \$ 1,669,416,748        |
| Total net debt applicable to limit                                      | <u>(25,450)</u>         | <u>(30,572)</u>         | -                       | -                       | -                       | -                       | -                       | -                       | -                       | -                       |
| Legal debt margin   | <u>\$ 1,920,469,867</u> | <u>\$ 1,802,447,850</u> | <u>\$ 1,628,261,915</u> | <u>\$ 1,375,566,885</u> | <u>\$ 1,315,188,710</u> | <u>\$ 1,308,129,631</u> | <u>\$ 1,348,991,862</u> | <u>\$ 1,424,541,875</u> | <u>\$ 1,519,824,121</u> | <u>\$ 1,669,416,748</u> |
| Total net debt applicable to the limit<br>as a percentage of debt limit | 0.13%                   | 0.05%                   | 0.00%                   | 0.00%                   | 0.00%                   | 0.00%                   | 0.00%                   | 0.00%                   | 0.00%                   | 0.00%                   |
| Legal Debt Margin Calculation<br>for Fiscal Year 2015                   |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Assessed Value  | 11,129,444,987          |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Debt Limit (15% of assessed value)                                      | 1,669,416,748           |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Debt applicable to limit  |                         |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| General obligation bonds  | -                       |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Less Amount set aside for repayment<br>of general obligation debt       | -                       |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Total net debt applicable to limit                                      | -                       |                         |                         |                         |                         |                         |                         |                         |                         |                         |
| Legal debt margin   | <u>\$ 1,669,416,748</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<br>YEAR<br>ENDED | (1)<br>GROSS<br>REVENUES | (2)<br>OPERATING<br>EXPENSES | (3)<br>NET REVENUE<br>AVAILABLE<br>FOR<br>DEBT SERVICE<br>(1)-(2) | DEBT SERVICE CASH REQUIREMENTS |              |              | COVERAGE<br>(3):(4) |
|-------------------------|--------------------------|------------------------------|---|--------------------------------|--------------|--------------|---------------------|
|                         |                          |                              |   | PRINCIPAL                      | INTEREST     | (4)<br>TOTAL |                     |
| 2008                    | \$ 34,644,947            | \$ 22,150,443                | \$ 12,494,504   | \$ 2,765,000                   | \$ 1,602,118 | \$ 4,367,118 | 2.86%               |
| 2009                    | 35,891,722               | 23,092,648                   | 12,799,074  | 2,875,494                      | 1,493,306    | 4,368,800    | 2.93%               |
| 2010                    | 34,840,149               | 24,074,825                   | 10,765,324  | 2,990,000                      | 1,380,169    | 4,370,169    | 2.46%               |
| 2011                    | 40,662,838               | 24,135,671                   | 16,527,167  | 3,110,000                      | 1,262,506    | 4,372,506    | 3.78%               |
| 2012                    | 41,308,536               | 24,236,123                   | 17,072,413  | 3,225,000                      | 1,140,118    | 4,365,118    | 3.91%               |
| 2013                    | 40,073,305               | 23,882,921                   | 16,190,384  | 3,370,000                      | 1,013,206    | 4,383,206    | 3.69%               |
| 2014                    | 39,365,370               | 23,951,731                   | 15,413,639  | 2,590,000                      | 876,218      | 3,466,218    | 4.45%               |
| 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%               |

**Source:** City Finance Department

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

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

| Year | <u>Broward County</u> |  |                            |            |   |                          |                                  |
|------|-----------------------|--|----------------------------|------------|---|--------------------------|----------------------------------|
|      | Population            | Personal Income (thousands of dollars) | Per Capita Personal Income | Median Age | Education Level in Years of Schooling (High School or Higher) | School Enrollment (K-12) | Unemployment Rate Broward County |
| 2008 | 100,058               | 4,113,284                              | 41,109                     | 43.9       | 74.8  | 11,520                   | 5.4                              |
| 2009 | 99,031                | 3,828,340                              | 38,658                     | 39.2       | 87.2  | 11,629                   | 9.1                              |
| 2010 | 98,711                | 4,019,117                              | 40,716                     | 42.7       | 79.2  | 11,576                   | 10.7                             |
| 2011 | 100,319               | 4,186,111                              | 41,728                     | 40.1       | 83.4  | 11,754                   | 9.5                              |
| 2012 | 102,239               | 4,266,536                              | 41,731                     | 42.7       | 81.0  | 12,029                   | 7.1                              |
| 2013 | 103,189               | 4,229,614                              | 40,989                     | 42.4       | 82.8  | 11,974                   | 7.0                              |
| 2014 | 104,662               | 4,514,491                              | 43,134                     | 44.2       | 83.6  | 11,150                   | 5.0                              |
| 2015 | 106,260               | 4,899,224                              | 46,106                     | 40.2       | 88.2  | 11,821                   | 4.7                              |
| 2016 | 107,425               | 5,038,877                              | 46,906                     | 39.4       | 82.8  | 11,611                   | 4.8                              |
| 2017 | 109,441               | *                                      | *                          | 41.7       | 83.2  | 11,259                   | 3.3                              |

**Sources:** City of Pompano Development Services Department via:  
 US Census, American Community Survey  
 Broward County School Board, School Enrollment Counts, Historic Benchmark Day Figures  
 US Dept. of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics Program  
 Bureau of Economic & Business Research, University of Florida  
 U.S. Bureau of Economic Analysis

**Note:** \* Indicates information not available  
 Personal Income and Per Capita prior year calculations were based on Broward County household data.

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

**Schedule 15**

| <b>Employer</b>             | <b>2017</b>      |             |  | <b>Employer</b>             | <b>2008</b>      |             |                                       |
|-----------------------------|------------------|-------------|--|-----------------------------|------------------|-------------|---------------------------------------|
|                             | <b>Employees</b> | <b>Rank</b> | <b>Percentage of Total City Employment</b> |                             | <b>Employees</b> | <b>Rank</b> | <b>Percentage of Total Employment</b> |
| Point Blank Enterprises     | 1,078            | 1           | 1.43%                                      | Pompano Beach Racino        | 1250             | 1           | 2.41%                                 |
| City of Pompano Beach       | 886              | 2           | 1.17%                                      | Broward County School Board | 1130             | 2           | 1.50%                                 |
| John Knox Village           | 840              | 3           | 1.11%                                      | Broward County Correctional | 927              | 3           | 1.23%                                 |
| WalMart                     | 749              | 4           | 0.99%                                      | Gold Coast Distributing     | 700              | 4           | 0.93%                                 |
| Broward County Correctional | 697              | 5           | 0.92%                                      | City of Pompano Beach       | 688              | 5           | 0.91%                                 |
| PPI Inc (Isle Capri)        | 667              | 6           | 0.88%                                      | John Knox Village           | 630              | 6           | 0.84%                                 |
| Publix                      | 589              | 7           | 0.78%                                      | Publix                      | 612              | 7           | 0.81%                                 |
| American Medical Response   | 532              | 8           | 0.71%                                      | American Bldg. Maintenance  | 550              | 8           | 0.73%                                 |
| Freshpoint Produce & Dairy  | 500              | 9           | 0.66%                                      | Comcast Cable Holdings      | 500              | 9           | 0.66%                                 |
| FedEx Ground                | 334              | 10          | 0.44%                                      | WalMart Stores              | 475              | 10          | 0.63%                                 |

**Source:** City of Pompano Beach BTR Division:  
Listed Companies

**CITY OF POMPANO BEACH, FLORIDA**  
**FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION / PROGRAM**  
**LAST TEN FISCAL YEARS**

**Schedule 16**

| <u>Function/Program</u>    | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| General Government         |             |             |             |             |             |             |             |             |             |             |
| City Commissioners         | 6           | 6           | 6           | 6           | 6           | 6           | 6           | 6           | 6           | 6           |
| City Manager               | 4           | 5           | 5           | 5           | 5           | 4           | 4           | 4           | 5           | 5           |
| Advisory Board             | 3           | 2           | 2           | 2           | 2           | 2           | 1           | 1           | 1           | 1           |
| Public Information Office  | 4           | 4           | 3           | 3           | 3           | 4           | 4           | 4           | 4           | 4           |
| City Attorney              | 6           | 6           | 6           | 6           | 6           | 6           | 6           | 6           | 6           | 6           |
| City Clerk                 | 4           | 4           | 4           | 4           | 4           | 4           | 4           | 4           | 4           | 4           |
| Human Resources            | 5           | 5           | 5           | 5           | 5           | 5           | 5           | 5           | 5           | 5           |
| Internal Audit             | 3           | 3           | 3           | 3           | 3           | 3           | 3           | 3           | 3           | 3           |
| Internal Services          | 34          | 33          | 33          | 33          | 33          | 33          | 31          | 31          | 32          | 33          |
| Economic Development       | 1           | -           | -           | -           | -           | -           | -           | -           | 1           | 1           |
| Northwest CRA              | -           | -           | -           | 2           | 1           | 2           | 2           | 2           | 2           | 4           |
| East CRA                   | -           | -           | -           | 2           | 1           | 1           | 1           | 1           | 1           | 1           |
| Tourism                    | -           | -           | -           | -           | -           | -           | -           | -           | 2           | 2           |
| Program Compliance Manager | -           | -           | -           | -           | -           | -           | -           | -           | 1           | 1           |
| Finance                    | 21          | 20          | 22          | 22          | 22          | 22          | 22          | 22          | 24          | 24          |
| Fire & EMS\                | 199         | 199         | 217         | 217         | 217         | 217         | 217         | 217         | 217         | 232         |
| Development Services       | 68          | 62          | 62          | 62          | 66          | 67          | 70          | 73          | 74          | 77          |
| Office of Housing & Urban  |             |             |             |             |             |             |             |             |             |             |
| Improvement                | 6           | 7           | 5           | 5           | 6           | 7           | 6           | 6           | 7           | 11          |
| Public Works               | 141         | 136         | 136         | 136         | 136         | 136         | 141         | 143         | 142         | 141         |
| Parks & Recreation         | 83          | 81          | 56          | 56          | 56          | 53          | 52          | 50          | 50          | 50          |
| Utilities                  | 118         | 118         | 118         | 118         | 115         | 114         | 114         | 115         | 116         | 117         |
| Stormwater                 | 8           | 8           | 8           | 8           | 8           | 8           | 8           | 11          | 11          | 11          |
| Airpark                    | 5           | 6           | 5           | 5           | 5           | 5           | 5           | 5           | 5           | 5           |
| Golf                       | 9           | 9           | 9           | 9           | 9           | 9           | 10          | 10          | 10          | 10          |
| Solid Waste                | 2           | 2           | 3           | 3           | 3           | 3           | 3           | 3           | 3           | 14          |
| Total                      | 730         | 716         | 708         | 712         | 712         | 711         | 715         | 722         | 732         | 768         |

**Source:** City Budget Office

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

**Schedule 17**

|  | 2008        | 2009        | 2010       | 2011        | 2012        | 2013        | 2014        | 2015        | 2016        | 2017        |
|--|-------------|-------------|------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Function/Program</b>                |             |             |            |             |             |             |             |             |             |             |
| Public Safety                          |             |             |            |             |             |             |             |             |             |             |
| Fire                                   |             |             |            |             |             |             |             |             |             |             |
| Emergency responses                    | 17,962      | 17,505      | 17,746     | 18,015      | 17,753      | 17,753      | 18,541      | 20,430      | 19,987      | 21,262      |
| Fires Extinguished                     | 415         | 371         | 346        | 355         | 333         | 354         | 332         | 328         | 360         | 363         |
| Inspections                            | 3,168       | 5,151       | 5,284      | 6,118       | 5,213       | 6,551       | 6,113       | 4,209       | 6,868       | 10,640      |
| Uniformed Employees                    | 185         | 185         | 185        | 184         | 185         | 185         | 185         | 186         | 182         | 197         |
| Non-Uniformed Employees                | 11          | 8           | 8          | 8           | 8           | 8           | 8           | 7           | 7           | 7           |
| Building Permits                       |             |             |            |             |             |             |             |             |             |             |
| Permits Issued                         | 13,606      | 12,473      | 13,715     | 11,864      | 15,827      | 12,323      | 13,213      | 14,283      | 12,599      | 12,434      |
| Estimated Value                        | 164,751,110 | 107,274,620 | 87,718,162 | 123,406,754 | 164,631,190 | 148,673,496 | 241,292,153 | 255,772,560 | 280,308,330 | 159,808,992 |
| City Clerk                             |             |             |            |             |             |             |             |             |             |             |
| No. of Registered Voters               | 52,921      | 55,621      | 55,829     | 57,043      | 58,284      | 61,263      | 61,496      | 55,964      | 55,964      | 62,449      |
| No. of Ballots Cast                    | 4,364       | 768         | 1,225      | 977         | 7,672       | 6,346       | -           | 26,171      | -           | 44,323      |
| Districts Voting                       | 1, 3        | 4           | 5          | 0           | 1,2,3,4,5   | 2,4, Mayor  |             | 1,2,3,4,5   | 0           | 5           |
| Recreation Centers-Attendance          |             |             |            |             |             |             |             |             |             |             |
| Emma Lou Olson                         | 70,804      | 68,042      | 69,564     | 75,387      | 91,902      | 88,696      | 61,811      | 61,775      | 60,428      | 53,099      |
| McNair                                 | 110,278     | 104,243     | 116,317    | 97,194      | 44,364      | 40,338      | 42,464      | 44,364      | 40,421      | 40,199      |
| Mitchell/Moore                         | 62,105      | 54,149      | 63,070     | 69,717      | 69,622      | 41,449      | 26,698      | 34,252      | 36,147      | 43,952      |
| Skolnick                               | 74,409      | 71,018      | 63,033     | 62,496      | 54,775      | 38,225      | 32,728      | 38,975      | 41,127      | 39,203      |
| Pompano Highlands                      | 25,323      | 26,258      | 21,636     | 21,611      | 21,070      | 20,057      | 24,489      | 21,130      | 11,862      | 13,193      |
| North Pompano                          | 109,570     | 93,286      | 94,484     | 115,797     | 31,316      | 60,629      | 28,347      | 32,000      | 25,277      | 30,169      |
| E. Pat Larkins                         | 32,994      | 31,661      | 26,905     | 33,440      | 33,954      | 47,011      | 19,874      | 39,411      | 44,532      | 53,863      |
| Utility                                |             |             |            |             |             |             |             |             |             |             |
| Municipal Water System                 |             |             |            |             |             |             |             |             |             |             |
| Active Water Accounts                  | 18,182      | 18,094      | 17,983     | 18,062      | 18,200      | 18,312      | 18,489      | 18,721      | 18,802      | 18,870      |
| New Active Accounts                    | 107         | 123         | 47         | 35          | 130         | 112         | 165         | 154         | 113         | 53          |
| Active Reclaimed Water Accounts        | 84          | 117         | 142        | 310         | 579         | 671         | 782         | 882         | 1,016       | 1,096       |
| Metered Sales (Billion Gallons)        | 5.0         | 5.0         | 5.0        | 5.0         | 5.0         | 4.0         | 4.0         | 4.7         | 4.7         | 4.8         |
| Average Gallons (1,000) Billed Per Day | 12,718      | 13,010      | 13,228     | 13,167      | 12,841      | 12,841      | 12,219      | 12,823      | 12,967      | 13,158      |
| Reclaimed Water (Million Gals.)        | 487         | 558         | 511        | 572         | 558         | 720         | 794         | 877         | 764         | 751         |
| Water Main Breaks                      | 152         | 130         | 134        | 95          | 213         | 229         | 107         | 64          | 64          | 59          |
| Plant Capacity Million Gals./Day       | 50          | 50          | 50         | 50          | 50          | 50          | 50          | 50          | 50          | 50          |
| Municipal Sewer System                 |             |             |            |             |             |             |             |             |             |             |
| Active Accounts                        | 15,787      | 15,805      | 15,945     | 16,044      | 16,158      | 16,312      | 16,434      | 16,637      | 16,713      | 16,798      |
| General Government                     |             |             |            |             |             |             |             |             |             |             |
| Tax Rates                              |             |             |            |             |             |             |             |             |             |             |
| Utility Services:                      |             |             |            |             |             |             |             |             |             |             |
| Electric                               | 10          | 10          | 10         | 10          | 10          | 10          | 10          | 10          | 10          | 10          |
| Water                                  | 6           | 6           | 6          | 6           | 6           | 6           | 6           | 6           | 6           | 6           |
| Communication Service                  | 5           | 5           | 5          | 5           | 5           | 5           | 5           | 5           | 5           | 5           |
| 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**

| <b>Function / Program</b>         | <b>2008</b> | <b>2009</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>Area</b>                       |             |             |             |             |             |             |             |             |             |             |
| 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       |
| <b>Infrastructure</b>             |             |             |             |             |             |             |             |             |             |             |
| Paved streets                     | 271         | 271         | 271         | 271         | 271         | 271         | 271         | 271         | 267         | 279         |
| Unpaved streets                   | 2.5         | 2.5         | 2.5         | 2.5         | -           | -           | -           | -           | 3.0         | 3           |
| Sidewalks                         | 155         | 155         | 155         | 156         | 171         | 171         | 171         | 173         | 200         | 200         |
| Canals & waterways                | 32          | 32          | 32          | 32          | 32          | 32          | 32          | 32          | 32          | 32          |
| Storm drainage                    | 70          | 70          | 79          | 83          | 111         | 100         | 102         | 103.0       | 117.0       | 119         |
| City-owned streetlights           | 1,400       | 1,199       | 1,199       | 1,199       | 1,100       | 1,176       | 1,058       | 1,248       | 1,398       | 1,398       |
| FP&L owned streetlights           | 7,000       | 5,364       | 5,376       | 5,375       | 5,375       | 5,399       | 5,392       | 5,376       | 5,377       | 5,355       |
| <b>Fire</b>                       |             |             |             |             |             |             |             |             |             |             |
| Stations                          | 6           | 6           | 6           | 6           | 6           | 6           | 6           | 6           | 6           | 6           |
| <b>Police</b>                     |             |             |             |             |             |             |             |             |             |             |
| Stations                          | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| <b>Recreation</b>                 |             |             |             |             |             |             |             |             |             |             |
| Public beach (miles)              | 0.51        | 0.51        | 0.51        | 0.51        | 0.51        | 0.51        | 0.51        | 0.51        | 0.51        | 0.51        |
| Municipal parks                   | 46          | 46          | 48          | 48          | 49          | 49          | 49          | 49          | 49          | 49          |
| Municipal swimming pool           | 2           | 2           | 2           | 2           | 2           | 2           | 2           | 2           | 2           | 2           |
| 36-hole municipal golf course     | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| 977 foot municipal pier           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           | 1           |
| Recreational areas (acres)        | 258.17      | 258.17      | 258.17      | 258.17      | 263.17      | 263.17      | 263.17      | 263.17      | 263.17      | 270.16      |
| Golf course (acres)               | 307         | 307         | 307         | 307         | 307         | 307         | 340         | 340         | 340         | 340         |
| Recreation centers                | 7           | 7           | 7           | 7           | 7           | 7           | 7           | 7           | 7           | 7           |
| <b>Municipal water system</b>     |             |             |             |             |             |             |             |             |             |             |
| Water mains (miles)               | 284         | 304         | 304         | 280         | 281         | 281         | 275         | 280         | 279         | 274         |
| Reuse water mains (miles)         | 20.0        | 22.0        | 23.0        | 24.0        | 27.1        | 24.0        | 29.0        | 29.6        | 29.6        | 29.6        |
| Fire hydrants                     | 1,865       | 1,879       | 1,943       | 1,968       | 2,039       | 2,025       | 2,025       | 2,018       | 2,045       | 2,033       |
| Fire hydrants (reuse water)       | 4           | 4           | 5           | 5           | 5           | 5           | 5           | 5           | 5           | 5           |
| <b>Municipal sewer systems</b>    |             |             |             |             |             |             |             |             |             |             |
| Gravity sewer (miles)             | 196         | 199         | 194         | 194         | 181         | 195         | 195         | 195         | 195         | 195         |
| Wastewater force main (miles)     | 68          | 76          | 63          | 69          | 69          | 69          | 69          | 69          | 69          | 69          |
| Wastewater lift stations          | 75          | 75          | 75          | 75          | 78          | 77          | 77          | 77          | 77          | 78          |