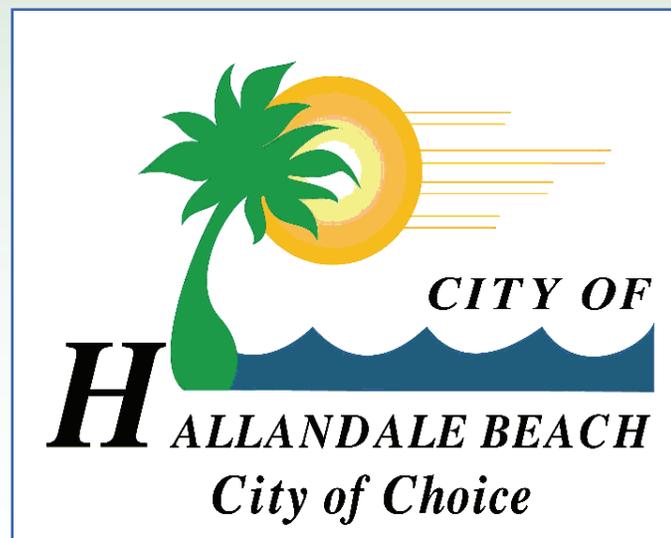




City of Hallandale Beach, Florida

Comprehensive Annual Financial Report

For the Fiscal Year Ended September 30, 2011



CITY OF HALLANDALE BEACH, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011



**PREPARED BY
DEPARTMENT OF FINANCE**

City of Hallandale Beach, Florida
 Comprehensive Annual Financial Report
 September 30, 2011

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CITY OF

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City of Choice



City of Hallandale Beach

April 2, 2012

400 South Federal Highway
Hallandale Beach, FL 33009-6432
Phone: (954) 458-3251
Fax: (954) 457-1342

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

The Comprehensive Annual Financial Report (CAFR) of the City of Hallandale Beach, Florida (the "City") for the fiscal year ended September 30, 2011, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation (including all disclosures) rests with the City. To the best of our knowledge and belief, the information presented herein is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included. Marcum LLP, Certified Public Accountants, have issued an unqualified opinion on the City of Hallandale Beach's financial statements for the year ended September 30, 2011. The independent auditors' report is located at the front of the financial section of this report.

We recognize the users of the CAFR as being the residents and businesses of our community who pay for governmental services now and in the future. We also have found that creditors and investors are equally interested in the financial stability of the City. Recognizing these primary users, we have attempted to provide information to satisfy their need to evaluate the City's finances.

This report includes all funds of the City as well as criteria for defining the financial reporting entity of the City as promulgated by the Governmental Accounting Standards Board (GASB). The GASB is the official standard setting body for accounting principles generally accepted in the United States of America (GAAP) as it applies to local governmental units. Pursuant to GASB guidelines, the financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion from the reporting entity's financial statements would be misleading or incomplete. The following entities, for which the City is fiscally accountable, are required to be blended with the data of the primary government: Golden Isles Safe Neighborhood District, Three Islands Safe Neighborhood District and the Hallandale Beach Community Redevelopment Agency.

As a recipient of federal, state and local financial assistance, the City is also responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. These internal controls are subject to periodic evaluation by management and the City's external auditor.

As part of the City's single audit, tests are made to determine the adequacy of the internal controls, including that portion related to federal awards programs, as well as to determine that the City has complied with applicable laws and regulations. A separate report is issued each year on the City's compliance with applicable laws and regulations.

GAAP require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is

designed to complement MD&A and should be read in conjunction with it. The City of Hallandale Beach's MD&A can be found immediately following the report of the independent auditors.

Profile of the City

The City of Hallandale Beach, incorporated in 1927, is located in the southeast corner of Broward County on the Atlantic Ocean. The City encompasses 4.4 square miles and has a population of 37,113 residents as of April 1, 2011, which is the last date population counts were officially published by the State of Florida.

The City operates under the Commission-Manager form of government and provides a full range of municipal services as provided by State Statute and City Charter. Services include Public Safety (Police, Fire, Building Inspections and Code Compliance), Streets Maintenance, Water, Sewer, Stormwater Drainage, Municipal Cemetery, Sanitation, Human Services, Recreation, Planning and Zoning and General Administrative Services.

The City's demographics continue to change as younger families move to Hallandale Beach for its location and quality of life attributes. Tourism continues to play an important role in the City's economy, as the population can increase to 50,000 during the peak winter season.

Local Economy

Economic development as a term-of-art is generally thought of as a governmental function despite the fact that the primary driver of the economy of any region or City is private investment and private business. As a result, a city's economic development policies and functions, to be most effective, should be oriented to supporting and enhancing private investment, which is made in targeted industries or economic activity for which there is already inherent underlying market support.

To date, the City of Hallandale Beach has principally provided support to business investment and development in three key ways:

- 1) By making infrastructure improvements within public right-of-way above (streetscaping, façade improvements) and below ground (water/sewer, drainage);
- 2) By providing incentive loan and grant programs oriented to small and medium sized businesses; and,
- 3) By being responsive to requests for support associated with large scale investment activities in the City (i.e. Village at Gulfstream Park TIF Agreement).

The investment in infrastructure has created the underlying foundation upon which broader scale investment can occur, while the support of the Village at Gulfstream Park recognizes the importance of major projects as setting the stage for surrounding investment and job creation. Finally, the small- and medium-sized loan programs have supported small and local businesses.

The City can broadly benefit now by targeting incentives to certain key industries or land uses, as well as by improving upon the services and regulatory processes of the City as they relate to business activity and development.

Since the national (and global) economic recession started in 2007, the State's unemployment rate topped 12% in late 2010/early 2011, which exceeded the nation's peak unemployment rate of 10.2%. Broward County fared slightly better during this period, with unemployment reaching slightly above 10% in mid-2010, before settling at current levels in the low- to mid- nine percent range. The City of Hallandale Beach unemployment rate has actually mirrored the State and currently remains above 10%.

Economic Incentives

In 1996, the City Commission established the Hallandale Beach Community Redevelopment Agency (CRA) pursuant to Florida State Statute 163.356. The CRA is a separate dependent district with defined boundaries within the City of Hallandale Beach. The City Commission serves as the CRA Board of Directors.

The CRA's efforts are to guide quality growth, by creating dynamic changes in the City's long-term livability and economic health. During the past year, the CRA has advanced many projects, plans and programs to keep the commercial and residential renaissance going strong. Tax Increment Financing (TIF) incentivized the The Village at Gulfstream Park, a redevelopment project featuring the only racetrack and casino in the U.S. and comprising approximately 375,000 square feet of lifestyle and entertainment, retail featuring upscale shops and specialty stores, and 70,000 square feet of office space.

The City's affordable housing program public/private partnership with Shanco Development created 53 unit townhomes generating local jobs and affordable housing opportunities for home buyers. The CRA also assists homeowners through its Down Payment Assistance Program.

The CRA continues to provide funding for various park facility improvements, storm drainage, roadway, swale and sidewalk improvements and workforce housing opportunities, which otherwise would have been funded through the general or other funds.

In conjunction with the above noted improvements, the City of Hallandale Beach has been able to offer financial and technical assistance to both residential and commercial property owners. The Neighborhood Improvement Program, Business Incentive/Enticement Loan Program, Façade/Exterior Grant Program are just some of the key programs offered through the CRA which have improved property values in relation to other unimproved units, and made neighborhoods more attractive.

Initiatives and Highlights of the Current Fiscal Year 2011

Fiscal Year 2011 was a year of continued challenge for the City government, in which a number of initiatives and trends already underway in the previous year continued or accelerated. Some of the projects, and a number of new initiatives started during FY 2011 will continue to be addressed in FY 2012 and beyond.

By establishing the CRA, the City Commission/CRA Board of Directors has also provided a method of funding substantial infrastructure improvements. Funds were specifically appropriated through the CRA, Community Development Block Grants (CDBG), and Federal Emergency Management Agency (FEMA) grants to provide stormwater drainage, sidewalk, swale, street, and landscaping improvements, as well as public facility upgrades throughout various sections of the City. These improvements will not only continue to reduce the amount of flooding in the affected areas of the City, but will result in more aesthetically appealing residential areas. Funding in the amount of \$475,000 is included in the 2012 budget to continue this program. Operationally, the City maintains equipment reserves, and renewal and replacement reserves to ensure that our needs and the citizens' expectations are met for the current level of service.

As part of the City's commitment to improve and maintain the citizens' quality of life, while encouraging development, the City completed and adopted revisions to its Comprehensive Plan and the Citywide Master Plan. In view of the City Commission's commitment to quality of life, the process of developing and approving a Citywide Parks Master Plan was completed. These instruments will help the City achieve its goals of planned development and improved quality of life.

Major Initiatives – Future Years

One of the objectives of Hallandale Beach management is to be recognized for its organizational and performance excellence. To further that end, the City has hosted City Commission/City Manager Forums throughout the City to solicit input from the citizenry and business community. This has facilitated the development of the following City:

Mission Statement

The City of Hallandale Beach is dedicated to enhancing the quality of life in our community in a fiscally responsible manner by providing superior services that meet the needs of our community as well as plan for their future needs through continued communication.

Along with the mission statement came the following City:

Strategic Priorities

1. *Livable Community* - Provide a community where residents feel and are safe; where shopping areas and neighborhoods are pedestrian friendly; where quality, affordable leisure and educational opportunities and activities are provided; that has an efficient, affordable local and regional transportation system; and where diversity is strengthened and celebrated.
2. *Excellence in Government* - Ensure that local government is accountable, accessible and transparent in its operations; communicates effectively both internally and externally; values and supports community input and participation; and is effective in its management of human resources, tangible assets and fiscal responsibilities.
3. *Environmental Sustainability* - Enhance the quality of life of residents and visitors by protecting natural resources, environment, landscapes, tree canopy, heritage sites and planning for the conservation of these assets.
4. *Economic Development* - Support business owners in maintaining and improving property values and provide a sustainable community with a healthy balance of residential, commercial and light industry that provides a mix of local employment opportunities.

The City Manager and staff have worked diligently to formulate necessary action plans to integrate these priorities into each and every budgetary decision.

Capital Outlay and Improvements

For FY 2012, there is \$8.7 million in new funding provided for capital improvement and other major economic projects. The largest portion, over \$4.4 million, is for water projects, including wellfield relocation.

Other major capital improvement projects include \$2.7 million for transportation improvements including Dixie corridor and southwest quadrant improvements such as lighting, sidewalks, and bridge rehabilitation and \$1.2 million for facility improvements, including beach renourishment and the City's main fire station and water plant.

Also included is \$1.6 million in vehicle purchases, including \$550,000 for two automated loaders, \$420,000 for 14 police vehicles, and \$260,000 for one fire rescue vehicle.

The City Commission continues the implementation of the long-range parks improvement program for citywide parks. These include major expansion and redevelopment of Bluesten Park, as well as improvements to Foster Park, including construction of a Community Center.

Long-term Financial Planning

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

With the downturn of the global economy, the City of Hallandale Beach has faced a number of challenges in the past. However, the City of Hallandale Beach, led by the City Commissioners, stands ready to meet the challenges ahead.

Financial Information

City management and staff of the City is responsible for establishing and maintaining internal controls designed to ensure that the assets of the City are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

Accounting and Budgetary Systems

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

Budgetary control for the City is exercised at the Commission level. Florida law prohibits the expenditure of public funds in excess of budgetary amounts and requires that budgets be balanced.

The City adopts annual budgets for the General, Special Revenue, and Enterprise Funds. The City also maintains at least a five-year Capital Improvement Program that is updated annually. Proposed projects are prioritized and available funds are allocated accordingly. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is established at the category level within a fund. Encumbrance accounting (under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded as a reservation of budget) is used to further enhance budgetary control.

Awards 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 of Hallandale Beach for its comprehensive annual financial report for the FY ended September 30, 2010. This was the 29th consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to meet the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City also received the GFOA's Award for Distinguished Budget Presentation for its annual budget for the last 25 consecutive years. In order to qualify for this award, the government's budget documents must be judged proficient in several categories, including policy documentation, financial planning and organization. The Distinguished Budget Award is valid for a period of one year only. We expect to receive confirmation that our budget continues to conform and that we will receive the certificate for the current budget year.

Your elected City officials and their staff are dedicated to providing responsive, efficient service to the citizens of the City of Hallandale Beach. The preparation of this report could not have been accomplished without the dedicated efforts of the entire staff of the Finance Department, under the direction of Director of Finance Patricia M. Ladolcetta. Special recognition is given to Robert Fraidenburg, Gail Cabrera, Elaine Connors, Susie Balgobin, David Friedman, and Jocelyn Hollis. The financial results of one year of those efforts are shown in this report. We extend our appreciation to the City Commissioners and their respective staffs for their assistance and cooperation throughout the year.

Respectfully submitted,



Mark Antonio
City Manager



Patricia M. Ladolcetta
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Hallandale Beach
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



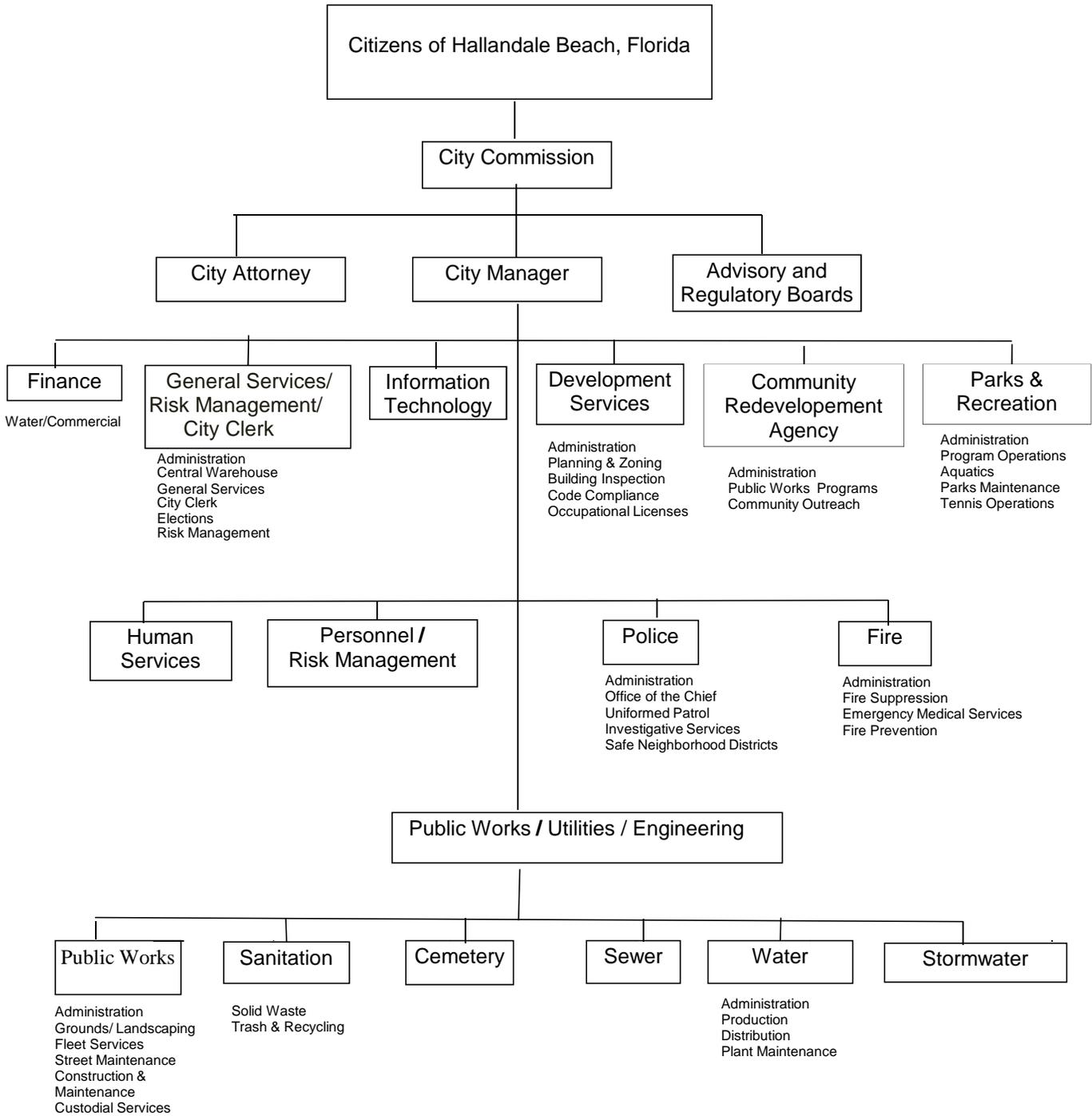
Linda C. Danison

President

Jeffrey R. Emer

Executive Director

CITY OF HALLANDALE BEACH ORGANIZATIONAL CHART



CITY OF HALLANDALE BEACH, FLORIDA

List of City Officials

September 30, 2011

<u>Title</u>	<u>Name</u>
<u>Elected Officials</u>	
Mayor	Joy Cooper
Vice-Mayor	Anthony Sanders
Commissioner	Alexander Lewy
Commissioner	Keith London
Commissioner	Dorothy Ross
<u>Appointed Officials</u>	
City Manager	Mark Antonio
Assistant City Manager	Vacant
Deputy City Manager	Nydia Rafols Sallaberry
City Attorney	Vacant
Director of Community Redevelopment Agency	Alvin Jackson
Director of Development Services	Thomas Vageline
Director of Finance	Patricia M. Ladolcetta
Director of General Services/City Clerk/Risk Manager	James Buschman
Director of Human Services	Marian McCann-Colliee
Director of Information Technology	Theodore LaMott
Director of Parks and Recreation	Rebecca Munden-Correa
Director of Personnel/Labor Relations	George Amiraian
Director of Public Works, Utilities and Engineering	Hector Castro
Fire Chief	Daniel Sullivan
Police Chief	Dwayne Flournoy



CITY OF

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City of Choice

INDEPENDENT AUDITORS' REPORT

Honorable Mayor, City Commission and City Manager
City of Hallandale Beach, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Hallandale Beach, Florida (the City), as of and for the year ended September 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Police Officers' and Firefighters' Retirement Plan, which represents 57% and 49%, respectively, of the assets and revenues of the aggregate remaining fund information. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as it relates to the amounts included for the Police Officers' and Firefighters' Retirement Plan are based upon the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2011, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As more fully described in Note 1 to the financial statements, the City implemented the requirements of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which significantly changed the classifications of fund balance of governmental funds.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 2, 2012 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 15, the budgetary comparison schedules on pages 70 through 71, and the schedules of funding progress and employer contributions on page 72 through 74 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements and schedules is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 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.

Marcum LLP

Fort Lauderdale, FL
April 2, 2012

City of Hallandale Beach, Florida

For the Year Ended September 30, 2011
Management's Discussion and Analysis (unaudited)

This section of the report presents our discussion and analysis of the City's performance during the fiscal year that ended September 30, 2011. Please read it in conjunction with the City's financial statements, which follow this section.

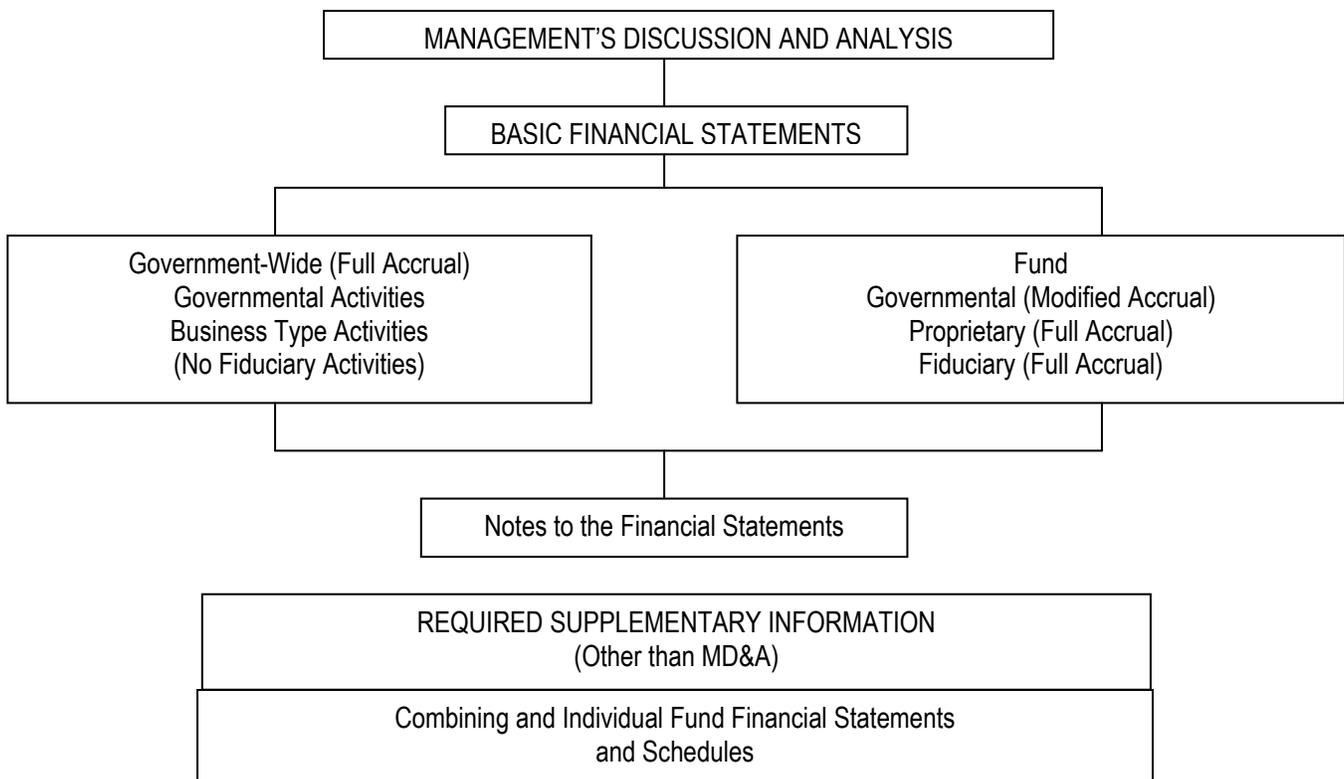
Financial Highlights

- The assets of the City of Hallandale Beach exceeded its liabilities at the close of the most recent fiscal year by \$164.3 million (net assets). Of this amount, \$62.4 million (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net assets increased \$3.5 million over the course of this year's operations. Net assets of our business type activities increased by \$4.3 million, and the net assets of our governmental activities decreased by \$.8 million.
- The City's governmental funds reported combined ending fund balances of \$64.1 million, a reduction of \$.3 million
- At the end of the current fiscal year, unrestricted, unassigned fund balance for the General fund was \$18.4 million, or 41.6% of total General fund expenditures.

Overview of the Financial Statements

The financial section of this Annual report consists of four parts—management's discussion and analysis (this section), the basic financial statements, required supplementary information, and a supplementary information section that presents combining and individual fund financial statements and schedules.

Financial Section



City of Hallandale Beach, Florida

For the Year Ended September 30, 2011
 Management's Discussion and Analysis (unaudited)

Major Features of the Basic Financial Statements

	Government-wide Financial Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire City government (except fiduciary activities)	Activities of the City that are not proprietary or fiduciary	Activities of the City that are operated similar to private business	Instances in which the City is the trustee or agent for someone else's resources
Required financial Statements	* Statement of net assets * Statement of activities	* Balance sheet * Statement of revenue, expenditures, and changes in fund balances	* Statement of net assets * Statement of revenue expenses, and changes in net assets * Statement of cash flows	* Statement of fiduciary net assets * Statement of changes in fiduciary net assets
Accounting basis and measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term.	Only assets expected to be used up and liabilities that come due during the year or soon thereafter no capital assets and long term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term.	All assets and liabilities, both short-term and long-term.
Type of inflow/outflow information	All revenue and expenses during the year, regardless of when cash is received or paid.	* Revenue for which cash is received during or soon after the end of the year * Expenditures when goods or services have been received and payment is due during the year or soon after	All revenue and expenses during the year, regardless of when cash is received or paid	All revenue and expenses during the year, regardless of when cash is received or paid

Basic Financial Statements

Government-wide financial statements. The focus of the *government-wide financial statements* is on the overall financial position and activities of the City of Hallandale Beach. Reporting is similar to that of a private-sector business. The government-wide financial statements report information about the City as a whole and about its activities in a way that helps answer questions about the financial health of the City and whether the activities of the year contributed positively or negatively to that health.

City of Hallandale Beach, Florida

For the Year Ended September 30, 2011 Management's Discussion and Analysis (unaudited)

The City's government-wide financial statements include the statement of net assets and statement of activities. As described below, these statements do not include the City's fiduciary activities because resources of these funds cannot be used to finance the City's activities. However, the financial statements of fiduciary activities are included in the City's fund financial statements, because the City is financially accountable for those resources, even though they belong to other parties.

- The *Statement of Net Assets* presents information on the assets held and liabilities owed by the City, both long and short-term. Assets are reported when acquired by the City and liabilities are reported when they are incurred, regardless of the timing of the related cash flows to acquire these assets or liquidate such liabilities. For example, the City reports buildings and infrastructure as assets, even though they are not available to pay the obligations incurred by the City. On the other hand, the City reports liabilities, such as litigation claims, even though these liabilities might not be paid until several years into the future.

The difference between the City's total assets and total liabilities is *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Although the purpose of the City is not to accumulate net assets, in general, as this amount increases it indicates that the financial position of the City is improving over time.

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

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

Fund financial statements. Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the City rather than the City as a whole. Except for the General Fund, separate funds are established to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Financial statements consist of a balance sheet and a statement of revenue, expenditures, and change in fund balances. These statements are prepared on an accounting basis that is significantly different from that used to prepare the government-wide financial statements.

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

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For the most part, the balances and activities accounted for in governmental funds are also reported in the governmental activities columns of the government-wide financial statements. However, because different accounting bases are used to prepare governmental fund financial statements and government-wide financial statements, there are often significant differences between the totals presented. For this reason, there is an analysis after the governmental funds balance sheet that reconciles the total fund balances for all governmental funds to the amount of net assets presented in the governmental activities column on the statement of net assets. Also, there is an analysis after the statement of revenue, expenditures, and changes in fund balances that reconciles the total change in fund balances for all governmental funds to the change in net assets as reported in the governmental activities column in the statement of activities.

Proprietary funds. Financial statements consist of a statement of net assets, statement of revenue, expenses, and changes in fund net assets and statement of cash flows. These statements are prepared on an accounting basis that is similar to the basis used to prepare the government-wide financial statements. For financial reporting purposes, proprietary funds are grouped into enterprise funds and internal service funds.

The City uses enterprise funds to account for business-type activities that charge fees to customers for the use of specific goods or services. These funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Internal Service funds are used to account for services provided and billed on an internal basis. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City presents a separate column for each of the major enterprise funds: Water, Sewer, Sanitation, and Stormwater funds. Since the Cemetery fund is the only remaining enterprise fund it is presented in a single column labeled Nonmajor-Cemetery. Internal Service Funds are aggregated and presented in a single column. A statement of cash flows is presented at the fund financial statement level for proprietary funds, but no equivalent statement is presented in the government-wide financial statements for either governmental activities or business-type activities.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. Fiduciary financial statements consist of a statement of fiduciary net assets and a statement of changes in fiduciary net assets.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required supplementary information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning various issues such as a comparison between the City's adopted and final budget and actual financial results for its General fund and major special revenue fund. The City adopts an annual appropriated budget for its governmental funds. A budgetary comparison schedule has been provided for the General fund and major special revenue funds to demonstrate compliance with this budget. Required supplementary information is also presented for the City's pension plans and other post employment benefits, including a schedule of funding progress and schedule of employer contributions.

Combining and individual fund statements and schedules. Combining statements referred to earlier in connection with non-major governmental, internal service and fiduciary funds are presented immediately following the required supplementary information.

City of Hallandale Beach, Florida

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Government-Wide Financial Analysis

The table below presents a summary of net assets as of September 30, 2011 and 2010, derived from the government-wide Statement of Net Assets:

	Net Assets (in thousands)					
	Governmental Activities		Business - Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 78,045	\$ 75,456	\$ 36,060	\$ 32,455	\$ 114,105	\$ 107,911
Capital assets	61,939	62,272	38,326	39,231	100,265	101,503
Total assets	139,984	137,728	74,386	71,686	214,370	209,414
Long-term liabilities	32,555	31,766	10,848	11,487	43,403	43,253
Other liabilities	1,932	2,310	4,691	5,694	6,623	8,004
Total liabilities	34,487	34,076	15,539	17,181	50,026	51,257
Net assets:						
Invested in capital assets, net of related debt	45,545	45,621	27,910	28,347	73,455	73,968
Restricted	28,498	24,788	-	-	28,498	24,788
Unrestricted	31,454	33,243	30,937	26,158	62,391	59,401
Total net assets	\$ 105,497	\$ 103,652	\$ 58,847	\$ 54,505	\$ 164,344	\$ 158,157

As noted earlier, net assets may serve, over time, as a useful indication of a government's financial position. At the close of the most recent fiscal year, the City's assets exceeded its liabilities by \$164.3 million.

The City's total net assets are divided among unrestricted, at 38.0%, representing resources that are available for spending, and investment in capital assets net of related debt at 44.7%, with the remaining 17.3% restricted for specific purposes. Investment in capital assets net of related debt reflects the City's investment in capital assets reduced by the amount of outstanding related debt used to acquire these assets. The City uses these capital assets to provide services to the citizens of the City; consequently these net assets are not available for future spending. Although the capital assets are shown net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources.

At the end of the current fiscal year, the City of Hallandale Beach is able to report positive balances in all categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The City's net assets increased by \$3.5 million during the current fiscal year, or 23.1% of the amount of the prior year's restated increase. Governmental activities reported an excess of expenditures over revenues of \$.8 million, with general and program revenues of \$56.3 million compared to program expenses and transfers of \$57.1 million. The City's investments increased \$4.7 million, while accounts receivable decreased \$3.4 million, reflecting the completion of \$3.9 million in investment transactions made just prior to September 30, 2010. Assets held for resale increased \$4.6 million due to the purchase of housing units. Restricted and unrestricted cash increased \$1.5 million, while amounts due from other governments decreased by \$1.4 million, as the City received reimbursement for certain grant expenditures. Accounts payable and accrued liabilities decreased \$1.5 million.

City of Hallandale Beach, Florida

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Net assets of business-type activities increased \$4.3 million, mainly due to Water fund operations. For the second consecutive year, all funds except the Sewer fund contributed to the increase in net assets. The Water, Sanitation and Stormwater funds' increases in net assets were 82.5%, 9.1% and 3.1% of the total, respectively, while Sewer fund operations resulted in a decrease of 0.5% of the total amount of the increase. The Cemetery fund would have reflected an \$18,000 loss were it not for the transfer of the \$271,000 fund balance of the Perpetual Care fund. The positive results of business-type activities provided the means to increase investments by \$3.8 million. Accounts payable and accrued liabilities decreased by \$1.0 million, mainly in the Sewer fund, due to a \$.4 million decrease in estimates for wastewater treatment costs payable, as well as payment of the \$.5 million accrued liability for infrastructure repairs after a major sewer line break.

City of Hallandale Beach, Florida

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The table below presents a summary of changes in net assets for the years ended September 30, 2011 and 2010, as derived from the government-wide Statement of Activities:

	Changes in Net Assets (in thousands)					
	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	\$ 9,435	\$ 10,304	\$ 28,746	\$ 28,722	\$ 38,181	\$ 39,026
Operating grants and contributions	1,811	5,384	-	-	1,811	5,384
Capital grants and contributions	566	1,061	32	9	598	1,070
General Revenues:						
Property taxes	20,972	24,340	-	-	20,972	24,340
Other taxes	10,943	11,196	240	336	11,183	11,532
Other revenues	12,566	13,116	366	683	12,932	13,799
Total revenues	56,293	65,401	29,384	29,750	85,677	95,151
Expenses:						
General government	11,684	9,632	-	-	11,684	9,632
Public safety	33,038	32,167	-	-	33,038	32,167
Physical environment	2,411	2,037	-	-	2,411	2,037
Transportation	1,127	1,295	-	-	1,127	1,295
Economic environment	3,659	6,479	-	-	3,659	6,479
Culture and recreation	2,417	2,438	-	-	2,417	2,438
Human services	1,014	931	-	-	1,014	931
Interest	1,110	1,056	-	-	1,110	1,056
Cemetery	-	-	231	333	231	333
Sanitation	-	-	4,724	4,942	4,724	4,942
Sewer	-	-	10,368	11,215	10,368	11,215
Stormwater	-	-	1,873	1,932	1,873	1,932
Water	-	-	8,484	8,049	8,484	8,049
Total expenses	56,460	56,035	25,680	26,471	82,140	82,506
Changes in net assets before transfers	(167)	9,366	3,704	3,279	3,537	12,645
Transfers	(638)	(929)	638	929	-	-
Change in net assets	(805)	8,437	4,342	4,208	3,537	12,645
Net assets, beginning, as restated	106,302	95,215	54,505	50,297	160,807	145,512
Net assets, ending	\$ 105,497	\$ 103,652	\$ 58,847	\$ 54,505	\$ 164,344	\$ 158,157

City of Hallandale Beach, Florida

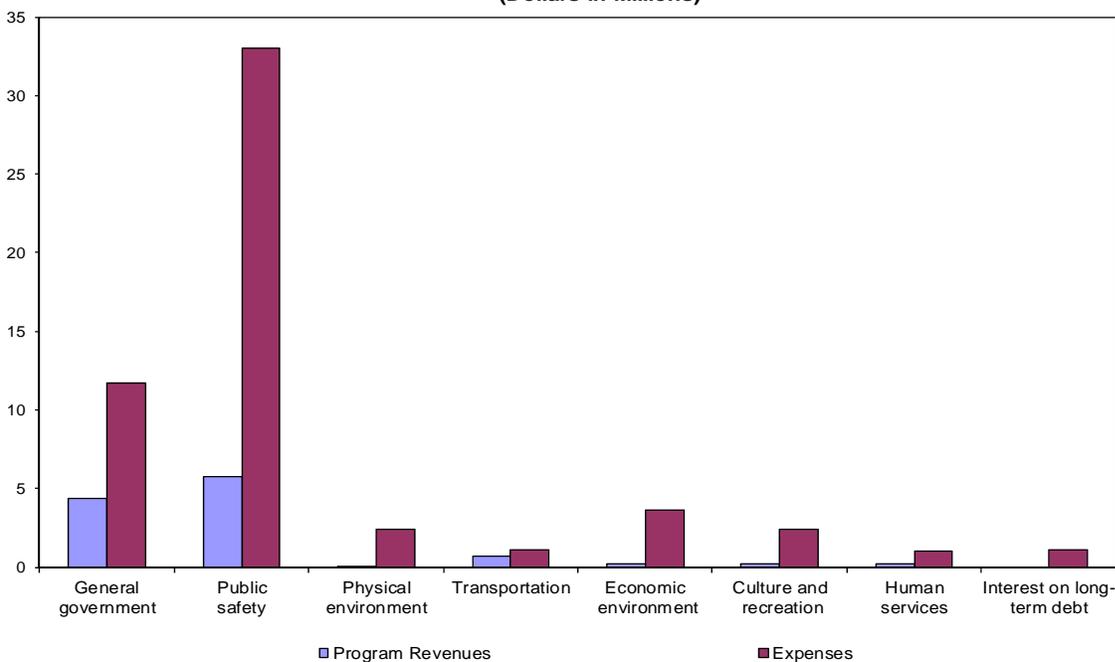
For the Year Ended September 30, 2011
Management's Discussion and Analysis (unaudited)

Governmental activities

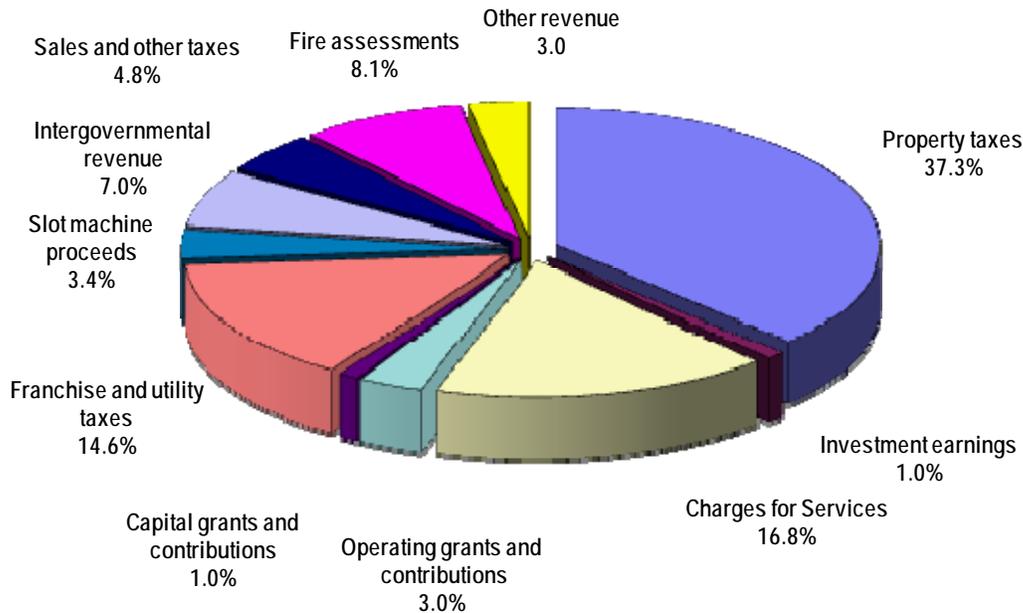
Governmental activities reduced the City of Hallandale Beach's net assets by \$.8 million. After restating the prior year's increase in net assets to \$11.1 million, this is \$11.9 million less than the amount added to net assets in the prior year. Many of the components of the prior year increase in net assets were unusual or non-recurring. Key elements to this change in net assets are as follows:

- At 37.3% of governmental activities revenues, the largest component was property taxes in the amount of \$21.0 million, a decrease of \$3.4 million or 13.8% from the prior fiscal year. This decrease was due mainly to the reduction in the City's taxable assessed valuation while maintaining the millage rate at the same level as the prior year. The other contributing factor was the prior year's unusually high collections of delinquent taxes and related penalties and interest that resulted from the property appraiser's audit of properties improperly claiming homestead exemptions, and the collection of retroactive reassessments on those properties;
- Intergovernmental revenue, comprised of both program and general revenues, totaled \$6.2 million, a \$4.3 million decrease related mainly to reductions in operating grants pertaining to economic and physical environments;
- Public safety charges for services decreased \$.8 million or 14.1 % from the prior year, due primarily to the \$1.1 million drop in fines for red light camera violations;
- Investment earnings decreased by \$.4 million due to the continuation of low interest rates, as well as lower amounts recorded for realized and unrealized gains;
- Public safety expenses, at 58.5% of governmental expenses, increased \$.8 million to \$33.0 million, or 2.7% more than the previous year;
- General governmental program expenses were \$11.7 million, an increase of \$2.1 million, primarily resulting from a \$1.2 million internal service fund operational loss and the prior year's \$1.3 million adjustment to net pension obligation.

Expenses and Program Revenues - Governmental Activities
(Dollars in Millions)



Revenues by Source - Governmental Activities



Business-type activities

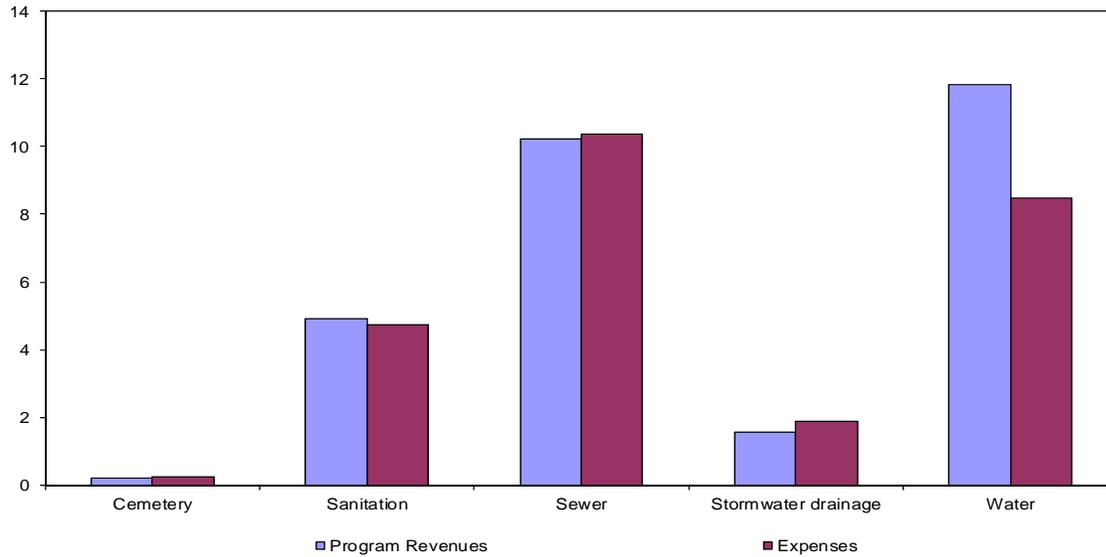
Business-type activities increased the City's net assets by \$4.3 million, or \$.1 million more than the previous year. Key elements of this increase are as follows:

- Water fund program revenues, including capital contributions, exceeded expenses by \$3.4 million, a slight increase as compared to the prior year. Charges for services increased \$.5 million, while expenses increased \$.4 million.
- Sewer fund program expenses exceeded revenue by \$.1 million, a \$.9 million improvement over the previous year, mainly due to a \$.6 million reduction in retirement costs and other personal service expenses. Wastewater treatment costs accounted for 68.9% of the operating expenses for the fund,
- Sanitation fund program revenues exceeded operating expenses by \$.2 million, a \$.3 million or 60.2% decrease from the prior year. The two most prominent factors were the \$.5 million decrease in charges for services, mainly multi-family refuse fees, offset by a \$.2 million reduction in operating expenses, mainly refuse disposal fees.
- Stormwater Drainage fund expenses exceeded program revenues by \$.3 million, a \$.2 million improvement over the prior year. The two main factors were the \$.1 million increase in charges for services, and the \$.1 million reduction in operating expenses.
- Other general revenues decreased by \$.4 million, due to the non-recurring claim settlement in the previous year.

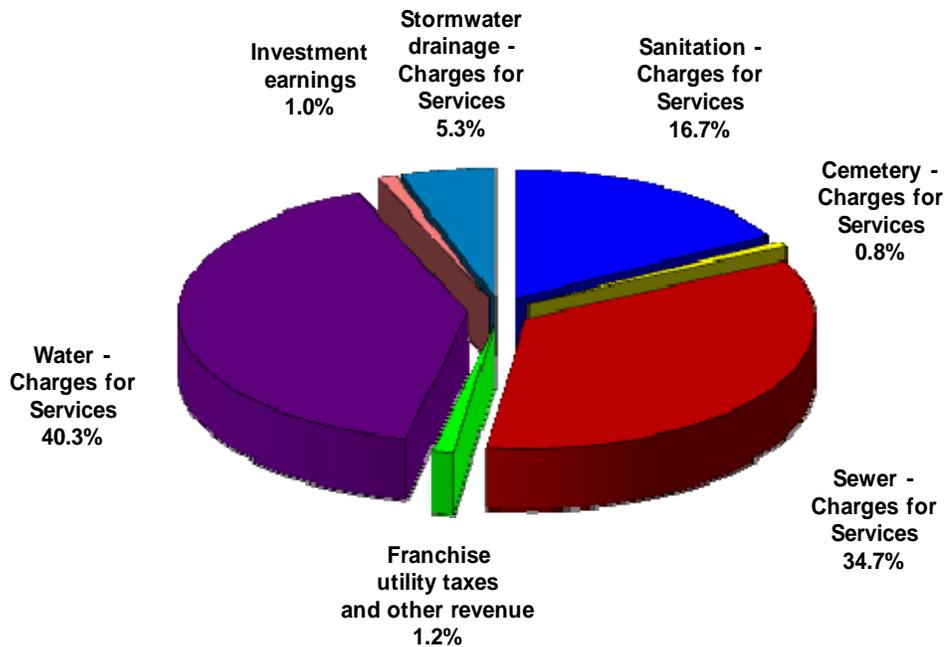
City of Hallandale Beach, Florida

For the Year Ended September 30, 2011
 Management's Discussion and Analysis (unaudited)

Expenses and Program Revenues - Business Type Activities
 (Dollars in Millions)



Revenues by Source - Business-Type Activities



City of Hallandale Beach, Florida

For the Year Ended September 30, 2011 Management's Discussion and Analysis (unaudited)

Financial Analysis of the City of Hallandale Beach's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund* balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The City's governmental funds reported combined ending fund balances of \$64.1 million, a decrease of \$.3 million from the prior year's restated ending balance. Beginning with the current year, the fund balance is categorized to indicate whether it is not available for new spending because it represents resources that are non-spendable (\$8.1 million), that are restricted for debt service and other purposes (\$10.1 million), that have already been assigned for subsequent year's expenditures (\$5.7 million), that have been assigned for the purchase of capital and equipment (\$2.2 million), that have been assigned for other purposes (\$19.5 million), or that are unassigned (\$18.4 million).

The General fund is the chief operating fund of the City. At end of the current fiscal year, the unassigned fund balance of the General fund was \$18.4 million. This is a \$2.8 million or 13.3% decrease when compared with the prior year's unreserved, undesignated fund balance. As a measure of the General fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General fund expenditures. Unassigned fund balance represents 38.4% of total General fund expenditures and transfers out, while total fund balance represents 55.4% of that same amount.

The fund balance of the City's General fund decreased by approximately \$.5 million during the current fiscal year. This was a \$5.0 million reversal of the prior year's positive results. Key factors of this decrease are as follows:

- A \$3.8 million decrease in ad valorem taxes. \$3.1 million of this is due to the decrease in taxable assessed values without an offsetting increase in millage rate, while the remaining \$.7 million is due to the non-recurring collections in the prior year of homestead reassessments and penalties following an audit by the Broward County Property Appraiser's office,
- A \$1.1 million decrease in fines and forfeitures, primarily due to a drop in fines for red light camera violations;
- A \$.5 million decrease in interfund transfers in, primarily from the CRA fund and the health insurance trust fund, the balance of which was transferred in order to close out the fund in the prior year,
- \$.9 million increase in public safety expenditures, \$.5 million of which is due to higher retirement contributions.
- A \$.4 million increase in physical environment expenditures, 95.0% of which is related to higher salaries and benefits.

These decreased revenues and higher costs were offset by higher revenues and lower expenditures in the following categories:

- A \$1.7 million decrease in interfund transfers out, primarily to the CRA fund, as a result of lower assessed values that reduced the required tax increment financing payment,
- A \$.3 million reduction in general government expenditures, mainly due to the prior year \$1.1 million contribution to the excess benefit pension plan,
- A \$.3 million or 133.3% increase in other revenues, due to a refund of property insurance premiums paid in a prior year, as well as settlement of a claim,
- \$.2 million or 12.6% increase in slot machine revenues.

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The Community Redevelopment Agency ("CRA") fund, accounts for the activities of the CRA. The fund balance of the CRA fund increased by \$.3million during the fiscal year. The \$21.2 million fund balance is allocated among the categories of non-spendable (\$6.9 million), assigned to computer equipment (\$21,710), and assigned to special revenue funds (\$14.2 million). Comparisons to prior year results include:

- A 19.9% or \$.9 million decrease in Tax Increment Financing revenue from outside agencies;
- A 24.8% or \$1.2 million decrease in Tax Increment Financing revenue from the General fund (reported as transfer in);
- Other revenues decreased \$.8 million due mainly to the reclassification of prior year revenue,
- Investment earnings declined by \$.2 million or 57.0%;
- Economic environment spending decreased by \$2.3 million, almost exclusively due to a reduction in expenditures for an affordable housing project.

The fund balance of the Grant Administration fund increased by \$.7 million. Major expenditures for this fund include:

- \$.7 million in operating and \$.2 million in capital grant projects funded by federal grants,
- \$.2 million in projects funded by local grants,
- \$150,000 in construction projects and \$88,000 in operational programs funded by state grants,
- An additional \$.2 million in capital grants from federal and private sources was expended, but these were transferred to proprietary funds, primarily the stormwater drainage fund.

The fund balance of the Capital Projects fund decreased by \$178,000. Major expenditures for this fund include \$2.0 million in principal and interest payments on the 2007A bonds.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in greater detail.

Enterprise fund unrestricted net assets were \$30.9 million, a \$4.8 million increase from the prior year. As stated previously, all funds except the Sewer fund contributed to this positive change, with 82.5% applicable to the Water fund. Net assets invested in capital assets net of related debt decreased \$.4 million.

The enterprise funds showed a \$4.3 million increase in total net assets from the prior year. This consisted of a \$3.6 million excess of operating revenues over operating expenses, a \$.1 million excess of non-operating revenues over non-operating expenses, and a \$.7 million excess of transfers in and capital contributions over transfers out.

In comparison to the prior year, charges for services were \$24,000 higher in total; however Water fund charges for service increased \$.5 million while those of the Sanitation fund decreased by the same amount. Franchise taxes decreased \$.1 million, and capital contributions decreased \$.3 million. Operating expenses fell by \$.8 million compared to the prior year, when there was a major sewer line break. The \$.5 million reduction in pension contributions to the excess benefit plan also contributed to the lower operating expenses.

General Fund Budgetary Highlights

Differences between the original budget and the final amended consist only of encumbrances and unexpended project budget amounts rolled forward from the prior to the current fiscal year. There were no subsequent amendments or additional appropriations. Final appropriations increased by \$1.7 million.

City of Hallandale Beach, Florida

For the Year Ended September 30, 2011
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The original and the final budget anticipated \$3.3 million and \$5.0 million, respectively, to be expended from available fund balance. During the year, however, expenditure and transfers savings compared to the final budget were \$3.7 million and revenues and transfers exceeded budgetary estimates by \$.8 million.

Property taxes exceeded budgetary estimates by \$.2 million, mainly receipts for delinquent taxes and penalties. Intergovernmental revenues exceeded estimates by \$.6 million because of insurance premium tax receipts that were then transferred to the police/fire pension plan. License and permit revenue exceeded the budget by \$.5 million for residential and commercial projects. Franchise fee receipts were lower than the budget in the areas of electric as well as communications service taxes.

Funds that had been reappropriated from prior years for contingencies were not needed due to the positive revenue variances and expenditure savings that generated the \$4.5 million positive variance. Operating expenditures resulted in \$1.5 million in budget savings, mainly due to lower expenditures for legal fees, grant match funds, and Development Services outside services. Personal services expenditures reflected a \$.5 million positive variance due to the directed postponement in filling vacant positions in order to conserve fund balance.

Capital Assets and Debt Administration

Capital assets. As of September 30, 2011 and 2010, the City had \$100.3 and \$101.5 million, respectively, invested in a variety of capital assets, as reflected in the following schedule:

	Capital Assets					
	(in thousands, net of depreciation)					
	Governmental Activities		Business - Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 41,482	\$ 41,316	\$ 1,159	\$ 1,159	\$ 42,641	\$ 42,475
Construction in progress	863	1,063	1,094	1,302	1,957	2,365
Buildings	5,852	6,619	13,842	14,819	19,694	21,438
Improvements other than buildings	2,950	2,815	2,782	2,664	5,732	5,479
Vehicles and equipment	2,875	2,729	2,672	3,337	5,547	6,066
Infrastructure	7,916	7,730	16,777	15,950	24,693	23,680
Total	\$ 61,938	\$ 62,272	\$ 38,326	\$ 39,231	\$ 100,264	\$ 101,503

Major capital asset events during the year included:

- \$.2 million was spent on a Horton fire rescue transport vehicle,
- \$.4 million was spent on police patrol vehicles and marine patrol boat and engines,
- \$.3 million was added to construction in progress for the public dockage project,
- \$.5 million was added to construction in progress water distribution upgrades,
- \$2 million was spent on infrastructure additions,
- \$.3 million was spent on additions to improvements other than buildings

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

Long-term debt. As of year-end, the City had \$31.5 million in bonded debt outstanding compared to the \$32.9 million last year. This decrease was the result of principal payments made during the year. Of this amount of debt outstanding as of the end of fiscal year 2011, approximately 68.2% was backed by the full faith and credit of the government and the balance was secured by various revenue sources.

City of Hallandale Beach, Florida

For the Year Ended September 30, 2011 Management's Discussion and Analysis (unaudited)

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

	Bonded Debt (in thousands)					
	Governmental		Business - Type		Total	
	Activities		Activities			
	2011	2010	2011	2010	2011	2010
Revenue bonds	\$ 21,445	\$ 22,310	\$ 10,015	\$ 10,580	\$ 31,460	\$ 32,890

Under Florida statutes, no debt limit margin is placed on local governments. The City maintains an "AA-" rating from Standard & Poor's on its revenue bonds.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the City is 10.8%, which is an improvement of 10.7% over the 12.1% of a year ago,
- After several years of surging real estate prices in south Florida in the early 2000's, sales have greatly slowed and prices have fallen during the past four years. South Florida is experiencing one of the highest foreclosure rates in the nation, which is also contributing to the real estate price decline. However, preliminary estimates show the City's assessed value increasing by 4.6% for tax year 2012. This would be the first increase in five years, a promising sign for the City and the surrounding municipalities.
- Gasoline and diesel prices have also been volatile, and estimates are that they will continue to remain high.

General economic conditions both globally and in our state have required the City to closely monitor revenue and expenditure trends during the current year. After increasing the millage rate from 4.9818 to 5.9000 for fiscal year 2010, the millage rate was maintained at the same 5.9000 for the fiscal year 2011 and 2012 budgets, despite the additional 14.5% decline and the .39% increase in taxable value, respectively.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about this report or need additional information, contact the Finance Director, 400 South Federal Highway, Hallandale Beach, Florida 33009.



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City of Hallandale Beach, Florida

Statement of Net Assets
September 30, 2011

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 24,997,254	\$ 12,776,422	\$ 37,773,676
Investments	30,926,584	16,866,255	47,792,839
Accounts receivable, net of allowances	5,838,645	4,129,439	9,968,084
Due from other governments	3,225,226	-	3,225,226
Inventory	223,893	508,087	731,980
Assets held for resale	5,551,720	-	5,551,720
Other assets	14,800	1,454	16,254
Restricted assets:			
Cash and cash equivalents	6,074,432	1,664,481	7,738,913
Deferred Charges	332,596	114,526	447,122
Net pension asset	859,579	-	859,579
Capital assets, nondepreciable	42,344,838	2,253,434	44,598,272
Capital assets, net of accumulated depreciation	19,593,857	36,072,399	55,666,256
Total assets	139,983,424	74,386,497	214,369,921
Liabilities and Net Assets			
Liabilities:			
Accounts payable and accrued liabilities	1,377,718	2,964,702	4,342,420
Deposits	121,368	1,606,734	1,728,102
Unearned revenue	432,360	-	432,360
Accrued interest	-	119,561	119,561
Noncurrent liabilities:			
Due within one year	2,826,388	866,834	3,693,222
Due in more than one year	27,467,063	9,981,061	37,448,124
Net pension obligation	2,261,779	-	2,261,779
Total liabilities	34,486,676	15,538,892	50,025,568
Net assets:			
Invested in capital assets, net of related debt	45,545,223	27,910,266	73,455,489
Restricted for community improvements	21,055,229	-	21,055,229
Restricted for debt service	910,000	-	910,000
Restricted for law enforcement	2,566,315	-	2,566,315
Restricted for transportation	2,757,110	-	2,757,110
Restricted for safe neighborhood districts	1,209,434	-	1,209,434
Unrestricted	31,453,437	30,937,339	62,390,776
Total net assets	\$ 105,496,748	\$ 58,847,605	\$ 164,344,353

See Notes to Financial Statements.

City of Hallandale Beach, Florida

Statement of Activities

Year Ended September 30, 2011

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 11,683,683	\$ 4,409,420	\$ -	\$ -
Public safety	33,038,442	4,734,856	969,158	24,587
Physical environment	2,410,948	-	56,566	17,084
Transportation	1,127,185	240,055	171,806	328,761
Economic environment	3,658,677	-	417,371	-
Culture and recreation	2,417,266	50,280	-	195,362
Human services	1,014,330	-	196,020	-
Interest on long-term debt	1,109,652	-	-	-
Total governmental activities	56,460,183	9,434,611	1,810,921	565,794
Business-type activities:				
Cemetery	231,182	210,574	-	-
Sanitation	4,723,840	4,919,606	-	-
Sewer	10,367,630	10,221,838	-	17,620
Stormwater drainage	1,872,869	1,542,117	-	-
Water	8,484,679	11,851,952	-	14,625
Total business-type activities	25,680,200	28,746,087	-	32,245
Total	\$ 82,140,383	\$ 38,180,698	\$ 1,810,921	\$ 598,039

General revenue:
 Property taxes
 Franchise and utility taxes
 Sales taxes
 Motor fuel taxes
 Alcoholic beverages taxes
 Fire assessments
 Intergovernmental revenue (not restricted to specific programs)
 Unrestricted investment earnings
 Slot machine proceeds
 Gain on sale of capital assets
 Other revenue
 Transfers
 Total general revenue and transfers
 Change in net assets
 Net assets - beginning, as restated
 Net assets - ending

See Notes to Financial Statements

Net (Expense) Revenue and Changes in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (7,274,263)	\$ -	\$ (7,274,263)
(27,309,841)	-	(27,309,841)
(2,337,298)	-	(2,337,298)
(386,563)	-	(386,563)
(3,241,306)	-	(3,241,306)
(2,171,624)	-	(2,171,624)
(818,310)	-	(818,310)
(1,109,652)	-	(1,109,652)
(44,648,857)	-	(44,648,857)
-	(20,608)	(20,608)
-	195,766	195,766
-	(128,172)	(128,172)
-	(330,752)	(330,752)
-	3,381,898	3,381,898
-	3,098,132	3,098,132
(44,648,857)	3,098,132	(41,550,725)
20,971,741	-	20,971,741
8,231,338	240,153	8,471,491
2,029,629	-	2,029,629
652,646	-	652,646
29,939	-	29,939
4,590,580	-	4,590,580
3,817,592	-	3,817,592
534,915	284,693	819,608
1,922,199	-	1,922,199
28,636	21,975	50,611
1,672,380	60,029	1,732,409
(637,656)	637,656	-
43,843,939	1,244,506	45,088,445
(804,918)	4,342,638	3,537,720
106,301,666	54,504,967	160,806,633
\$ 105,496,748	\$ 58,847,605	\$ 164,344,353

City of Hallandale Beach, Florida

Balance Sheet
 Governmental Funds
 September 30, 2011

	General Fund	Community Redevelopment Agency Fund	Grant Administration Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 5,828,534	\$ 2,266,880	\$ 2,384,198	\$ 316,019	\$ 6,689,516	\$ 17,485,147
Investments	18,847,154	12,079,430	-	-	-	30,926,584
Accounts receivable, net of allowances	3,050,733	2,592,843	-	-	104,905	5,748,481
Due from other governments	988,998	-	2,134,728	-	101,500	3,225,226
Restricted cash and cash equivalents	121,433	305	-	5,952,694	-	6,074,432
Inventory	223,893	-	-	-	-	223,893
Assets held for resale	-	4,572,392	979,328	-	-	5,551,720
Other assets	14,800	-	-	-	-	14,800
Total assets	\$ 29,075,545	\$ 21,511,850	\$ 5,498,254	\$ 6,268,713	\$ 6,895,921	\$ 69,250,283
Liabilities and Fund Balances						
Liabilities:						
Accounts payable and accrued liabilities	\$ 548,070	\$ 348,289	\$ 211,362	\$ 151,025	\$ 115,447	\$ 1,374,193
Deposits	121,368	-	-	-	-	121,368
Deferred revenue	1,690,625	-	1,527,000	-	-	3,217,625
Unearned revenue	184,089	-	157,711	-	90,560	432,360
Total liabilities	2,544,152	348,289	1,896,073	151,025	206,007	5,145,546
Fund Balances:						
Non-spendable:						
Prepaid items	14,800	-	-	-	-	14,800
Inventory	223,893	-	-	-	-	223,893
Assets held for resale	-	4,572,392	979,328	-	-	5,551,720
Long-term receivable	-	2,326,740	-	-	-	2,326,740
Restricted for:						
Debt service	-	-	-	910,000	-	910,000
Developer agreements	-	-	2,622,853	-	-	2,622,853
Law enforcement	-	-	-	-	2,637,975	2,637,975
Transportation	-	-	-	-	2,763,759	2,763,759
Safe neighborhood districts	-	-	-	-	1,209,434	1,209,434
Assigned to:						
Fire equipment	907,660	-	-	-	-	907,660
Computer equipment	267,544	21,710	-	-	-	289,254
Police vehicles and radios	1,045,092	-	-	-	-	1,045,092
Subsequent year's expenditures	5,673,029	-	-	-	-	5,673,029
Police outside services	-	-	-	-	78,746	78,746
Special revenue funds	-	14,242,719	-	-	-	14,242,719
Capital projects fund	-	-	-	5,207,688	-	5,207,688
Unassigned:						
General fund	18,399,375	-	-	-	-	18,399,375
Total fund balances	26,531,393	21,163,561	3,602,181	6,117,688	6,689,914	64,104,737
Total liabilities and fund balances	\$ 29,075,545	\$ 21,511,850	\$ 5,498,254	\$ 6,268,713	\$ 6,895,921	\$ 69,250,283

See Notes to Financial Statements.

City of Hallandale Beach, Florida

Reconciliation of Governmental Funds
Balance Sheet to the Statement of Net Assets
September 30, 2011

Total fund balance - governmental funds \$ 64,104,737

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

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

Governmental capital assets	\$ 108,816,943	
Less accumulated depreciation	<u>(46,878,248)</u>	
		61,938,695

Net pension assets or obligations resulting from excess contributions to or underfunding of pension plans are not reported in the fund financial statements as they are not financial resources.

Net pension asset	859,579
Net pension obligation	<u>(2,261,779)</u>

Revenues that do not meet the availability criteria are reported as deferred revenue in the fund financial statements; these amounts are reported as revenue in the government-wide statements.

3,217,625

Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.

Bond premium	(260,884)	
Bonds payable	(21,445,000)	
Compensated absences	<u>(3,740,493)</u>	
		(25,446,377)

Bond issuance costs are treated as expenditures in the governmental funds, but are deferred to future periods in the Statement of net assets and amortized over the life of the bonds.

332,596

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The net assets of internal service funds are reported with governmental activities.

2,751,672

Net assets of governmental activities	<u>\$ 105,496,748</u>
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See Notes to Financial Statements.

City of Hallandale Beach, Florida

Statement of Revenue, Expenditures, and Changes in Fund Balances
 Governmental Funds
 Year Ended September 30, 2011

	General Fund	Community Redevelopment Agency Fund	Grant Administration Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Property taxes	\$ 20,506,735	\$ -	\$ -	\$ -	\$ 465,006	\$ 20,971,741
Charges for services	5,299,304	22,050	-	-	1,068,287	6,389,641
Utility taxes	3,853,125	-	-	-	-	3,853,125
Intergovernmental	3,591,942	3,593,362	1,314,012	-	943,205	9,442,521
Franchise taxes	4,368,945	-	-	-	-	4,368,945
Licenses and permits	1,630,090	-	-	-	-	1,630,090
Fines and forfeitures	565,161	-	-	-	533,959	1,099,120
Fire assessments	4,590,580	-	-	-	-	4,590,580
Investment earnings	306,507	180,202	34	5,419	20,618	512,780
Slot machine proceeds	1,922,199	-	-	-	-	1,922,199
Other revenues	562,806	(44,696)	960,197	791	191,933	1,671,031
Total revenues	47,197,394	3,750,918	2,274,243	6,210	3,223,008	56,451,773
Expenditures:						
Current:						
General government	9,170,625	-	6,453	58,617	-	9,235,695
Public safety	28,922,308	601,473	773,133	-	2,405,037	32,701,951
Physical environment	2,353,784	-	4,481	-	-	2,358,265
Transportation	-	-	65,437	-	871,888	937,325
Economic environment	-	3,566,456	11,041	-	-	3,577,497
Culture and recreation	2,051,863	-	29,380	-	-	2,081,243
Human services	692,013	-	251,599	-	-	943,612
Debt service:						
Principal	-	-	-	865,000	-	865,000
Interest	-	-	-	1,117,215	-	1,117,215
Capital outlay	1,041,596	574,722	224,708	150,653	327,076	2,318,755
Total expenditures	44,232,189	4,742,651	1,366,232	2,191,485	3,604,001	56,136,558
Excess (deficiency) of revenues over expenditures	2,965,205	(991,733)	908,011	(2,185,275)	(380,993)	315,215
Other financing sources (uses):						
Transfers in	133,681	3,593,308	-	2,007,215	-	5,734,204
Transfers out	(3,618,308)	(2,268,135)	(211,287)	-	(316,548)	(6,414,278)
Sale of capital assets	31,934	-	-	-	-	31,934
Total other financing sources (uses)	(3,452,693)	1,325,173	(211,287)	2,007,215	(316,548)	(648,140)
Net change in fund balances	(487,488)	333,440	696,724	(178,060)	(697,541)	(332,925)
Fund balances, beginning, as restated (Note 16)	27,018,881	20,830,121	2,905,457	6,295,748	7,387,455	64,437,662
Fund balances, ending	\$ 26,531,393	\$ 21,163,561	\$ 3,602,181	\$ 6,117,688	\$ 6,689,914	\$ 64,104,737

See Notes to Financial Statements.

City of Hallandale Beach, Florida

Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended September 30, 2011

Net change in fund balances - total governmental funds	\$ (332,925)
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their useful lives as depreciation expense. In the current period, these amounts are:	
Capital outlay	\$ 2,318,755
Depreciation expense	<u>(2,648,650)</u>
	(329,895)
The net effect of various miscellaneous transactions involving disposal of capital assets	
Net book value of assets disposed of	(3,298)
Under the modified accrual basis of accounting used in the governmental funds, revenues are not recognized until funds are measurable and available to finance current expenditures. In the statement of activities, however, which is presented on the accrual basis, revenues are reported when earned.	
	(209,623)
Repayment of long-term debt is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. In the current year these amounts consist of:	
Principal payments on notes	865,000
Amortization of deferred bond issue costs	(20,787)
Amortization of bond premium	28,350
The change in net pension asset and net pension obligation is not reported in the fund financial statements, but is reported in the government-wide financial statements.	
Net pension asset	199,724
Net pension obligation	106,485
The change in compensated absence balances during the year has no effect on the expenditures in the governmental funds. The change is reported in the statement of activities.	
	71,622
Internal service funds are used by management to charge the costs of certain activities such as insurance, to individual funds. The net revenue (expense) of the internal services funds is reported with governmental activities	
	<u>(1,179,571)</u>
Change in net assets of governmental activities	<u>\$ (804,918)</u>

See Notes to Financial Statements.

City of Hallandale Beach, Florida

Statement of Net Assets

Proprietary Funds

September 30, 2011

	Business-Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water Fund	Sewer Fund	Sanitation Fund	Stormwater Drainage Fund	Cemetery Fund (Nonmajor)	
Assets						
Current Assets:						
Cash and cash equivalents	\$ 5,466,372	\$ 2,833,198	\$ 2,049,317	\$ 1,996,490	\$ 431,045	\$ 12,776,422
Investments	8,033,913	6,101,659	2,634,278	96,405	-	16,866,255
Restricted assets:						
Cash and cash equivalents	1,662,738	436	-	1,307	-	1,664,481
Accounts receivable, net of allowance	1,859,535	1,615,397	508,897	129,544	16,066	4,129,439
Inventory	59,876	-	-	-	448,211	508,087
Other assets	1,454	-	-	-	-	1,454
Total current assets	17,083,888	10,550,690	5,192,492	2,223,746	895,322	35,946,138
Noncurrent Assets:						
Deferred charges	63,551	15,939	-	35,036	-	114,526
Capital assets:						
Land	743,777	40,047	-	-	375,478	1,159,302
Construction in progress	148,090	-	-	939,153	6,889	1,094,132
Buildings and improvements	20,359,741	694,999	151,276	24,203	-	21,230,219
Improvements other than buildings	3,405,365	38,168	-	123,053	134,540	3,701,126
Vehicles and equipment	4,522,798	1,689,789	2,869,442	504,528	53,766	9,640,323
Infrastructure	10,644,345	23,262,106	-	12,501,543	-	46,407,994
Total capital assets	39,824,116	25,725,109	3,020,718	14,092,480	570,673	83,233,096
Less accumulated depreciation	(17,846,475)	(19,913,482)	(2,358,380)	(4,622,169)	(166,757)	(44,907,263)
Net capital assets	21,977,641	5,811,627	662,338	9,470,311	403,916	38,325,833
Total noncurrent assets	22,041,192	5,827,566	662,338	9,505,347	403,916	38,440,359
Total assets	39,125,080	16,378,256	5,854,830	11,729,093	1,299,238	74,386,497

See Notes to Financial Statements.

City of Hallandale Beach, Florida

Statement of Net Assets
 Proprietary Funds (Continued)
 September 30, 2011

	Business-Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water Fund	Sewer Fund	Sanitation Fund	Stormwater Drainage Fund	Cemetery Fund (Nonmajor)	
Liabilities and Net Assets						
Current liabilities:						
Accounts payable and accrued liabilities	\$ 251,344	\$ 2,542,747	\$ 137,577	\$ 25,120	\$ 7,914	\$ 2,964,702
Accrued interest	67,594	20,065	-	31,902	-	119,561
Payable from restricted assets:						
Deposits	1,606,734	-	-	-	-	1,606,734
Compensated absences	154,694	49,571	56,807	10,004	5,758	276,834
Accrued claims for self-insured risks	-	-	-	-	-	-
Current portion of bonds and notes payable	329,580	88,165	-	172,255	-	590,000
Total current liabilities	2,409,946	2,700,548	194,384	239,281	13,672	5,557,831
Noncurrent liabilities:						
Compensated absences	163,743	45,973	61,288	13,117	4,308	288,429
Accrued claims for self-insured risks	-	-	-	-	-	-
Accrued other post-employment benefits	-	-	-	-	-	-
Bonds and notes payable	5,393,372	1,391,497	-	2,907,763	-	9,692,632
Total noncurrent liabilities	5,557,115	1,437,470	61,288	2,920,880	4,308	9,981,061
Total liabilities	7,967,061	4,138,018	255,672	3,160,161	17,980	15,538,892
Net Assets						
Invested in capital assets, net of related debt	16,166,977	4,302,682	659,582	6,377,109	403,916	27,910,266
Unrestricted	14,991,042	7,937,556	4,939,576	2,191,823	877,342	30,937,339
Total net assets	\$ 31,158,019	\$ 12,240,238	\$ 5,599,158	\$ 8,568,932	\$ 1,281,258	\$ 58,847,605
						\$ 2,751,672

See Notes to Financial Statements.



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CITY OF
HALLANDALE BEACH

City of Choice

City of Hallandale Beach, Florida

Statement of Revenues, Expenses and Changes in Fund Net Assets

Proprietary Funds

Year Ended September 30, 2011

	Business-Type Activities - Enterprise Funds					Total	Governmental Activities - Internal Service Funds
	Water Fund	Sewer Fund	Sanitation Fund	Stormwater Drainage Fund	Cemetery Fund (Nonmajor)		
Operating revenues:							
Charges for services	\$ 11,851,952	\$ 10,221,838	\$ 4,919,606	\$ 1,542,117	\$ 210,574	\$ 28,746,087	\$ 1,305,883
Other revenues	36,079	18,117	663	4,090	1,080	60,029	59,877
Total operating revenues	11,888,031	10,239,955	4,920,269	1,546,207	211,654	28,806,116	1,365,760
Operating expenses:							
Cost of sales and services	2,022,701	7,558,928	2,949,408	184,098	82,208	12,797,343	230,989
Personal services	4,292,453	2,262,436	1,507,808	867,254	142,507	9,072,458	874,534
Claims expense	-	-	-	-	-	-	1,504,361
Depreciation	1,899,557	477,809	266,624	681,735	6,467	3,332,192	-
Total operating expenses	8,214,711	10,299,173	4,723,840	1,733,087	231,182	25,201,993	2,609,884
Operating income (loss)	3,673,320	(59,218)	196,429	(186,880)	(19,528)	3,604,123	(1,244,124)
Nonoperating revenues (expenses):							
Investment earnings (loss)	173,187	86,209	41,137	(17,279)	1,439	284,693	22,135
Franchise taxes	-	-	240,153	-	-	240,153	-
Gain on sale of capital assets	-	-	15,300	6,675	-	21,975	-
Amortization expense	(8,815)	(2,308)	-	(4,692)	-	(15,815)	-
Interest expense	(261,153)	(66,149)	-	(135,090)	-	(462,392)	-
Total nonoperating revenues (expenses)	(96,781)	17,752	296,590	(150,386)	1,439	68,614	22,135
Income (loss) before contributions and transfers	3,576,539	(41,466)	493,019	(337,266)	(18,089)	3,672,737	(1,221,989)
Capital contributions	14,625	17,620	-	-	-	32,245	-
Transfers in	-	-	-	472,207	271,141	743,348	97,326
Transfers out	(8,066)	-	(97,626)	-	-	(105,692)	(54,908)
Change in net assets	3,583,098	(23,846)	395,393	134,941	253,052	4,342,638	(1,179,571)
Total net assets, beginning	27,574,921	12,264,084	5,203,765	8,433,991	1,028,206	54,504,967	3,931,243
Total net assets, ending	\$ 31,158,019	\$ 12,240,238	\$ 5,599,158	\$ 8,568,932	\$ 1,281,258	\$ 58,847,605	\$ 2,751,672

See Notes to Financial statements

City of Hallandale Beach, Florida

Statement of Cash Flows
Proprietary Funds

Year Ended September 30, 2011

	Business-Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water Fund	Sewer Fund	Sanitation Fund	Stomwater Drainage Fund	Cemetery Fund (Nonmajor)	
Cash Flows From Operating Activities:						
Cash received from fees and charges	\$ 11,967,029	\$ 10,770,749	\$ 5,187,959	\$ 1,546,231	\$ 207,437	\$ 29,679,405
Cash paid to suppliers for goods, services, claims and administrative charges	(2,101,825)	(8,500,460)	(2,890,975)	(236,803)	(56,607)	(13,786,670)
Cash paid to employees for services	(4,297,365)	(2,286,772)	(1,504,538)	(878,217)	(142,746)	(9,109,638)
Net cash provided (used) by operating activities	5,567,839	(16,483)	792,446	431,211	8,084	6,783,097
Cash Flows From Noncapital Financing Activities						
Franchise taxes	-	-	240,153	-	-	240,153
Interfund loans	(7,934)	(6,016)	(698)	14,648	-	-
Transfers from other funds	-	-	-	472,207	271,141	743,348
Transfers to other funds	(8,066)	-	(97,626)	-	-	(105,692)
Net cash provided (used) by noncapital financing activities	(16,000)	(6,016)	141,829	486,855	271,141	877,809
Cash Flows From Capital and Related Financing Activities:						
Purchase of capital assets	(902,830)	(901,383)	(97,758)	(492,309)	(10,373)	(2,404,653)
Proceeds from capital contributions	14,625	17,620	-	-	-	32,245
Principal paid on long-term debt	(314,607)	(84,088)	-	(164,562)	-	(563,257)
Interest paid on long-term debt	(285,458)	(72,838)	-	(147,424)	-	(505,720)
Net cash used by noncapital financing activities	(1,488,270)	(1,040,689)	(97,758)	(804,295)	(10,373)	(3,441,385)
Cash Flows Provided By Investing Activities						
(Purchase) sale of investments	(4,308,136)	733,333	(326,669)	56,249	-	(3,845,223)
Interest and investment income (loss) received	173,186	86,209	41,137	(17,279)	1,439	284,692
Net cash provided (used) by investing activities	(4,134,950)	819,542	(285,532)	38,970	1,439	(3,560,531)
Net increase (decrease) in cash and cash equivalents	(71,381)	(243,646)	550,985	152,741	270,291	658,990
Cash and cash equivalents, beginning	7,200,493	3,077,280	1,498,332	1,845,055	160,754	13,781,914
Cash and cash equivalents, ending	\$ 7,129,112	\$ 2,833,634	\$ 2,049,317	\$ 1,997,796	\$ 431,045	\$ 14,440,904
Reconciliation to the statement of net assets:						
Cash and cash equivalents	5,466,372	2,833,198	2,049,317	1,996,490	431,045	12,776,422
Restricted assets, cash and cash equivalents	1,662,738	436	-	1,307	-	1,664,481
	\$ 7,129,110	\$ 2,833,634	\$ 2,049,317	\$ 1,997,797	\$ 431,045	\$ 14,440,903
						\$ 7,512,107

City of Hallandale Beach, Florida

Statement of Fiduciary Net Assets
 Fiduciary Funds
 September 30, 2011

	Pension Trust Funds	Agency Funds
Assets		
Cash and cash equivalents	\$ 5,715,888	\$ 1,053,464
Due from others	307,948	-
Due from State of Florida	15,991	-
Interest receivable	181,506	-
Accounts receivable	-	2,483
Due from broker	155,993	-
Investments:		
Corporate bonds	27,449,398	-
Equity securities	75,779,103	-
U.S. Obligations	6,619,775	-
Hedge funds	7,595,978	-
Real estate investment trust	6,558,848	-
Prepaid expense	8,905	-
Total assets	130,389,333	1,055,947
Liabilities		
Accounts payable	134,516	-
Due for securities purchased	224,903	-
Due to others	-	1,055,947
	359,419	1,055,947
Net Assets		
Held in trust for pension benefits	\$ 130,029,914	\$ -

See Notes to Financial Statements

City of Hallandale Beach, Florida

Statement of Changes in Fiduciary Net Assets
Pension Trust Funds
Year Ended September 30, 2011

Additions	
Contributions:	
Employer	\$ 11,894,641
Plan members	1,612,038
State of Florida	586,845
Other income	46,054
Total contributions	<u>14,139,578</u>
Investment earnings (loss):	
Interest	1,749,678
Net decrease in fair value of investments	<u>(1,114,990)</u>
Total investment earnings	634,688
Less investment expense	<u>(699,228)</u>
Net investment loss	<u>(64,540)</u>
Total additions	<u>14,075,038</u>
Deductions	
Benefits	11,070,029
Professional services	143,205
Total deductions	<u>11,213,234</u>
Change in net assets	2,861,804
Net assets, beginning	<u>127,168,110</u>
Net assets, ending	<u>\$ 130,029,914</u>

See Notes to Financial Statements.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

The City of Hallandale, Florida was incorporated in 1927 by Laws of Florida 12791 Acts of 1927. On August 17, 1999, the City Commission approved an ordinance amending the City Charter to change the name of the City to Hallandale Beach, Florida (the "City"). The City operates under the Commission-Manager form of government and provides the following services as authorized by its charter and state statute: general government, public safety (police and fire), public works, physical environment, water, sewer, stormwater drainage, municipal cemetery, sanitation, human services, culture and recreation, planning and zoning and general administrative.

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") applicable to state and local governmental units, which are promulgated by the Governmental Accounting Standards Board ("GASB"). Significant accounting and reporting policies and practices used by the City are described below:

A. Reporting Entity

In accordance with GAAP, these basic financial statements present the City (the primary government) and its component units. A component unit is a legally separate organization for which the City is financially accountable.

The City is financially accountable if it appoints a voting majority of the organization's governing Board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the City. The City is also financially accountable if the entity is fiscally dependent on the City. Additionally, the City is required to consider other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's basic financial statements to be misleading or incomplete. Accordingly, the following component units, because of the closeness of their relationship with the City, are blended as special revenue funds in the City's financial statements.

Blended Component Units:

Golden Isles Safe Neighborhood District

The Golden Isles Safe Neighborhood District is governed by a board comprised of the City's elected commissioners. The commissioners approve the District's budgets, levy taxes, and must approve any debt issuances.

Three Islands Safe Neighborhood District

The Three Islands Safe Neighborhood District is governed by a board comprised of the City's elected commissioners. The commissioners approve the District's budgets, levy taxes and must approve any debt issuances.

Hallandale Community Redevelopment Agency

Pursuant to Section 163.387, Florida Statutes, the City of Hallandale Beach established a Redevelopment Trust Fund for the Community Redevelopment Agency ("CRA" or "Agency"), effective December 1996. The City Commission, acting as the agency board of directors, approved a Community Redevelopment Plan, which will primarily utilize Tax Increment Financing to fund community redevelopment within the designated area. The specific area incorporates approximately two thirds of the City with the exception of the most easterly portion of the City. The base year established of January 1, 1996, will be utilized in determining the base amount of property valuation. Each

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

year the City, County and Children's Services Council must contribute 95% of the incremental increase, if any, in ad valorem taxes levied over and above the base year. The Hospital District has made a separate agreement for a flat amount. The CRA is governed by a board comprised of the City's elected officials. Although the Agency is legally separate from the City, the CRA is reported as part of the primary government because its sole purpose is to finance and redevelop the City's designated redevelopment areas.

B. Government-Wide and Fund Financial Statements

The basic financial statements consist of the government-wide financial statements and fund financial statements.

The government-wide financial statements include a statement of net assets and a statement of activities. These statements report on the government as a whole and provide a complete financial picture of the government. For the most part, interfund activities have been removed from these statements. The City's fiduciary funds are presented in the fund financial statements. Since by definition these assets are being held for the benefit of a third party (pension participants) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide financial statements.

The government-wide statement of net assets reports all financial and capital resources of the City's governmental and business-type activities. Governmental activities are those supported by taxes and intergovernmental revenue. Business-type activities rely to a significant extent on fees and charges for support. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges for goods or services that are recovered directly from customers for services rendered, 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment, and 3) grants and contributions that are restricted to meeting capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Since the governmental fund financial statements are presented on a different measurement focus and basis of accounting than the government-wide financial statements, reconciliations are provided that briefly explain the adjustments necessary to reconcile the governmental fund financial statements to the government-wide governmental activities financial statements.

Internal service funds of a government are presented in summary form as part of the proprietary fund financial statements. Since the principal users of the internal services are the City's governmental activities, financial statements of internal service funds are consolidated into the governmental activities column when presented at the government-wide level. To the extent possible, the costs of these services are reflected in the appropriate governmental activities.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide, the proprietary fund and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses reported when a liability is incurred, regardless of the timing of related cash flows. The Agency funds report only assets and liabilities using the accrual basis of accounting but have no measurement focus.

Pronouncements of the Financial Accounting Standards Board ("FASB") issued prior to December 1, 1989 are followed in the governmental and business-type activities and enterprise funds to the extent that these standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent FASB pronouncements for their business-type activities and enterprise funds subject to the same limitation. The City has elected not to follow subsequent FASB guidance.

All governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under the modified accrual basis of accounting, revenues are generally recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due. Expenditures related to pension and other post employment benefits are recognized when the City has made a decision to fund those obligations with current available resources.

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

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

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.

GAAP set forth minimum criteria (percentage of the assets, liabilities, revenue or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor, internal service, and fiduciary funds are each presented in the aggregate in the applicable fund financial statements.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

The City reports the following major governmental funds:

The *General Fund* is the primary operating fund of the City. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenue is derived primarily from property taxes, utility taxes, state and federal distributions and other intergovernmental revenue. The general operating expenditures, fixed charges and capital outlay costs that are not paid through other funds are paid from the General Fund.

The *Community Redevelopment Agency Fund* accounts for the tax increment revenue assessed on properties in the specified CRA area and capital improvements, neighborhood improvement loans, and other economic incentives that help improve the appearance of property and equality of life for area residents and businesses.

The *Grant Administration Fund* accounts for City projects financed by federal, state and local grants.

The *Capital Projects Fund* accounts for major capital projects funded by City appropriations and debt issuance.

The City reports the following major proprietary funds:

The *Water Fund* accounts for the provision of water services to residents and businesses of the City.

The *Sewer Fund* accounts for the provision of sanitary sewer services to residents and businesses of the City.

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

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

Additionally, the City reports the following fund types:

Internal Service Funds are used to account for the financing of workers' compensation, other post-employment benefits and general liability insurance provided to the various funds of the City.

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

Permanent Fund is used to account for assets accumulating for the sole purpose of providing for the perpetual care of the City Cemetery. This fund was closed in fiscal year 2011 and the remaining balance transferred to the Cemetery Fund.

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

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

D. Deposits

The City considers cash on hand, cash with fiscal agents, and overnight investments with original maturities of less than three months to be cash and cash equivalents. In addition, each fund's equity in the City's investment pool, with the exception of fund B, has been treated as a cash equivalent since cash may be deposited or withdrawn from the pool at any time without prior notice or penalty. Interest earned on pooled cash and investments is allocated to funds based on average monthly balances.

E. Investments

Investments, including investments in the pension trust funds, are reported at fair value, with the exception of the investments held by the State Board of Administration. The Florida PRIME (formally known as the Local Government Surplus Funds Trust Fund (LGIP), is recorded at the value of the pool shares (2a-7 like pool), which is fair value. The Fund B Surplus Funds Trust Fund (Fund B) is a fluctuating NAV pool and is reported based on the fair value factor. The difference between cost and fair value of investments held is recorded as net unrealized gains or losses and is included in net investment earnings.

F. Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (current portion of loans) or "advances to/from other funds" (non-current portion of loans).

Accounts receivable are recorded and where appropriate, an associated allowance for doubtful accounts has been established in the related fund. All receivables are shown net of an allowance for uncollectibles. Based on past experience, the City deems all balances greater than 90 days to be uncollectible unless a lien can be placed against the property of the customer. As of September 30, 2011, the allowance for doubtful accounts in the Governmental and Business-type funds was \$5,172,405 and \$1,237,084, respectively.

G. Inventory and Prepaid Items

Inventory, which generally consists of supplies held for consumption, is valued at lower of cost (first-in, first-out) or market. The cost is recorded as an expenditure/expense at the time individual inventory items are consumed.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Inventory in the Cemetery fund consists of crypts. Inventory is valued at cost and is reduced by crypts sold during the year, calculated based on a weighted-average basis. Water fund inventory consists of water meters on hand for future installation.

Certain payments to vendors for services that will benefit periods beyond September 30, 2011 are recorded as prepaid items in both the government-wide and fund financial statements. .

In the governmental funds, prepaid items and inventory are reported in the classification of non-spendable fund balance.

H. Restricted Assets

Restricted assets, consisting of cash and cash equivalents, represent assets restricted to a particular usage. In the governmental funds, restricted cash consists primarily of unspent bond proceeds. In business-type funds, restricted assets consist mainly of the amount of utility deposits.

I. Capital Assets

Capital assets, including land, buildings and improvements, infrastructure, vehicles and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are those that have a useful life of greater than one year and a value of greater than \$1,000 for all capital assets other than intangibles, which have a value of greater than \$25,000. Capital assets are stated at cost in the government-wide and proprietary fund financial statements. Donated capital assets are stated at their fair value on the date contributed. Depreciation is recorded as an operating expense for all assets meeting the City's capitalization threshold. Interest is capitalized on projects of the business-type activities and proprietary funds during construction based upon the cost of borrowings less interest earned on related investments acquired with the proceeds of borrowings. There was no interest to be capitalized in the 2011 fiscal year. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized, but are expensed as incurred.

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

Vehicles and equipment	5 years
Water plant components	10 years
Buildings and improvements other than buildings	20 years
Enterprise infrastructure	20 years
Government infrastructure	42 years

J. Compensated Absences

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

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

The City accrues for vacation and sick leave based on anticipated use or payout (i.e., amounts that are due and payable). Accumulated and unpaid vacation pay and sick leave are recorded as expenses in the government wide and proprietary funds when earned. Expenditures for accumulated compensated absences have been recorded in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

K. Unearned/Deferred Revenue

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

L. Long-Term Obligations

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

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

M. Fund Equity/Net Assets

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints imposed on the use of resources reported in governmental funds. Amounts that are restricted to specific purposes either by (a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation are classified as restricted fund balances. Amounts that can only be used for specific purposes pursuant to constraints imposed by the City Commission through an ordinance or resolution are classified as committed fund balances. Amounts that are constrained by the City's intent to be used for specific purposes, however, are neither restricted, nor committed are classified as assigned fund balances. Assignments are made by management based on the City Commission's direction. Non-spendable fund balances include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General fund. When both restricted and unrestricted fund balances are available for use, it is the City's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Net assets of the government-wide financial statements and proprietary fund financial statements are categorized as invested in capital assets net of related debt, restricted or unrestricted. The first category represents capital assets net of accumulated depreciation, less outstanding debt related to the acquisition or construction of the capital assets.

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

N. Pension Plans

The City provides separate defined benefit pension plans for general employees, professional/management, and uniformed police and fire department personnel. The City provides a defined-contribution plan for those management employees who did not elect to transfer to the Professional/Management Plan. Additionally, all new professional and management employees are required to enter the defined contribution pension plan, as the defined benefit plan will be phased out as employees retire or resign. It is the City's policy to fund the normal cost and the amortization of the unfunded prior service cost. Any excess or deficiencies in contributions compared to the annual required contributions are shown as net pension assets or obligations in the governmental activities in the government-wide statement of net assets.

O. Other Post-Employment Benefits

The City is self funded for other post-employment benefits as in accordance with Florida Statute the City permits eligible retirees and their eligible dependents to participate in the City's health insurance program at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. As a result, the City incurs an implicit subsidy for these retirees. Operating funds are charged premiums by the OPEB internal service fund. The accrued liability for other post employment benefits represents the excess of the annual required contribution for other post employment benefits over the actuarially determined implicit subsidy for the current year. The expense for the implicit subsidy portion is recorded within the operating funds as part of the health care costs incurred.

P. Self-Insurance

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

Q. Use of Estimates

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

Notes to Financial Statements

Note 2. Property Taxes

The City's property tax is levied and becomes a lien on real and personal property located in the City, including the Golden Isles Safe Neighborhood District and the Three Islands Safe Neighborhood District, on October 1 of each year based upon the assessed value listed as of the prior January 1. Assessed values are established by the Broward County Property Appraiser. The assessed values at January 1, 2010, upon which the 2010-11 levy was based, were approximately \$3.6 billion, \$197.8 million and \$407.8 million for the City, the Golden Isles Safe Neighborhood District, and the Three Islands Safe Neighborhood District, respectively.

The City is permitted by state law to levy taxes up to 10 mills of assessed valuation for the General fund. Taxes were levied at 5.9000 mills, 1.0934 mills, and .6600 mills for the General fund, the Golden Isles Safe Neighborhood District and the Three Islands Safe Neighborhood District, respectively, for the 2010-11 fiscal year.

All taxes are due from property holders on March 31, become delinquent on April 1 and become subject to the issuance of tax sale certificates on June 1. Current tax collections for the year ended September 30, 2011, were approximately 98.7% of the total tax levy.

City of Hallandale Beach, Florida

Notes to Financial Statements

Note 3. Deposits and Investments

Cash and investments of the City consist of the following at September 30, 2011:

Cash and Cash Equivalents:

Deposits with Financial Institutions	\$ 44,113,970
Money Market Funds	5,715,888
Florida PRIME	2,452,083
	<u>52,281,941</u>

Investments:

Corporate Notes	5,238,905
U.S. Government Agencies	36,530,128
U.S. Government Treasuries	5,628,512
SBA Fund B	395,294
	<u>47,792,839</u>

Pension Trust Funds:

U.S. Govt. Agencies	4,201,422 *
U.S. Govt. Treasuries	2,418,353 *
Corporate Bonds	27,449,398 *
Equities	75,779,103 *
Hedge Funds	7,595,978 *
Real Estate Investment Trust	6,558,848 *
	<u>124,003,102</u>
Total investments	<u>171,795,941</u>
Total cash, cash equivalents and investments	<u>\$ 224,077,882</u>

* These investments are uninsured and unregistered with securities held by the counterparty, but not in the City's name.

Cash and investments are classified in the accompanying financial statements as follows:

Statement of Net Assets

Cash and cash equivalents	\$ 37,773,676
Restricted cash and cash equivalents	7,738,913
Investments	47,792,839

Fiduciary Funds

Cash and cash equivalents	6,769,352
Investments	124,003,102
Total cash, cash equivalents and investments	<u>\$ 224,077,882</u>

Notes to Financial Statements

Note 3. Deposits and Investments (Continued)

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

The State Board of Administration (SBA) administers the Florida PRIME and Fund B both of which are governed by Chapter 19-7 of the Florida Administrative Code and Chapters 218 and 215 of the Florida Statutes. These rules provide guidance and establish the policies and general operating procedures for the administration of the Florida PRIME and Fund B. The Florida PRIME is not a registrant with the Securities and Exchange Commission (SEC); however, the Board has adopted operating procedures consistent with the requirements for a 2a-7 fund, which permits money market funds to use amortized cost to maintain a constant net asset value (NAV) of \$1 per share. The fair value of the position in the Florida PRIME is equal to the value of the pool shares. The Fund B does not meet the requirements of an SEC 2a-7 like fund and therefore is accounted for as a fluctuating NAV pool. As of September 30, 2011, the fair value factor for Fund B was \$.75684 per share. The Fund B is not subject to participant withdrawal requests. Distributions from Fund B, as determined by the SBA, are effected by transferring eligible cash or securities to the Florida PRIME, consistent with the pro rata allocation of pool shareholders of record at the creation of Fund B. One hundred percent of such distributions from Fund B are available as liquid balances within the Florida PRIME. The investments in the Florida PRIME and Fund B are not insured by FDIC or any other governmental agency.

Concentration of credit risk: Under the City's investment policy, authorized investments excluding pension plan assets may consist of investments in the following:

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

Notes to Financial Statements

Note 3. Deposits and Investments (Continued)

The City of Hallandale Beach Pension Plans authorized investments may consist of the following:

- Stable value (portfolios of short-term, high quality debt securities including money market funds, stable value funds and guaranteed interest arrangements)
- Domestic fixed income (portfolios composed of debt securities issued by the U.S. government, U.S. government sponsored/related agencies, U.S. domiciled corporations)
- International or foreign fixed income (portfolios composed of debt securities issued by foreign governments, foreign government sponsored/related agencies and foreign corporations)
- Real Estate (portfolios composed of Real Estate Investment Trusts of all types and other commingled real estate equity investment options)
- Domestic Stock (portfolios composed of common stocks of U.S. domiciled corporations)
- International or Foreign Stock (common stock of corporations domiciled outside the U.S.)
- Balanced/Asset Allocation (portfolios composed of significant proportions of both equity and fixed income investments)
- Funds of Hedge Funds (private investment funds investing primarily in the global equity and fixed income markets)

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

Interest rate risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. In accordance with the City's and pension plans' investment policies, they minimize the market value risk of investments in the portfolios by structuring them so that funds are available to meet reasonably anticipated cash flow requirements in an orderly manner.

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations of its debt type investments using the segmented time distribution model is as follows:

Summary of Investments and Interest Rate Risk	Investment Maturities (in Years)				
	Fair Value	Less than 1 Year	1 - 5 Years	6 - 10 Years	Greater than 10 Years
U.S. Government Securities	\$ 8,046,865	\$ 168,523	\$ 6,388,528	\$ 1,177,507	\$ 312,307
U.S. Government Agencies	40,731,550	8,578,654	32,152,896	-	-
SBA	2,847,377	2,452,083	-	395,294	-
Corporate Bonds and Notes	32,688,303	5,106,795	5,313,168	22,268,340	-
Total	\$ 84,314,095	\$ 16,306,055	\$ 43,854,592	\$ 23,841,141	\$ 312,307

Credit risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investment policy limits investments to those instruments rated at or better than A-1. The Policeofficers & Firefighters Retirement Plan limits investments to those instruments in one of the four highest classifications by a major rating service. The General Employees and Professional/Management Pension Plans' investment policies do not specify any limits.

Notes to Financial Statements

Note 3. Deposits and Investments (Continued)

Presented below is the minimum rating as required for each debt type instrument.

Average Rating	Corporate Bonds and Notes	U.S. Govt. Obligations	SBA
AAA	\$ 3,803,324	\$ -	\$ 2,452,083
AA+	5,734,066	44,576,993	-
AA	15,036,254	-	-
AA-	68,425	-	-
A+	610,704	-	-
A	1,525,813	-	-
A-	1,163,613	-	-
BBB+	1,055,960	-	-
BBB	874,421	-	-
BBB-	522,468	-	-
B	2,179,032	-	-
Unrated	114,223	4,201,422	395,294
TOTAL	\$ 32,688,303	\$ 48,778,415	\$ 2,847,377

Custodial credit risk: “Custodial credit risk” is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a formal policy, but its practice is to ensure that all investments are held by the City or its counterparty in the City’s name, with the exception of its pension investments. In the Police Officers and Firefighters Retirement Plan, consistent with its investment policy, the investments are held by the Plan’s custodial bank and registered in the Plan’s name. In the General Employees and Professional/Management Retirement Plans, the investments are held by the pension funds’ trustees pursuant to trustee agreements. These investments are maintained through pooled separate accounts. They are uninsured and unregistered and held by the counterparty in the name of the counterparty.

Foreign currency risk: “Foreign currency risk” is the risk that fluctuations in currency exchange rate may affect transactions conducted in currencies other than U.S. dollars as well as the carrying value of foreign investments. The Police Officers and Firefighters Retirement Plan’s exposure to foreign currency risk derives mainly from its investments in international equity stocks. Its exposure to foreign currency risk related to foreign equity funds totals \$6,896,697. The investment policy limits the foreign investments to no more than 10% of the plan’s investment balance. As of year-end, the foreign investments were 8% of total investments.

Notes to Financial Statements

Note 4. Accounts Receivable

Accounts receivable for the City's governmental activities and each major governmental fund and nonmajor governmental and internal service funds in the aggregate, with the related allowance for doubtful accounts, as of September 30, 2011 were as follows:

Business-type Activities	Water Fund	Sewer Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Cemetery Fund	Total Business-Type Activities
Water sales	\$ 2,066,213	\$ -	\$ -	\$ -	\$ -	\$ 2,066,213
Impact fees	285,200	-	-	-	-	285,200
Sewer service charges	-	1,811,557	-	-	-	1,811,557
Garbage and trash	-	-	669,684	-	-	669,684
Special trash	-	-	133,152	-	-	133,152
Recycling	-	-	20,135	-	-	20,135
Franchise fees	-	-	49,200	-	-	49,200
Stormwater drainage services	-	-	-	234,736	-	234,736
Interest receivable	19,878	15,076	6,745	-	-	41,699
Burial rights contract	-	-	-	-	16,066	16,066
Other	7,071	31,250	-	560	-	38,881
Gross receivables	2,378,362	1,857,883	878,916	235,296	16,066	5,366,523
Less: allowance for uncollectibles	(518,827)	(242,486)	(370,019)	(105,752)	-	(1,237,084)
Net total receivables	\$ 1,859,535	\$ 1,615,397	\$ 508,897	\$ 129,544	\$ 16,066	\$ 4,129,439

Affordable Housing Loan Program

The City issues single and multi-family housing loans to assist with the cost of a new construction home, townhouse or condo, or the purchase of an existing home, townhouse or condo to qualified residents. If the property is sold after the ten years, the participant reimburses the City 40% of the profit from the sale. Affordable Housing loans outstanding totaled \$2,379,000 on September 30, 2011. The City does not report these amounts in their financial statements due to the uncertainty as to the date or amount of future collections.

City of Hallandale Beach, Florida

Notes to Financial Statements

Note 4. Accounts Receivable (Continued)

Accounts receivable for the City's business-type activities and each proprietary fund, with the related allowance for doubtful accounts, as of September 30, 2011 were as follows:

Business-type Activities	Water Fund	Sewer Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Cemetery Fund	Total Business-Type Activities
Water sales	\$ 2,066,213	\$ -	\$ -	\$ -	\$ -	\$ 2,066,213
Impact fees	285,200	-	-	-	-	285,200
Sewer service charges	-	1,811,557	-	-	-	1,811,557
Garbage and trash	-	-	669,684	-	-	669,684
Special trash	-	-	133,152	-	-	133,152
Recycling	-	-	20,135	-	-	20,135
Franchise fees	-	-	49,200	-	-	49,200
Stormwater drainage services	-	-	-	234,736	-	234,736
Interest receivable	19,878	15,076	6,745	-	-	41,699
Burial rights contract	-	-	-	-	16,066	16,066
Other	7,071	31,250	-	560	-	38,881
Gross receivables	2,378,362	1,857,883	878,916	235,296	16,066	5,366,523
Less: allowance for uncollectibles	(518,827)	(242,486)	(370,019)	(105,752)	-	(1,237,084)
Net total receivables	\$ 1,859,535	\$ 1,615,397	\$ 508,897	\$ 129,544	\$ 16,066	\$ 4,129,439

Note 5. Due from Other Governments

Due from other governments for the City's governmental activities and each major governmental fund and nonmajor governmental funds in the aggregate as of September 30, 2011 include the following:

Governmental Activities	General	Grant Administration	Other Nonmajor Funds	Total Governmental Activities
Federal Government	\$ -	\$ 1,923,290	\$ -	\$ 1,923,290
Florida Department of Revenue	593,800	150,653	101,500	845,953
Local Governments	395,198	60,785	-	455,983
	\$ 988,998	\$ 2,134,728	\$ 101,500	\$ 3,225,226

Notes to Financial Statements

Note 6. Capital Assets

The following is a summary of capital asset activity for the year ended September 30, 2011:

Governmental activities:

	Beginning Balance	Additions and Transfers	Retirements and Transfers	Ending Balance
Capital assets not being depreciated:				
Land	\$ 41,316,292	\$ 165,474	\$ -	\$ 41,481,766
Construction in progress	1,062,509	462,279	661,716	863,072
Total capital assets not being depreciated	42,378,801	627,753	661,716	42,344,838
Capital assets being depreciated:				
Buildings	19,000,439	-	-	19,000,439
Improvements other than buildings	8,293,388	388,387	-	8,681,775
Vehicles & equipment	14,285,637	1,217,825	912,954	14,590,508
Infrastructure	23,452,877	746,506	-	24,199,383
Total capital assets being depreciated	65,032,341	2,352,718	912,954	66,472,105
Less accumulated depreciation for:				
Building	12,381,866	766,325	-	13,148,191
Improvements other than buildings	5,478,067	253,466	-	5,731,533
Vehicles & equipment	11,556,967	1,067,817	909,656	11,715,128
Infrastructure	15,722,354	561,042	-	16,283,396
Total accumulated depreciation	45,139,254	2,648,650	909,656	46,878,248
Total capital assets being depreciated, net	19,893,087	(295,932)	3,298	19,593,857
Governmental activities capital assets, net	\$ 62,271,888	\$ 331,821	\$ 665,014	\$ 61,938,695

Notes to Financial Statements

Note 6. Capital Assets (Continued)

The following is a summary of capital asset activity for the year ended September 30, 2011:

Business-type activities:	Beginning Balance	Additions and Transfers	Retirements and Transfers	Ending Balance
Capital assets not being depreciated:				
Land	\$ 1,159,302	\$ -	\$ -	\$ 1,159,302
Construction in progress	1,301,806	192,376	400,050	1,094,132
Total capital assets not being depreciated	2,461,108	192,376	400,050	2,253,434
Capital assets being depreciated:				
Buildings	21,230,219	-	-	21,230,219
Improvements other than buildings	3,398,391	302,735	-	3,701,126
Vehicles & equipment	9,439,662	305,457	104,796	9,640,323
Infrastructure	44,381,882	2,026,112	-	46,407,994
Total capital assets being depreciated	78,450,154	2,634,304	104,796	80,979,662
Less accumulated depreciation for:				
Buildings	6,411,498	977,211	-	7,388,709
Improvements other than buildings	734,021	185,261	-	919,282
Vehicles & equipment	6,102,374	970,570	104,796	6,968,148
Infrastructure	28,431,974	1,199,150	-	29,631,124
Total accumulated depreciation	41,679,867	3,332,192	104,796	44,907,263
Total capital assets being depreciated, net	36,770,287	(697,888)	-	36,072,399
Business-type activities capital assets, net	\$ 39,231,395	\$ (505,512)	\$ 400,050	\$ 38,325,833

Notes to Financial Statements

Note 6. Capital Assets (Continued)

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

Governmental activities:

General government	\$ 1,318,439
Public safety	
Law enforcement	263,345
Fire protection	332,631
Physical environment	54,392
Economic environment	80,544
Culture and recreation	338,202
Transportation	189,526
Human services	71,571
Total depreciation expense, governmental activities	<u>\$ 2,648,650</u>

Business-type activities:

Water utility	\$ 1,899,557
Sewer utility	477,809
Sanitation	266,624
Stormwater drainage	681,735
Cemetery	6,467
Total depreciation expense, business-type activities	<u>\$ 3,332,192</u>

Notes to Financial Statements

Note 7. Interfund Activities

Transfers: The composition of interfund transactions for the year ended September 30, 2011 is as follows:

Transfers Out	Transfers In						Total Transfers Out
	General Fund	Community Redevelopment Agency Fund	Capital Projects Fund	Cemetery Fund	Stormwater Fund	Internal Service Funds	
General Fund	\$ -	\$ 3,593,308	\$ 25,000	\$ -	\$ -	\$ -	\$ 3,618,308
Community Redevelopment Agency Fund	25,000	-	1,982,215	-	260,920	-	2,268,135
Grant Administration Fund	-	-	-	-	211,287	-	211,287
Nonmajor Governmental Funds	45,407	-	-	271,141	-	-	316,548
Water Fund	8,066	-	-	-	-	-	8,066
Sanitation Fund	300	-	-	-	-	97,326	97,626
Internal Service Funds	54,908	-	-	-	-	-	54,908
	<u>\$ 133,681</u>	<u>\$ 3,593,308</u>	<u>\$ 2,007,215</u>	<u>\$ 271,141</u>	<u>\$ 472,207</u>	<u>\$ 97,326</u>	<u>\$ 6,574,878</u>

The transfer from the General fund to the Community Redevelopment Agency (CRA) fund was for the City's portion of tax increment financing. The transfer from the CRA fund to the Capital Projects fund is to provide funds to pay the debt service on the 2007A bonds. The transfers into the Internal Service fund are to provide funding for payment of claims and other expenses. The transfers from the Grant Administration fund and the CRA fund into the Stormwater Drainage fund represent drainage improvements and canal reconstruction paid with governmental funds. The transfer from the non-major governmental funds to the General fund represents administrative fees collected from users of police outside services and remitted to the General fund. The transfer into the Cemetery fund transfers the balance of the Perpetual Care fund. All other small transfers typically cover capital purchases made from multiple funds.

Notes to Financial Statements

Note 8. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities for the City's governmental activities and each major governmental fund and nonmajor governmental and internal service funds in the aggregate as of September 30, 2011 were as follows:

Governmental Activities	General Fund	CRA Fund	Grant Administration Fund	Capital Projects Fund	Non-Major Funds	Internal Service Funds	Total Governmental Activities
Vendor payables	\$ 539,444	\$ 333,736	\$ 200,976	\$ 151,025	\$ 67,364	\$ 3,525	\$ 1,296,070
Retainage payable	-	14,248	10,386	-	-	-	24,634
A/R overpayments	11	305	-	-	-	-	316
Other liabilities	8,615	-	-	-	48,083	-	56,698
Total payables	\$ 548,070	\$ 348,289	\$ 211,362	\$ 151,025	\$ 115,447	\$ 3,525	\$ 1,377,718

Accounts payable and accrued liabilities for the City's business-type activities and each major and nonmajor proprietary fund as of September 30, 2011 were as follows:

Business-type Activities	Water Fund	Sewer Fund	Sanitation Fund	Stormwater Drainage Fund	Cemetery Fund (Nonmajor)	Total Business-type Activities
Vendor payables	\$ 134,285	\$ 37,860	\$ 135,782	\$ 11,936	\$ 7,618	\$ 327,481
Retainage payable	62,719	20,761	1,795	13,184	-	98,459
Accrued wastewater treatment expense	-	2,484,126	-	-	-	2,484,126
A/R overpayments	53,912	-	-	-	-	53,912
Other liabilities	428	-	-	-	296	724
Total payables	\$ 251,344	\$ 2,542,747	\$ 137,577	\$ 25,120	\$ 7,914	\$ 2,964,702

Notes to Financial Statements

Note 9. Long-Term Debt and Other Obligations

The following is a summary of long-term debt and other obligation transactions for the year ended September 30, 2011:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental activities:					
Bonds payable:					
Revenue bonds - Series 2007A	\$ 22,310,000	\$ -	\$ (865,000)	\$ 21,445,000	\$ 910,000
Unamortized bond premium	289,234	-	(28,350)	260,884	-
	<u>22,599,234</u>	<u>-</u>	<u>(893,350)</u>	<u>21,705,884</u>	<u>910,000</u>
Other long-term liabilities:					
Accrued claims for self-insured risks	1,015,445	1,728,255	(550,456)	2,193,244	1,284,388
Net OPEB obligation	1,814,000	815,666	-	2,629,666	-
Compensated absences	3,969,724	3,080,072	(3,285,139)	3,764,657	632,000
	<u>6,799,169</u>	<u>5,623,993</u>	<u>(3,835,595)</u>	<u>8,587,567</u>	<u>1,916,388</u>
Total governmental activities, long term liabilities	\$ 29,398,403	\$ 5,623,993	\$ (4,728,945)	\$ 30,293,451	\$ 2,826,388
Business-type activities:					
Revenue Bonds - Series 2001A	\$ 3,375,000	\$ -	\$ (210,000)	\$ 3,165,000	\$ 220,000
Revenue Bonds - Series 2005A	7,205,000	-	(355,000)	6,850,000	370,000
Unamortized bond premium	304,821	-	(37,189)	267,632	-
	<u>10,884,821</u>	<u>-</u>	<u>(602,189)</u>	<u>10,282,632</u>	<u>590,000</u>
Compensated absences	602,443	409,902	(447,082)	565,263	276,834
Total business type activities, long term liabilities	\$ 11,487,264	\$ 409,902	\$ (1,049,271)	\$ 10,847,895	\$ 866,834

The Revenue Bonds, Series 2007A were issued for the purpose of financing the acquisition of park land. The bonds are not general obligation bonds of the City, bear interest at rates ranging from 4.25-5.00% and are to be repaid solely from non-ad valorem revenue. Principal is payable annually and the bonds mature on October 1, 2027.

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

The Revenue Bonds, Series 2001A were issued for the purpose of financing the acquisition and construction of a new membrane water treatment plant, construction and improvements to the stormwater drainage system and the sewer system. The bonds are not general obligation bonds of the City, bear interest at rates ranging from 5.0-5.25% and are to be repaid solely from water, sewer and stormwater fund net revenue. Principal is payable annually and the bonds mature on November 1, 2021.

Notes to Financial Statements

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

The Revenue Bonds, Series 2005A were issued for the purpose of financing the acquisition and construction of a new membrane water treatment plant, construction and improvements to the stormwater drainage system, and construction and improvements to the sewer system. The bonds are not general obligation bonds of the City, bear interest at rates ranging from 3.25-5.0% and are to be repaid solely from water, sewer and stormwater fund net revenue. Principal is payable annually and the bonds mature on February 1, 2025.

A summary of annual debt service requirements as of September 30, 2011 is as follows:

Year Ending September 30,	Governmental Activities		Business Type Activities			
	Revenue Bonds Series 2007A		Revenue Bonds Series 2001A		Revenue Bonds Series 2005A	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 910,000	\$ 1,055,925	\$ 220,000	\$ 154,325	\$ 370,000	\$ 306,465
2013	955,000	1,012,750	235,000	142,950	380,000	292,378
2014	1,000,000	965,000	245,000	130,644	395,000	277,390
2015	1,050,000	915,000	255,000	117,519	410,000	263,046
2016	1,105,000	862,500	270,000	103,737	425,000	247,221
2017-2021	6,390,000	3,462,625	1,575,000	287,744	2,435,000	922,289
2022-2026	8,150,000	1,734,000	365,000	8,669	2,435,000	251,125
2027	1,885,000	94,250	-	-	-	-
	<u>\$ 21,445,000</u>	<u>\$ 10,102,050</u>	<u>\$ 3,165,000</u>	<u>\$ 945,588</u>	<u>\$ 6,850,000</u>	<u>\$ 2,559,914</u>

Pledged Revenue: General long-term debt bonds are collateralized by multiple sources. The City has pledged certain revenue to repay revenue bonds outstanding as of September 30, 2011. The following table reports the revenue, net of related operating expenses for business-type activities, pledged for each debt issue, the amounts of such revenue received in the current year, the current year principal and interest paid on the debt, the date through which the revenue is pledged under the debt agreement, and the total pledged future revenue for each debt, which is the amount of the remaining principal and interest on the bonds and notes at September 30, 2011:

Description of Bonds	Pledged Revenue	Revenue Received	Principal and Interest Paid	Percentage of Current Year Debt Service To Pledged Revenue	Outstanding Principal and Interest	Pledged Through
Governmental Activities:						
Revenue Bonds, Series 2007A	Non Ad Valorem	\$ 36,203,914	\$ 1,982,215	5.48%	\$ 31,547,050	2027
Business-type Activities:						
Revenue Bonds, Series 2001A and 2005A	Non Ad Valorem	\$ 3,427,222	\$ 1,019,476	2.82%	\$ 13,520,502	2025

Notes to Financial Statements

Note 10. Pension Plans

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

The pension plans are presented in accordance with GASB Statements No. 25, "Financial Reporting for Defined Benefit Plans and Note Disclosures for Defined Contribution Plans," No. 27, "Accounting for Pensions by State and Local Governmental Employers," and No. 50, "Pension Disclosures."

Summary of Significant Accounting Policies

Basis of Accounting

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

Investments

Plan investments are reported at fair value. Quoted market prices, when available, have been used to value investments. The fair value of quoted investments is based on the closing sales price or bid price as reported by recognized security exchanges. The market values for securities that have no quoted market price represent estimated fair value. Many factors are considered in arriving at that value. In general, corporate debt securities have been valued at quoted market prices or, if not available, values are based on yields currently available on comparable securities of issuers with similar credit ratings. Unrealized gains and losses are presented as net appreciation (depreciation) in fair value of investments on the statement of changes in plan nets assets along with the gains and losses realized on the sales of investments. Purchases and sales of investments are recorded on a trade-date basis.

Real estate investments are stated at fair value as determined by the Plans' independent valuation consultants. Appraisals are performed for each investment annually by independent third party MAI certified appraisers, with all appraisals being performed in accordance with the Uniform Standard of Professional Appraisal Practice. Thereafter, values are updated daily by the valuation consultant based on changes in factors such as occupancy levels, lease rates, overall market conditions and capital improvements. Determination of estimated fair value involves subjective judgment because the actual fair value of real estate can be determined only by negotiation between the parties in a sales transaction.

Administrative Expenses

Administrative costs paid by the General Employees Retirement Plan, Police Officers and Firefighters Retirement Plan and the Professional/Management Employees Retirement Plan include services of administrative personnel, bank charges, investment counsel charges, actuarial costs, insurance expense and miscellaneous office expenses.

Notes to Financial Statements

Note 10. Pension Plans (Continued)

Risks and Uncertainties

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

Contributions to the plans are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

General Employees Retirement Plan

Plan description: The General Employees Retirement Plan is a single-employer defined-benefit plan, which covers all City employees except police officers, firefighters and management/professional employees. The City's payroll for employees covered by this plan for the fiscal year ended September 30, 2011, was approximately \$7.1 million. As of the date of the most recent actuarial valuation, October 1, 2011, employee membership data related to the plan was as follows:

Retirees and beneficiaries currently receiving benefits	126
Terminated employees entitled to benefits but not yet receiving them	70
Current active employees	158
Total	<u><u>354</u></u>

The plan provides enhanced retirement as well as death benefits. Benefits vest 20% after three years of active participation, plus 20% for each additional year to 100% after seven years. Employees who retire at or after age 60 with 15 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 73-75% of average compensation times the accrued benefit adjustment. Average compensation is equal to the monthly average of total pay within the three-year period ending on the day prior to the normal retirement date.

Employees with 20 years of credited service may retire at or after age 55 and receive reduced retirement benefits. The City Commission has the authority to create or amend benefit and contribution provisions. Covered employees are required by City ordinance to contribute 3% of monthly earnings. The City is required to contribute the remaining amounts necessary to fund the plan, based on an actuarially determined amount each year.

If an employee leaves covered employment or dies before five years of credited service, accumulated employee contributions plus related investment earnings are refunded to the employee or designated beneficiary.

The City does not issue a stand-alone financial report for the plan.

Notes to Financial Statements

Note 10. Pension Plans (Continued)

The Deferred Retirement Option Plan (DROP) is available to all plan members who have become eligible for early or normal retirement. Upon electing to participate in the DROP, members are considered to have retired for pension purposes but continue to remain in active employment with the City. The member's pension benefit is calculated as if they actually retired on the date of DROP participation, using continuous service, average monthly earnings, and the current multiplier as of that date. However, instead of paying the benefit to the member, a DROP account is established, and the benefit is deposited into the account every month for up to five years. These deposits continue to accumulate interest. Upon actual termination of employment, members shall receive their normal retirement benefits and may elect to receive their funds from the DROP account in a lump sum distribution or roll their account balance into a qualified instrument. At September 30, 2011, there were six DROP participants, with a total balance of \$436,454.

Actuarially determined contribution requirements and contributions made: The plan's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate sufficient assets to pay benefits when due. Level percentages of payroll contribution rates are determined using the entry age normal-aggregate actuarial cost method.

The employees, in accordance with City ordinance, made contributions for the year ending September 30, 2011 totaling \$258,858. Employer contributions for same period, as determined by the October 1, 2009 actuarial valuation, totaled \$3,290,953 or 100% of the actual amount required.

Police Officers and Firefighters Retirement Plan

Plan description: The Police Officers and Firefighters Retirement Plan is a single-employer defined benefit plan, which covers all police officers and firefighters. The City's total payroll for employees covered by this plan for the fiscal year ended September 30, 2011, was approximately \$12 million. As of the date of the most recent actuarial valuation, October 1, 2011, employee membership data related to the plan was as follows:

Retirees and beneficiaries currently receiving benefits	167
Terminated employees entitled to benefits but not yet receiving them	3
Current active employees	149
Total	319

The plan provides retirement benefits as well as death and disability benefits. Employees vest after 10 years of service. Employees who retire at or after age 52 with 10 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 3.2% of average rate of pensionable earnings (salary) for the two most recent completed calendar years prior to retirement or termination with the City, times years and completed months of service, not to exceed 80% of final salary. Employees with 10 years of credited service may retire at or after age 45 and receive reduced retirement benefits. Employees who attain the 80% maximum multiplier may retire at any age and receive normal retirement pension accrued. The Plan includes a Deferred Retirement Option, Medical Stipend, Cost of Living Adjustment and Additional Accrual Service purchase benefits.

Covered employees are required by ordinance to contribute 9.5% of their salary to the plan. If an employee leaves covered employment or dies before 10 years of credited service, accumulated employee contributions plus related investment earnings are refunded to the employee or designated beneficiary. The service-incurred benefit is 30% of

Notes to Financial Statements

Note 10. Pension Plans (Continued)

monthly compensation at time of death or the accrued monthly retirement benefit, whichever is greater. The non-service-incurred benefit requires 10 years of service and is the accrued monthly retirement benefit. The City is required by State of Florida statute to contribute the remaining amounts necessary to finance the coverage of its employees.

The Deferred Retirement Option Plan (DROP) is available to all plan members who have become eligible for normal retirement. Upon electing to participate in the DROP, members are considered to have retired for pension purposes but continue to remain in active employment with the City. Monthly payments are deposited into a DROP account and credited with interest based on actual earnings of the plan assets, less ½% per year for administrative expenses. Maximum period of participation in the DROP is five years. Upon actual termination of employment, members shall receive their normal retirement benefits and may elect to receive their funds from the DROP account in a lump sum distribution or may leave their accrued DROP balance (or a portion thereof) in the fund, earning interest, until age 70½. As of the date of the most recent actuarial valuation, there were 16 active employees in the DROP plan. The balance in the DROP account for these employees as well as for those already retired is \$18,739,045.

The Police Officers and Firefighters Pension plan issues a stand-alone financial report. Copies of this report are available in the Finance Department in the Municipal Complex.

Actuarially determined contribution requirements and contributions made: The plan's funding policy provides for periodic employer contributions at actuarially determined rates which, expressed as percentages of annual covered payroll, are sufficient to accumulate sufficient assets to pay benefits when due. Level percentages of payroll contribution rates are determined using the frozen initial liability actuarial cost method.

Pursuant to Florida Statutes, Chapter 175, contributions from the State of Florida Department of Insurance consist of a 1.85% excise tax imposed by the City upon certain property insurance companies on the gross amount of premiums from policy holders on all premiums collected on property insurance policies covering property within the City. This amount totaled \$586,845 for the year ended September 30, 2011. This amount was recognized as an expenditure and revenue in the General Fund. Contributions for year ended September 30, 2011 consisting of \$7,552,238 for the employer, or 100% of the required employer contribution, \$1,221,427 for the employees and \$586,845 for the State of Florida, were made in accordance with the state statute and in accordance with actuarially determined contribution requirements determined through an actuarial valuation performed at October 1, 2009.

Professional/Management Employees Retirement Plan

Plan description: The Professional/Management Employees Retirement Plan is a single-employer defined-benefit plan, which covers most professional/management employees hired before January 1, 2007 as indicated in the Personnel Resource System. Such employees hired after that date are covered by the ICMA defined contribution plan, a description of which follows. The City's payroll for employees covered by the plan for the fiscal year ended September 30, 2011, was approximately \$1.2 million.

Notes to Financial Statements

Note 10. Pension Plans (Continued)

As of the date of the most recent actuarial valuation, October 1, 2011, employee membership data related to the plan was as follows:

Retirees and beneficiaries currently receiving benefits	12
Terminated employees entitled to benefits but not yet receiving them	13
Current active employees	18
Total	<u><u>43</u></u>

The plan provides enhanced retirement benefits as well as death and disability benefits. Benefits vest 100% after 4 years. Employees can retire at or after age 60 with 4 years of credited service or age 52 with 10 years of credited service or upon attaining the maximum benefit regardless of age. The benefit amount is calculated as 3.2% for each year of eligible service multiplied by a three-year average compensation. Employees who retire early with 10 years of service and age 45 incur a reduction of 6% for each year the early retirement date precedes the normal retirement date. The plan includes a Deferred Retirement Option Plan, Medical Stipend, Excess Benefit Plan, Cost of Living Adjustment and Additional Accrual Service purchase benefits.

Covered employees are required by plan documents to contribute 7% of monthly compensation. The City is required to contribute the remaining amounts necessary to fund the plan, based on an actuarially determined amount each year.

If an employee leaves covered employment or dies before four years of credited service, accumulated employee contributions plus related investment earnings are refunded to the employee or designated beneficiary.

The Deferred Retirement Option Plan (DROP) is available to all plan members who have become eligible for early or normal retirement. Upon electing to participate in the DROP, members are considered to have retired for pension purposes but continue to remain in active employment with the City. The member's pension benefit is calculated as if they actually retired on the date of DROP participation, using continuous service, average monthly earnings, and the current multiplier as of that date. However, instead of paying the benefit to the member, a DROP account is established, and the benefit is deposited into the account every month for up to five years. These deposits continue to accumulate interest. Upon actual termination of employment, members shall receive their normal retirement benefits and may elect to receive their funds from the DROP account in a lump sum distribution or roll their account balance into a qualified instrument. At September 30, 2011, there were seven DROP participants, with a total asset balance of \$732,504.

The City does not issue a stand-alone financial report for the plan.

Actuarially determined contribution requirements and contributions made: The plan's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate sufficient assets to pay benefits when due. Level percentages of payroll contribution rates are determined using the entry age normal-frozen initial liability actuarial cost method

The employees, in accordance with plan documents, made contributions for the year ended September 30, 2011 totaling \$131,753. Employer contributions for the same period, as determined by the October 1, 2009 actuarial valuation totaled \$1,051,450 or 100% of the actual amount required. Payments of contributions, benefits and refunds are recognized in the financial statements as they are paid.

Notes to Financial Statements

Note 10. Pension Plans (Continued)

Annual Pension Cost and Net Pension Asset – All Defined Benefit Pension Plans

The annual pension cost and net pension assets for the General Employees, Professional/Management, and Police Officers and Firefighters pension plans for the year ended September 30, 2011 are as follows:

	General Employees	Police Officers and Firefighters	Professional/ Management
Annual required contribution (ARC)	\$ 3,290,953	\$ 8,110,548	\$ 1,051,450
Interest on net pension asset	(6,917)	(58,602)	(5,012)
Adjustment to annual required contribution	10,863	77,183	12,315
Annual pension cost	3,294,899	8,129,129	1,058,753
Contributions made	3,290,953	8,110,548	1,051,450
Decrease in net pension asset	(3,946)	(18,581)	(7,303)
Net pension asset, beginning	92,220	732,519	64,670
Net pension asset, ending	\$ 88,274	\$ 713,938	\$ 57,367

Trend information: Trend information indicates the progress made in accumulating sufficient assets to pay benefits when due. An analysis of funding progress for the year ended September 30, 2011 is as follows:

Year Ended September 30,	Three Year Trend Information		
	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset

General Employees Retirement Plan:

2011	\$ 3,294,899	99.9%	\$ 88,274
2010	2,854,997	99.9%	92,220
2009	2,012,680	99.8%	95,891

Police Officers and Firefighters Retirement Plan:

2011	\$ 8,129,129	99.8%	\$ 713,938
2010	7,335,519	102.9%	732,519
2009	7,546,026	99.8%	518,495

Professional/Management Employees Retirement Plan:

2011	\$ 1,058,753	99.3%	\$ 57,367
2010	809,623	99.2%	64,670
2009	725,708	99.1%	71,448

Notes to Financial Statements

Note 10. Pension Plans (Continued)

Funded Status:

The following is the funded status information for each plan as of the most recent actuarial valuation dates:

Retirement Plan	Actuarial Valuation of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as Percentage of Covered Payroll	Actuarial Valuation Date
General Employees	\$32,766,978	\$ 48,313,484	\$ 15,546,506	68%	\$7,109,000	219%	10/1/2011
Police Officers and Firefighters	74,817,891	115,958,179	41,140,288	65%	12,092,000	340%	10/1/2011
Professional/Management Employees	10,788,956	13,420,945	2,631,989	80%	1,240,000	212%	10/1/2011

The schedule of funding progress, presented as RSI 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 AAL for benefits. The projection of benefits for financial reporting purposes *does not* explicitly incorporate the potential effects of legal or contractual funding limitations.

Because the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information about the funded status and funding progress of the General Employees Plan has been prepared using the entry age actuarial cost method for that purpose and that the information presented is intended to serve as a surrogate for the funded status and funding progress of the plan.

Notes to Financial Statements

Note 10. Pension Plans (Continued)

The information presented in the required supplementary schedules was determined as part of the actuarial valuations. Information as of the latest actuarial valuation is as follows:

	General Employees Pension Plan	Police & Firefighters Pension Plan	Professional Management Pension Plan
Actuarial valuation	October 1, 2011	October 1, 2011	October 1, 2011
Cost method	Aggregate	Frozen entry age normal	Entry age normal- frozen initial liability
Asset valuation method	Market value, adjusted by spreading expected value less actual value over four years	Recognition of 20% of difference between actual and expected return on market value of assets	Market value, adjusted by spreading expected value less actual value over four years
Amortization method	Level payment	Level percent, closed	Level dollar, closed
Remaining amortization period	N/A	28 years	20 years
Actuarial assumptions:			
Assumed rate of return on investments	7.50%	*7.75%	7.75%
Salary increases	Table S-5 from the Actuary's Pension Handbook plus 3.30%	4.5-10.0%, based on service	Table S-5 from the Actuary's Pension Handbook plus 5.30%
Cost of living adjustments	None	Up to 2% if CPI-U is .05% or greater the preceding year	2%

*The investment return assumption was lowered from 8% to 7.75% in conjunction with the October 1, 2011, actuarial valuation.

Notes to Financial Statements

Note 10. Pension Plans (Continued)

The following is condensed financial information for the pension plans that do not issue a stand alone report:

Combining Statement of Fiduciary Net Assets
 Pension Trust Funds
 September 30, 2011

	General Employees Pension	Professional/ Management Mgmt
Assets		
Cash and cash equivalents	\$ -	\$ 1,500,000
Investments:		
Corporate bonds	14,597,864	5,361,749
Equity securities	14,490,125	8,653,865
Real estate investment trust	1,938,649	906,505
Total assets	<u>31,026,638</u>	<u>16,422,119</u>
Net assets		
Held in trust for pension benefits	<u>\$ 31,026,638</u>	<u>\$ 16,422,119</u>

Notes to Financial Statements

Note 10. Pension Plans (Continued)

Combining Statement of Changes in Fiduciary Net Assets
Pension Trust Funds
Year Ended September 30, 2011

	General Employees Pension	Professional/ Management Pension
Additions		
Contributions:		
Employer	\$ 3,290,953	\$ 1,051,450
Plan members	258,858	131,753
Total contributions	3,549,811	1,183,203
Investment earnings (loss):		
Net increase (decrease) in fair value of investments	208,782	(41,782)
Total investment earnings (loss)	208,782	(41,782)
Less investment expense	(52,453)	(35,076)
Net investment income (loss)	156,329	(76,858)
Total additions	3,706,140	1,106,345
Deductions		
Benefits	2,272,177	831,722
Change in net assets	1,433,963	274,623
Net assets, beginning	29,592,675	16,147,496
Net assets, ending	\$31,026,638	\$ 16,422,119

Excess Benefit Plan

Plan Description

The City established, under Ordinance No. 2004-23, effective date September 21, 2004, the Excess Benefit Plan as a separate plan to be a separate, unfunded, nonqualified excess benefit plan, and intended to be a qualified governmental excess benefit arrangement as defined in Section 415 (m) (3) of the Internal Revenue Code.

Excess Benefit Participants

Any member whose retirement benefit, as determined on the basis of all qualified plans maintained by the City without regard to the limitations set forth in the Code and comparable provisions of other qualified plans of the City, exceeds the maximum benefit under Section 415 of the Code.

Notes to Financial Statements

Note 10. Pension Plans (Continued)

Benefit Provided

An employee benefit participant shall be eligible to receive benefits from the excess benefit plan after termination of employment, as an unrestricted benefit on a monthly basis as would be received under the terms of qualified plans of the City, that otherwise would have been paid in the absence of IRS Code Section 415 limits.

Funding Policy

The City cannot advance fund assets, or any benefit currently payable under the Plan, and any assets held by the plan during any period can only pay benefits coming due or the expenses of the plan during the period. Contributions by the City are not allowed to accumulate from year to year for purposes of advance funding of any of the Excess Plan liabilities. The City has recorded a liability in the amount of \$2,261,779 in the government-wide financial statements that represents the Net Pension Obligation of the Plan as of September 30, 2011. The City has elected to present this Net Pension Obligation because of the nature of the Excess Benefit Plan. The City cannot restrict any assets, including cash for the purpose of providing funding for these benefits. However, the City has in the past and will continue to stand by its obligation to pay these benefits from its annual budgeted funds, as the liability becomes payable under this plan. A schedule of funding progress has not been provided since no funding has been provided to the Plan.

The Excess Benefit Plan is utilized when a retiree's calculated benefit under the plan is limited by Internal Revenue Service Section 415 calculations. In this instance, the portion of the limited benefit is paid to the retiree from the Excess Benefit Plan. This unfunded plan is administered by Principal Financial Group and annual benefit payment contribution requirements are paid directly from the City's treasury. At September 30, 2011, the total balance of DROP assets covering ten persons in the excess benefit plan was \$535,155. At September 30, 2011, the City set aside \$6,319,462, which is included in the investments of the Professional/Management Pension Trust Fund.

Annual Pension Cost and Net Pension Obligation

As of October 1, 2011 (date of the latest actuarial valuation), the City's annual pension cost and net pension obligation are as follows:

Annual required contribution	\$ 589,795
Interest on net pension obligation	183,540
Adjustments to annual required contribution	(450,995)
Annual pension cost	<u>322,340</u>
Contributions made	428,825
Decrease in net pension obligation	(106,485)
Net pension obligation, beginning	<u>2,368,264</u>
Net pension obligation, ending	<u><u>\$ 2,261,779</u></u>

Notes to Financial Statements

Note 10. Pension Plans (Continued)

Funded Status:

The following is the funded status information for the plan as of the most recent actuarial valuation dates:

Retirement Plan	Actuarial Valuation of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAAL as Percentage of Covered Payroll	Actuarial Valuation Date
Excess Benefit Plan	\$ -	\$ 8,377,327	\$ 8,377,327	0%	\$1,240,000	676%	10/1/2011

Three Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2011	\$ 322,340	133.0%	\$ 2,261,779
2010	(181,674)	-636.0%	2,368,264
2009	34,708	1830.3%	3,705,411

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

Valuation date	10/1/2011
Actuarial cost method	Unit credit
Amortization method	Immediate recognition
Remaining amortization period	0 years
Asset valuation method	Unfunded

Actuarial assumptions:

Investment rate of return*	7.75%
Projected salary increases*	7.18% to 10.40%
Payroll growth assumptions	None

*Include inflation at 3%

Money-Purchase Plan and Trust

The City maintains a single-employer money-purchase plan created in accordance with Internal Revenue Code Section 401(a). This defined contribution plan is comprised of five plans with varying levels of employer and employee contributions. Professional/Management employees hired after January 1, 2007 are required to enter this plan instead of the defined benefit plan. At September 30, 2011, there were 25 members participating in the plan, including two members who have been participating since a previously open membership period. The plan requires

Notes to Financial Statements

Note 10. Pension Plans (Continued)

the City to contribute 9.5% to 17% of the members' base pay depending on plan membership. Employee required contributions are 3% to 5.5%. The plans are administered by an independent third party administrator.

The City's contributions were calculated using the covered payroll amount of approximately \$1,460,000. In fiscal year 2011, the City's contribution amounted to \$196,000, or 13.4% of current covered payroll.

The projection of benefits for financial reporting purposes *does not* explicitly incorporate the potential effects of legal or contractual funding limitations.

Note 11. Other Post Employment Benefits

In fiscal year 2009, the City implemented Governmental Accounting Standards Board Statement No. 45, *Accounting and Reporting by Employers for Postemployment Benefits other than Pensions* ("OPEB") for certain postemployment health care benefits. The requirements of the statement were implemented prospectively.

Pursuant to Section 112.081, Florida Statutes, the City is required to permit eligible retirees and their eligible dependents to participate in the City's health insurance program at a cost to the retiree that is no greater than the cost at which coverage is available for active employees.

The plan does not issue a separate financial statement.

Plan Description: The City of Hallandale Beach administers a single-employer defined benefit healthcare plan (the "Plan") that provides medical insurance benefits to its employees and retirees, and their eligible dependents. These retirees pay 100% of the blended rate for active and retired employees with no explicit subsidy from the City. Because the blended rate is greater than that of a plan including active employees only and less than that of a plan including retirees only, the amount the City expends for active employees includes an implicit subsidy for participating retirees and dependents.

Funding Policy: An actuarial valuation was performed as of October 1, 2010, for the purpose of enhancing the City's understanding of the OPEB obligation and to establish policy implications regarding the funding of this obligation. While the City does not directly contribute toward the costs of retiree premiums via an explicit subsidy, the implicit subsidy is considered to be an Other Post Employment Benefit (OPEB) obligation of the City. The actuary's estimate, using the Projected Unit Credit Method as of October 1, 2010, included other actuarial assumptions as classified above. The calculation produced an unfunded actuarially accrued liability (UAAL) of \$7,998,803, and an estimated net OPEB obligation of \$2,629,666 as of September 30, 2011.

Actuarial methods: Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each evaluation and on the pattern of sharing costs between the employer and plan members to that point. Actuarial calculations reflect a long-term perspective.

Notes to Financial Statements

Note 11. Other Post Employment Benefits (Continued)

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

Actuarial valuation date	October 1, 2010
Actuarial cost method	Projected Unit Credit
Amortization method for unfunded actuarial liability	Level Dollar
Amortization period-open	30 years
Asset valuation method	N/A
Actuarial assumptions:	
Investment discount rate (long term expectation of investment return on assets)	4.5%
Projected salary increases including inflation and other across the board increases. Includes no increase in number of active employees covered by the plan.	N/A
Health Care Inflation:	HMO1-6% grading uniformly to 5% in 2021; HMO2-14% grading uniformly to 5% in 2021; POS-14% grading uniformly to 5% in 2021; PPO-8% grading uniformly to 5% in 2021
Participation Assumption	Pre-Medicare retirees-75% Medicare retirees-50%

Annual OPEB Cost and Net OPEB Obligation: The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's OPEB obligation to the City's Plan:

	2011
Annual required contribution (ARC)	\$ 1,044,887
Interest on net OPEB obligation	81,630
Adjustment to annual required contribution	(60,467)
Annual OPEB cost (expense)	1,066,050
Contributions made (Pay as you Go)	250,384
Increase in net OPEB obligation	815,666
Net OPEB obligation – beginning of year	1,814,000
Net OPEB obligation – end of year	<u>\$ 2,629,666</u>

Notes to Financial Statements

Note 11. Other Post Employment Benefits (Continued)

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation were as follows:

Fiscal year ended	2011	2010	2009
Annual OPEB cost	\$ 1,066,050	\$ 1,058,000	\$ 1,058,000
Percentage of OPEB cost contributed	23.49%	14.27%	14.27%
Net OPEB obligation	\$ 2,629,666	\$ 1,814,000	\$ 907,000

Schedule of Funding Progress: Funding progress of the OPEB liability as of October 1, 2010, the date of the latest valuation date, is presented below:

Actuarial Valuation Date	Actuarial Value of Asset (a)	Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a% of Covered Payroll ((b-a)/c)
10/1/2010	-	\$ 7,998,803	\$ 7,998,803	-	\$ 24,995,398	32%

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Note 12. Risk Management

The City is exposed to various risk of loss related to torts: theft of, damage to and destruction of assets; error and omissions; injuries to employees and natural disasters. The City's self-insurance internal service funds are used to account for and finance both uninsured and insured risks of loss. Coverage is provided for workers' compensation and general liability, as specified by applicable federal and state statutes. The City purchases commercial excess insurance for workers' compensation claims in excess of \$350,000. Also included in this excess policy is coverage for General Liability with a self-insured retention limit of \$200,000. The City relies on the liability limits of \$100,000 imposed by Florida statute and therefore does not carry any other coverage. Other insured risks for loss are budgeted in various operating funds. The City purchases all risk property insurance for City structures (estimated \$64,000,000 replacement value) with a \$25,000 deductible. Other minor liabilities for small City programs or operations are budgeted in the operating funds. The settlements in the past three fiscal years were less than insurance coverage.

All operating funds of the City participate in the program and make payments to the fund based on estimates of the amounts needed to pay prior and current claims and to provide fund equity for catastrophic losses. The estimated liability for self-insured risks at September 30, 2011 of \$2,193,244 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial

Notes to Financial Statements

Note 12. Risk Management (Continued)

statements indicate that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

As of September 30, 2011 and 2010, the total estimated liabilities on pending claims were as follows:

	2011	2010
Claims payable - beginning	\$ 1,015,445	\$ 1,929,031
Incurred claims	1,728,255	1,546,805
Payments on claims	(550,456)	(2,460,391)
Claims payable - ending	<u>\$ 2,193,244</u>	<u>\$ 1,015,445</u>

Note 13. Commitments and Contingent Liabilities

Construction and purchase commitments: The City has active construction and economic development projects as of September 30, 2011. The projects include a membrane water plant, street and beautification projects, historical preservation projects and sanitary sewer and capacity improvements. As of September 30, 2011, the City's significant commitments with contractors are as follows:

Project	Spent-to-Date	Remaining Commitment
Sanitary sewer improvements	\$ 6,603,090	\$ 329,710
Street and beautification projects	4,303,856	482,924
Historical preservation projects	18,065	12,814
Water plant and distribution	28,077,410	767,416
Sewer capacity improvements	1,276,312	32,427
Parks & Recreation/Open Spaces projects	19,929,396	999,429
Drainage improvements	1,668,007	60,150
Other projects	636,018	1,596,815
Total	<u>\$ 62,512,154</u>	<u>\$ 4,281,685</u>

The water membrane plant is partially financed by revenue bonds secured by water revenue. The historical preservation projects are partially financed with State and County grants, as well as City funding. All other commitments are financed from existing City resources.

Claims and lawsuits: There are several pending claims and lawsuits in which the City is involved. The estimated liability related to these claims has been accrued in the City's general liability self-insurance fund. In the opinion of City management, the ultimate resolution of these claims will not materially exceed the amounts recorded in the financial statements.

Notes to Financial Statements

Note 13. Commitments and Contingent Liabilities (Continued)

Grantor Agencies: Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including the amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Note 14. Hallandale Beach Community Redevelopment Agency

Pursuant to Florida Statute 163.387, listed below is a summary of the sources and amounts of deposits to, and the purpose and amounts of withdrawals from the Community Redevelopment Agency Funds (CRA) for the fiscal year ended September 30, 2011:

	Deposits	Withdrawals
Source of deposits:		
Tax increment revenues-Hallandale Beach	\$ 3,593,308	
Tax increment revenues-other agencies	3,593,362	
Loan repayments	7,901	
Loan application fees	22,046	
Investment income	180,202	
Other	(52,593)	
Purpose of withdrawals:		
Salaries and benefits		\$ 1,094,316
Utilities		3,870
Materials and supplies		100,232
Repairs and maintenance		122,154
Community redevelopment programs		645,518
Grants to community organizations		324,258
Professional and outside services		266,997
Other service charges		276,528
Subsidized loan programs		408,937
Administrative charges		925,119
Capital outlay		574,722
Reimbursement for debt service		1,982,215
Transfer to other funds		285,920
	\$ 7,344,226	\$ 7,010,786

Notes to Financial Statements

Note 15. Excess of Expenditures Over Appropriations

For the year ended September 30, 2011 expenditures exceeded appropriations in three nonmajor governmental funds: the Police Outside Services fund by \$6,285 in personal services and \$1,407 in interfund transfers out, the Transportation fund by \$5,271 in personal services, and the Golden Isles Safe Neighborhood district by \$48,077 in operating expenditures due to a revised cost allocation formula. The district's total expenditures exceeded appropriations by \$38,077. These excess expenditures for the Police Outside Services and the Transportation funds were covered by greater than anticipated revenues. The excess expenditures for the Golden Isles Safe Neighborhood district are covered by the district's fund balance.

Note 16. Prior Period Adjustment

During the year ended September 30, 2011, the following prior period adjustment was determined to be required.

Community Redevelopment Agency Fund

Fund balance as reported at September 30, 2010	\$ 18,180,121
Adjustment to reclassify long-term receivable as of September 30, 2010	2,650,000
Fund balance as restated at September 30, 2010	<u>\$ 20,830,121</u>



H

CITY OF
HALLANDALE BEACH

City of Choice

**REQUIRED SUPPLEMENTARY INFORMATION
(OTHER THAN MD&A)**

City of Hallandale Beach, Florida

Required Supplementary Information
 Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 General Fund (unaudited)
 Year Ended September 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 20,296,904	\$ 20,296,904	\$ 20,506,735	\$ 209,831
Charges for services	5,468,264	5,468,264	5,299,304	(168,960)
Utility taxes	3,745,000	3,745,000	3,853,125	108,125
Intergovernmental	2,955,689	2,955,689	3,591,942	636,253
Franchise taxes	4,696,900	4,674,025	4,368,945	(305,080)
Licenses and permits	1,164,415	1,164,415	1,630,090	465,675
Fines and forfeitures	1,030,000	1,030,000	565,161	(464,839)
Fire assessments	4,522,000	4,522,000	4,590,580	68,580
Investment earnings	456,000	456,000	306,507	(149,493)
Slot machine proceeds	1,800,000	1,800,000	1,922,199	122,199
Other revenues	394,486	394,486	562,806	168,320
Total revenues	46,529,658	46,506,783	47,197,394	690,611
Expenditures:				
Personal services	38,722,223	38,767,642	38,230,464	537,178
Operating expenditures	5,988,831	6,370,947	4,865,175	1,505,772
Contingency	-	741,050	-	741,050
Grants and aids	100,000	94,955	94,955	-
Capital outlay	835,766	1,346,669	1,041,596	305,073
Total expenditures	45,646,820	47,321,263	44,232,189	3,089,074
Excess (deficiency) of revenues over (under) expenditures	882,838	(814,480)	2,965,205	3,779,685
Other financing sources (uses)				
Transfers in	44,000	44,000	133,681	89,681
Transfers out	(4,254,081)	(4,254,081)	(3,618,308)	635,773
Sale of capital assets	-	-	31,934	31,934
Total other financing sources and uses	(4,210,081)	(4,210,081)	(3,452,693)	757,388
Net change in fund balance	\$ (3,327,243)	\$ (5,024,561)	\$ (487,488)	\$ 4,537,073

See Notes to Required Supplementary Information.

City of Hallandale Beach, Florida

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Budget and Actual

Special Revenue Funds - Community Redevelopment Agency Fund (unaudited)

Year Ended September 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 8,000	\$ 8,000	\$ 22,050	\$ 14,050
Intergovernmental	3,675,244	3,675,244	3,593,362	(81,882)
Investment earnings	246,000	246,000	180,202	(65,798)
Other revenues	200,000	200,000	(44,696)	(244,696)
Total revenues	4,129,244	4,129,244	3,750,918	(378,326)
Expenditures:				
Personal services	1,138,854	1,138,854	1,094,316	44,538
Operating expenditures	3,868,252	4,011,175	2,664,676	1,346,499
Grants and aids	1,090,000	1,298,003	408,937	889,066
Capital outlay	7,646,007	9,466,624	574,722	8,891,902
Total expenditures	13,743,113	15,914,656	4,742,651	11,172,005
Deficiency of revenues under expenditures	(9,613,869)	(11,785,412)	(991,733)	10,793,679
Other financing sources (uses):				
Transfers in	3,629,081	3,629,081	3,593,308	(35,773)
Transfers out	(1,988,000)	(1,988,000)	(2,268,135)	(280,135)
Total other financing sources and uses	1,641,081	1,641,081	1,325,173	(315,908)
Net change in fund balance	\$ (7,972,788)	\$ (10,144,331)	\$ 333,440	\$ 10,477,771

See Notes to Required Supplementary Information.

City of Hallandale Beach, Florida

Required Supplementary Information
 Schedule of Funding Progress (unaudited)
 September 30, 2011

Actuarial Valuation Date	Actuarial Valuation of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as Percentage of Covered Payroll [(b-a)/c]
General Employees Retirement Plan (1):						
October 1, 2011	\$ 32,766,978	\$ 48,313,484	\$ 15,546,506	68%	\$ 7,109,000	219%
October 1, 2010	32,088,033	47,389,801	15,301,768	68%	7,130,000	215%
October 1, 2009	30,645,061	44,950,637	14,305,576	68%	7,431,000	193%
October 1, 2008	30,818,192	42,953,783	12,135,591	72%	6,983,000	174%
October 1, 2007	29,573,983	37,840,772	8,266,789	78%	5,457,000	151%
October 1, 2006	26,662,750	26,662,750	-	100%	5,482,000	n/a

(1) The annual required contribution (ARC) is calculated using the aggregate actuarial cost method. Information in this schedule is calculated using the entry age actuarial cost method as a surrogate for the funding progress of the plan.

Police Officers and Firefighters Retirement Plan:

October 1, 2011	\$ 74,817,891	\$ 115,958,179	\$ 41,140,288	65%	\$ 12,092,000	340%
October 1, 2010	73,356,988	112,129,949	38,772,961	65%	11,996,000	323%
October 1, 2009	86,510,000	123,896,000	37,386,000	70%	11,366,000	329%
October 1, 2008	81,971,000	119,650,000	37,679,000	69%	10,952,000	344%
October 1, 2007	76,343,000	113,211,000	36,868,000	67%	10,925,000	337%
October 1, 2006	66,841,000	91,787,000	24,946,000	73%	8,926,000	280%

Professional/Management Employees Retirement Plan:

October 1, 2011	\$ 10,788,956	\$ 13,420,945	\$ 2,631,989	80%	\$ 1,240,000	212%
October 1, 2010	10,186,540	13,114,220	2,927,680	78%	1,593,000	184%
October 1, 2009	9,505,895	12,573,932	3,068,037	76%	1,633,000	188%
October 1, 2008	9,127,536	11,166,975	2,039,439	82%	1,824,000	112%
October 1, 2007	8,086,229	9,764,969	1,678,740	83%	1,844,000	91%
October 1, 2006	6,365,736	9,963,276	3,597,540	64%	1,816,000	198%

Other Post-Employment Benefits (2):

October 1, 2010	\$ -	\$ 7,998,803	\$ 7,998,803	0%	\$ 24,995,398	32%
October 1, 2008	-	8,530,000	8,530,000	0%	26,238,473	33%

(2) The GASB 45 actuarial valuation is performed every two years. The fiscal year ended September 30, 2009 was the first year of implementation of GASB Statement No. 45.

City of Hallandale Beach, Florida

Required Supplementary Information
 Schedule of Employer Contributions (unaudited)
 September 30, 2011

Plan Year Ended	Employer Contributions			
	Annual Required Contribution	City Contribution	State Contribution	Percentage Contributed
General Employees Retirement Plan:				
September 30, 2011	\$ 3,290,953	\$ 3,290,953	n/a	100%
September 30, 2010	2,851,326	2,851,326	n/a	100%
September 30, 2009	2,008,862	2,008,862	n/a	100%
September 30, 2008	2,054,006	2,054,006	n/a	100%
September 30, 2007	2,031,632	2,031,632	n/a	100%
September 30, 2006	1,959,212	1,959,212	n/a	100%
Police Officers and Firefighters Retirement Plan:				
September 30, 2011	\$ 8,139,083	\$ 7,552,238	\$ 586,845	100%
September 30, 2010	7,544,824	6,907,038	637,786	100%
September 30, 2009	7,527,340	7,016,066	511,274	100%
September 30, 2008	5,842,140	5,417,116	632,261	104%
September 30, 2007	5,451,304	4,999,857	519,201	101%
September 30, 2006	3,871,871	3,523,896	425,024	102%
Professional/Management Employees Retirement Plan:				
September 30, 2011	\$ 1,051,450	\$ 1,051,450	n/a	100%
September 30, 2010	802,845	802,845	n/a	100%
September 30, 2009	719,418	719,418	n/a	100%
September 30, 2008	714,677	714,677	n/a	100%
September 30, 2007	854,080	854,080	n/a	100%
September 30, 2006	816,391	816,391	n/a	100%

Notes to Required Supplementary Information (unaudited)

Note 1. Budgetary Data

The City Commission follows these procedures in establishing the budgetary data reflected in the financial Statements:

1. Prior to August 1, the City Manager submits to the City Commission a proposed operating and capital budget for the fiscal year commencing October 1. The operating and capital budget includes proposed expenditures and means of financing them.
2. The City Commission holds public workshops on the prepared budget.
3. In September, formal public hearings are conducted to obtain taxpayers' comments.
4. Prior to October 1, the budget is legally enacted.

The legal level of control, the level at which expenditures may not exceed the budget, is at the category level within a fund. Categories, as used here, include personal services, operating expenditures and capital outlay. The City Manager is authorized to make transfers of budgeted funds within categories except contingencies and debt service. City Commission authorization is required for all transfers between categories in excess of \$10,000. Unencumbered balances of appropriation lapse at year-end.

Budgets have been adopted for the General fund and special revenue funds. The budget for the General fund has been adopted on a basis consistent with GAAP.

The reported budgetary data represents the final approved budget after amendments approved by the City Commission.

NONMAJOR GOVERNMENTAL FUNDS

PERMANENT FUND

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the City's programs.

Perpetual Care Fund - to account for assets accumulating for the sole purpose of providing for the perpetual care of the City Cemetery. This fund was closed in fiscal year 2011 and the remaining funds transferred to the Cemetery Fund.

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Police Training Fund - to account for additional assessment in criminal matters for the purpose of criminal justice education and training for police officers.

Police Outside Services Fund – to account for revenue received as a result of police officers performing duties for entities other than the City.

Police Equitable Sharing Fund – to account for funds received for assisting various federal law enforcement agencies.

Transportation Fund – to account for the City's share of road and bridge and local option gas taxes. Funds are restricted to transportation equipment and maintenance and improvement of roads and streets within the City.

Golden Isles Safe Neighborhood Fund – to account for proceeds from property taxes restricted to use for the Golden Isles Safe Neighborhood District.

Three Islands District Fund – to account for proceeds from property taxes restricted to use for the Three Islands Safe Neighborhood District.

Law Enforcement Trust Fund – to account for confiscated property. Proceeds may be used only for law enforcement purposes.

City of Hallandale Beach, Florida

Combining Balance Sheet
 Nonmajor Governmental Funds
 September 30, 2011

	Nonmajor Special Revenue Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets			
Cash and cash equivalents	\$ 6,689,516	\$ -	\$ 6,689,516
Accounts receivable, net of allowances	104,905	-	104,905
Due from other governments	101,500	-	101,500
Total assets	\$ 6,895,921	\$ -	\$ 6,895,921
Liabilities and Fund Balances			
Liabilities:			
Accounts payable and accrued liabilities	\$ 115,447	\$ -	\$ 115,447
Unearned revenue	90,560	-	90,560
Total liabilities	206,007	-	206,007
Fund Balances:			
Restricted:			
Law enforcement	2,637,975	-	2,637,975
Transportation	2,763,759	-	2,763,759
Safe neighborhood districts	1,209,434	-	1,209,434
Assigned:			
Police outside services	78,746	-	78,746
Total fund balances	6,689,914	-	6,689,914
Total liabilities and fund balances	\$ 6,895,921	\$ -	\$ 6,895,921

City of Hallandale Beach, Florida

Combining Statement of Revenue, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 Year Ended September 30, 2011

	Nonmajor Special Revenue Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:			
Property taxes	\$ 465,006	\$ -	\$ 465,006
Charges for services	1,068,287	-	1,068,287
Intergovernmental	943,205	-	943,205
Fines and forfeitures	533,959	-	533,959
Investment earnings	20,618	-	20,618
Other revenues	191,933	-	191,933
Total revenues	<u>3,223,008</u>	-	<u>3,223,008</u>
Expenditures:			
Current:			
Public safety	2,405,037	-	2,405,037
Transportation	871,888	-	871,888
Capital outlay	327,076	-	327,076
Total expenditures	<u>3,604,001</u>	-	<u>3,604,001</u>
Deficiency of revenues under expenditures	<u>(380,993)</u>	-	<u>(380,993)</u>
Other financing uses:			
Transfers out	<u>(45,407)</u>	<u>(271,141)</u>	<u>(316,548)</u>
Total other financing uses	<u>(45,407)</u>	<u>(271,141)</u>	<u>(316,548)</u>
Net change in fund balances	(426,400)	(271,141)	(697,541)
Fund balances, beginning	7,116,314	271,141	7,387,455
Fund balances, ending	<u>\$ 6,689,914</u>	<u>\$ -</u>	<u>\$ 6,689,914</u>

City of Hallandale Beach, Florida

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 September 30, 2011

	Police Training Fund	Police Outside Services Fund	Police Equitable Sharing Fund	Transportation Fund
Assets				
Cash and cash equivalents	\$ 56,433	\$ 69,401	\$ 1,986,752	\$ 2,739,576
Accounts receivable, net of allowances	-	99,905	-	5,000
Due from other governments	-	-	-	101,500
Total assets	\$ 56,433	\$ 169,306	\$ 1,986,752	\$ 2,846,076
Liabilities and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 13,114	\$ 82,317
Unearned revenue	-	90,560	-	-
Total liabilities	-	90,560	13,114	82,317
Fund Balances:				
Restricted:				
Law enforcement	56,433	-	1,973,638	-
Transportation	-	-	-	2,763,759
Safe neighborhood districts	-	-	-	-
Assigned:				
Police outside services	-	78,746	-	-
Total fund balances	56,433	78,746	1,973,638	2,763,759
Total liabilities and fund balances	\$ 56,433	\$ 169,306	\$ 1,986,752	\$ 2,846,076

Golden Isles Safe Neighborhood Fund	Three Islands District Fund	Law Enforcement Trust Fund	Total Nonmajor Special Revenue Funds
\$ 422,582	\$ 794,146	\$ 620,626	\$ 6,689,516
-	-	-	104,905
-	-	-	101,500
<u>\$ 422,582</u>	<u>\$ 794,146</u>	<u>\$ 620,626</u>	<u>\$ 6,895,921</u>
\$ 7,089	\$ 205	\$ 12,722	\$ 115,447
-	-	-	90,560
<u>7,089</u>	<u>205</u>	<u>12,722</u>	<u>206,007</u>
-	-	607,904	2,637,975
-	-	-	2,763,759
415,493	793,941	-	1,209,434
-	-	-	78,746
<u>415,493</u>	<u>793,941</u>	<u>607,904</u>	<u>6,689,914</u>
<u>\$ 422,582</u>	<u>\$ 794,146</u>	<u>\$ 620,626</u>	<u>\$ 6,895,921</u>

City of Hallandale Beach, Florida

Combining Statement of Revenue, Expenditures and Changes in Fund Balances
 Nonmajor Special Revenue Funds
 Year Ended September 30, 2011

	Police Training Fund	Police Outside Services Fund	Police Equitable Sharing Fund	Transportation Fund
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	828,232	-	240,055
Intergovernmental	-	-	-	943,205
Fines and forfeitures	27,515	-	173,935	-
Investment earnings	118	190	7,436	5,579
Other revenues	-	45,407	-	146,526
Total revenues	27,633	873,829	181,371	1,335,365
Expenditures:				
Current:				
Public safety	-	806,285	711,794	-
Transportation	-	-	-	871,888
Capital outlay	-	-	-	88,911
Total expenditures	-	806,285	711,794	960,799
Excess (deficiency) of revenues over (under) expenditures	27,633	67,544	(530,423)	374,566
Other financing uses:				
Transfers out	-	(45,407)	-	-
Total other financing uses	-	(45,407)	-	-
Net change in fund balances	27,633	22,137	(530,423)	374,566
Fund balances, beginning	28,800	56,609	2,504,061	2,389,193
Fund balances, ending	\$ 56,433	\$ 78,746	\$ 1,973,638	\$ 2,763,759

Golden Isles Safe Neighborhood Fund	Three Islands District Fund	Law Enforcement Trust Fund	Total Nonmajor Special Revenue Funds
\$ 201,911	\$ 263,095	\$ -	\$ 465,006
-	-	-	1,068,287
-	-	-	943,205
-	-	332,509	533,959
1,712	3,064	2,519	20,618
-	-	-	191,933
<u>203,623</u>	<u>266,159</u>	<u>335,028</u>	<u>3,223,008</u>
221,793	380,578	284,587	2,405,037
-	-	-	871,888
18,533	-	219,632	327,076
<u>240,326</u>	<u>380,578</u>	<u>504,219</u>	<u>3,604,001</u>
<u>(36,703)</u>	<u>(114,419)</u>	<u>(169,191)</u>	<u>(380,993)</u>
-	-	-	(45,407)
-	-	-	(45,407)
(36,703)	(114,419)	(169,191)	(426,400)
452,196	908,360	777,095	7,116,314
<u>\$ 415,493</u>	<u>\$ 793,941</u>	<u>\$ 607,904</u>	<u>\$ 6,689,914</u>

City of Hallandale Beach, Florida

Schedule of Revenue, Expenditures and Changes in Fund Balance -
 Budget and Actual
 Special Revenue Funds - Police Training Fund
 Year Ended September 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ 10,000	\$ 10,000	\$ 27,515	\$ 17,515
Investment earnings	40	40	118	78
Total revenues	<u>10,040</u>	<u>10,040</u>	<u>27,633</u>	<u>17,593</u>
Expenditures:				
Operating expenditures	-	-	-	-
Excess of revenues over expenditures	<u>\$ 10,040</u>	<u>\$ 10,040</u>	<u>\$ 27,633</u>	<u>\$ 17,593</u>

City of Hallandale Beach, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 Special Revenue Funds - Police Outside Services Fund
 Year Ended September 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 800,000	\$ 800,000	\$ 828,232	\$ 28,232
Investment earnings	-	-	190	190
Other revenues	44,000	44,000	45,407	1,407
Total revenues	<u>844,000</u>	<u>844,000</u>	<u>873,829</u>	<u>29,829</u>
Expenditures:				
Personal services	<u>800,000</u>	<u>800,000</u>	<u>806,285</u>	<u>(6,285)</u>
Excess of revenues over expenditures	44,000	44,000	67,544	23,544
Other financing uses:				
Transfers out	<u>(44,000)</u>	<u>(44,000)</u>	<u>(45,407)</u>	<u>(1,407)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,137</u>	<u>\$ 22,137</u>

City of Hallandale Beach, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 Special Revenue Funds - Police Equitable Sharing Fund
 Year Ended September 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ -	\$ -	\$ 173,935	\$ 173,935
Investment earnings	8,500	8,500	7,436	(1,064)
Total revenues	8,500	8,500	181,371	172,871
Expenditures:				
Personal services	772,544	772,544	588,444	184,100
Operating expenditures	209,744	239,175	123,350	115,825
Total expenditures	982,288	1,011,719	711,794	299,925
Deficiency of revenues under expenditures	\$ (973,788)	\$ (1,003,219)	\$ (530,423)	\$ 472,796

City of Hallandale Beach, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 Special Revenue Funds - Transportation Fund
 Year Ended September 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 145,550	\$ 145,550	\$ 240,055	\$ 94,505
Intergovernmental	935,000	935,000	943,205	8,205
Investment earnings	4,000	4,000	5,579	1,579
Other revenues	-	-	146,526	146,526
Total revenues	<u>1,084,550</u>	<u>1,084,550</u>	<u>1,335,365</u>	<u>250,815</u>
Expenditures:				
Personal services	147,865	147,865	153,136	(5,271)
Operating expenditures	836,049	956,438	718,752	237,686
Capital outlay	841,397	909,289	88,911	820,378
Total expenditures	<u>1,825,311</u>	<u>2,013,592</u>	<u>960,799</u>	<u>1,052,793</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (740,761)</u>	<u>\$ (929,042)</u>	<u>\$ 374,566</u>	<u>\$ 1,303,608</u>

City of Hallandale Beach, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 Special Revenue Funds - Golden Isles Safe Neighborhood Fund
 Year Ended September 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Ad valorem taxes	\$ 209,117	\$ 209,117	\$ 201,911	\$ (7,206)
Investment earnings	1,400	1,400	1,712	312
Total revenues	<u>210,517</u>	<u>210,517</u>	<u>203,623</u>	<u>(6,894)</u>
Expenditures:				
Operating expenditures	173,716	173,716	221,793	(48,077)
Contingency	10,000	10,000	-	10,000
Capital outlay	18,533	18,533	18,533	-
Total expenditures	<u>202,249</u>	<u>202,249</u>	<u>240,326</u>	<u>(38,077)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 8,268</u>	<u>\$ 8,268</u>	<u>\$ (36,703)</u>	<u>\$ (44,971)</u>

City of Hallandale Beach, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 Special Revenue Funds - Three Islands District Fund
 Year Ended September 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Ad valorem taxes	\$ 260,252	\$ 260,252	\$ 263,095	\$ 2,843
Investment earnings	3,300	3,300	3,064	(236)
Total revenues	<u>263,552</u>	<u>263,552</u>	<u>266,159</u>	<u>2,607</u>
Expenditures:				
Operating expenditures	<u>396,752</u>	<u>396,752</u>	<u>380,578</u>	<u>16,174</u>
Total expenditures	<u>396,752</u>	<u>396,752</u>	<u>380,578</u>	<u>16,174</u>
Deficiency of revenues under expenditures	\$ (133,200)	\$ (133,200)	\$ (114,419)	\$ 18,781

City of Hallandale Beach, Florida

Schedule of Revenues, Expenditures and Changes in Fund Balance -
 Budget and Actual
 Special Revenue Funds - Law Enforcement Trust Fund
 Year Ended September 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	\$ -	\$ -	\$ 332,509	\$ 332,509
Investment earnings	2,800	2,800	2,519	(281)
Total revenues	2,800	2,800	335,028	332,228
Expenditures:				
Personal services	126,016	126,016	122,637	3,379
Operating expenditures	264,700	289,700	161,950	127,750
Capital outlay	220,000	220,000	219,632	368
Total expenditures	610,716	635,716	504,219	131,497
Deficiency of revenues under expenditures	\$ (607,916)	\$ (632,916)	\$ (169,191)	\$ 463,725

INTERNAL SERVICE FUNDS

Internal Service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

General Liability Trust Fund – to account for the costs of insuring the City in the areas of general and auto liability. The City is primarily self-insured in these areas. Other funds are billed to cover actual costs of premiums and claims and to maintain an adequate balance in fund equity.

Workers' Compensation Fund – to account for the costs of providing workers' compensation insurance coverage to employees of the City. The City is partially self-insured in this area. Other funds are billed to cover costs of estimated expenses.

OPEB Fund – to account for the costs of providing other post-employment benefits to retirees of the City. The City is self-funded in this area.

City of Hallandale Beach, Florida

Combining Statement of Net Assets

Internal Service Funds

September 30, 2011

	General Liability Trust Fund	Workers' Compensation Fund	OPEB Fund	Total Internal Service Funds
Assets				
Cash and cash equivalents	\$ 3,444,483	\$ 1,425,372	\$ 2,642,252	\$ 7,512,107
Accounts receivable, net of allowance	90,164	-	-	90,164
Total assets	3,534,647	1,425,372	2,642,252	7,602,271
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities	2,763	762	-	3,525
Compensated absences	13,987	-	-	13,987
Accrued claims for self-insured risks	397,000	887,388	-	1,284,388
Total current liabilities	413,750	888,150	-	1,301,900
Noncurrent liabilities:				
Compensated absences	10,177	-	-	10,177
Accrued claims for self-insured risks	812,170	96,686	-	908,856
Accrued other post employment benefits	-	-	2,629,666	2,629,666
Total noncurrent liabilities	822,347	96,686	2,629,666	3,548,699
Total liabilities	1,236,097	984,836	2,629,666	4,850,599
Net assets				
Unrestricted	\$ 2,298,550	\$ 440,536	\$ 12,586	\$ 2,751,672

City of Hallandale Beach, Florida

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets

Internal Service Funds

Year Ended September 30, 2011

	General Liability Trust Fund	Workers' Compensation Fund	OPEB Fund	Total Internal Service Funds
Operating revenues:				
Charges for services	\$ 50,000	\$ 440,217	\$ 815,666	\$ 1,305,883
Other revenues	59,877	-	-	59,877
Total operating revenues	<u>109,877</u>	<u>440,217</u>	<u>815,666</u>	<u>1,365,760</u>
Operating expenses:				
Cost of services	33,995	196,994	-	230,989
Personal services	58,868	-	815,666	874,534
Claims expense	687,743	816,618	-	1,504,361
Total operating expenses	<u>780,606</u>	<u>1,013,612</u>	<u>815,666</u>	<u>2,609,884</u>
Operating loss	(670,729)	(573,395)	-	(1,244,124)
Nonoperating revenues:				
Investment earnings	11,585	4,451	6,099	22,135
Income (loss) before transfers	<u>(659,144)</u>	<u>(568,944)</u>	<u>6,099</u>	<u>(1,221,989)</u>
Transfers in	97,326	-	-	97,326
Transfers out	<u>(54,908)</u>	<u>-</u>	<u>-</u>	<u>(54,908)</u>
Change in net assets	(616,726)	(568,944)	6,099	(1,179,571)
Net assets, beginning	<u>2,915,276</u>	<u>1,009,480</u>	<u>6,487</u>	<u>3,931,243</u>
Net assets, ending	<u>\$ 2,298,550</u>	<u>\$ 440,536</u>	<u>\$ 12,586</u>	<u>\$ 2,751,672</u>

City of Hallandale Beach, Florida

Combining Statement of Cash Flows
Internal Service Funds
Year Ended September 30, 2011

	General Liability Trust Fund	Workers' Compensation Fund	OPEB Fund	Total
Cash Flows From Operating Activities:				
Cash received from fees and charges	\$ 59,398	\$ 440,217	\$ 815,666	\$ 1,315,281
Cash paid to suppliers for goods, services, claims and administrative charges	(274,694)	(431,699)	-	(706,393)
Cash paid to employees for services	(60,737)	-	-	(60,737)
Net cash provided (used) by operating activities	(276,033)	8,518	815,666	548,151
Cash Flows From Noncapital Financing Activities:				
Transfers from other funds	97,326	-	-	97,326
Transfers to other funds	(54,908)	-	-	(54,908)
Net cash provided by non-capital financing activities	42,418	-	-	42,418
Cash Flows From Investing Activities				
Sale of investments	-	-	308	308
Interest received	11,585	4,451	6,099	22,135
Net cash provided by investing activities	11,585	4,451	6,407	22,443
Net increase (decrease) in cash and cash equivalents	(222,030)	12,969	822,073	613,012
Cash and cash equivalents:				
Beginning	3,666,513	1,412,403	1,820,179	6,899,095
Ending	\$ 3,444,483	\$ 1,425,372	\$ 2,642,252	\$ 7,512,107
Reconciliation of operating loss to net cash provided (used) by operating activities:				
Operating loss	\$ (670,729)	\$ (573,395)	\$ -	\$ (1,244,124)
Change in assets and liabilities:				
Increase in accounts receivable	(50,479)	-	-	(50,479)
Increase (decrease) in accounts payable and accrued liabilities	(149,604)	762	-	(148,842)
Decrease in compensated absences	(1,869)	-	-	(1,869)
Increase in accrued claims for self-insured risks	596,648	581,151	-	1,177,799
Increase in accrued liability for other post-employment benefits	-	-	815,666	815,666
Net cash provided (used) by operating activities	\$ (276,033)	\$ 8,518	\$ 815,666	\$ 548,151

FIDUCIARY FUNDS

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

Pension Trust Funds:

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

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

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

Agency Funds:

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

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

City of Hallandale Beach, Florida

Combining Statement of Fiduciary Net Assets

Pension Trust Funds

September 30, 2011

	General Employees Pension Plan	Police and Firefighters Pension Plan	Professional/ Management Pension Plan	Total Pension Trust Funds
Assets				
Cash and cash equivalents	\$ -	\$ 4,215,888	\$ 1,500,000	\$ 5,715,888
Due from others	-	307,948	-	307,948
Due from State of Florida	-	15,991	-	15,991
Interest receivable	-	181,506	-	181,506
Due for securities sold	-	155,993	-	155,993
Investments:				
Corporate bonds	14,597,864	7,489,785	5,361,749	27,449,398
Equity securities	14,490,125	52,635,113	8,653,865	75,779,103
U.S. Obligations	-	6,619,775	-	6,619,775
Hedge funds	-	7,595,978	-	7,595,978
Real estate investment trust	1,938,649	3,713,694	906,505	6,558,848
Prepaid expense	-	8,905	-	8,905
Total assets	31,026,638	82,940,576	16,422,119	130,389,333
Liabilities				
Accounts payable	-	134,516	-	134,516
Due for securities purchased	-	224,903	-	224,903
Total liabilities	-	359,419	-	359,419
Net assets				
Held in trust for pension benefits	\$ 31,026,638	\$ 82,581,157	\$ 16,422,119	\$ 130,029,914

City of Hallandale Beach, Florida

Combining Statement of Changes in Fiduciary Net Assets
Pension Trust Funds
Year Ended September 30, 2011

	General Employees Pension Plan	Police and Firefighters Pension Plan	Professional/ Management Pension Plan	Total Pension Trust Funds
Additions				
Contributions:				
Employer	\$ 3,290,953	\$ 7,552,238	\$ 1,051,450	\$ 11,894,641
Plan members	258,858	1,221,427	131,753	1,612,038
State of Florida	-	586,845	-	586,845
Other income	-	46,054	-	46,054
Total contributions	3,549,811	9,406,564	1,183,203	14,139,578
Investment earnings (loss):				
Interest and dividends	-	1,749,678	-	1,749,678
Net increase (decrease) in fair value of investments	208,782	(1,281,990)	(41,782)	(1,114,990)
Total investment earnings (loss)	208,782	467,688	(41,782)	634,688
Less investment expense	(52,453)	(611,699)	(35,076)	(699,228)
Net investment earnings (loss)	156,329	(144,011)	(76,858)	(64,540)
Total additions	3,706,140	9,262,553	1,106,345	14,075,038
Deductions				
Benefits	2,272,177	7,966,130	831,722	11,070,029
Professional services	-	143,205	-	143,205
Total deductions	2,272,177	8,109,335	831,722	11,213,234
Change in net assets	1,433,963	1,153,218	274,623	2,861,804
Net assets, beginning	29,592,675	81,427,939	16,147,496	127,168,110
Net assets, ending	\$ 31,026,638	\$ 82,581,157	\$ 16,422,119	\$ 130,029,914

City of Hallandale Beach, Florida

Combining Statement of Fiduciary Assets and Liabilities

Agency Funds

September 30, 2011

	Payroll Trust Fund	General Trust Fund	Total Agency Funds
<hr/>			
Assets			
Cash and cash equivalents	\$ 608,921	\$ 444,543	\$ 1,053,464
Accounts receivable	2,483	-	2,483
	<u>\$ 611,404</u>	<u>\$ 444,543</u>	<u>\$ 1,055,947</u>
Liabilities			
Due to others	\$ 611,404	\$ 444,543	\$ 1,055,947

City of Hallandale Beach, Florida

Schedule of Changes in Assets and Liabilities

Payroll Trust Fund

Year Ended September 30, 2011

	Beginning Balance	Additions	Deductions	Ending Balance
Assets				
Cash and cash equivalents	\$ 1,623,223	\$ 27,657,993	\$ (28,672,295)	\$ 608,921
Accounts receivable	34,469	364,250	(396,236)	2,483
	<u>\$ 1,657,692</u>	<u>\$ 28,022,243</u>	<u>\$ (29,068,531)</u>	<u>\$ 611,404</u>
Liabilities				
Due to others	\$ 1,657,692	\$ 28,022,243	\$ (29,068,531)	\$ 611,404
	<u>\$ 1,657,692</u>	<u>\$ 28,022,243</u>	<u>\$ (29,068,531)</u>	<u>\$ 611,404</u>

City of Hallandale Beach, Florida

Schedule of Changes in Assets and Liabilities

General Trust Fund

Year Ended September 30, 2011

	Beginning Balance	Additions	Deductions	Ending Balance
<hr/>				
Assets				
Cash and cash equivalents	\$ 438,430	\$ 261,172	\$ (255,059)	\$ 444,543
	<hr/>	<hr/>	<hr/>	<hr/>
Liabilities				
Due to others	\$ 438,430	\$ 261,172	\$ (255,059)	\$ 444,543
	<hr/>	<hr/>	<hr/>	<hr/>

Statistical Section

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	97
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	107
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	115
Demographic and Economic Information This schedule offers demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	119
Operating Information These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	121

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

City of Hallandale Beach, Florida

Schedule 1

Net Assets by Component

Last Ten Fiscal Years (1)

(Accrual Basis of Accounting)

(Amounts Expressed in Thousands)

	2002	2003	2004	2005
Governmental activities:				
Invested in capital assets, net of related debt	\$ -	\$ 33,403	\$ 31,730	\$ 34,511
Restricted	-	4,222	4,351	3,106
Unrestricted	-	20,907	28,986	39,288
Total governmental activities net assets	\$ -	\$ 58,532	\$ 65,067	\$ 76,905
Business-type activities:				
Invested in capital assets, net of related debt	\$ -	\$ 10,364	\$ 9,762	\$ 11,475
Restricted	-	6,203	-	137
Unrestricted	-	14,291	23,742	24,532
Total business-type activities net assets	\$ -	\$ 30,858	\$ 33,504	\$ 36,144
Primary government:				
Invested in capital assets, net of related debt	\$ -	\$ 43,767	\$ 41,492	\$ 45,986
Restricted	-	10,425	4,351	3,243
Unrestricted	-	35,198	52,728	63,820
Total primary government net assets	\$ -	\$ 89,390	\$ 98,571	\$ 113,049

(1) The City began to report accrual information when it implemented GASB Statement No. 34 in fiscal year 2003. Information for fiscal year ended September 30, 2002 is unavailable.

Fiscal Year						
2006	2007	2008	2009	2010	2011	
\$ 39,855	\$ 41,876	\$ 37,148	\$ 39,425	\$ 45,621	\$ 45,545	
3,461	13,123	18,832	22,576	24,788	28,498	
36,252	31,793	37,555	36,920	33,243	31,454	
<u>\$ 79,568</u>	<u>\$ 86,792</u>	<u>\$ 93,535</u>	<u>\$ 98,921</u>	<u>\$ 103,652</u>	<u>\$ 105,497</u>	

\$ 18,783	\$ 25,470	\$ 27,519	\$ 26,859	\$ 28,347	\$ 27,910	
-	-	-	-	-	-	
20,841	16,983	16,381	23,438	26,158	30,937	
<u>\$ 39,624</u>	<u>\$ 42,453</u>	<u>\$ 43,900</u>	<u>\$ 50,297</u>	<u>\$ 54,505</u>	<u>\$ 58,847</u>	

\$ 58,638	\$ 67,346	\$ 64,667	\$ 66,284	\$ 73,968	\$ 73,455	
3,461	13,123	18,832	22,576	24,788	28,498	
57,093	48,776	53,936	60,358	59,401	62,391	
<u>\$ 119,192</u>	<u>\$ 129,245</u>	<u>\$ 137,435</u>	<u>\$ 149,218</u>	<u>\$ 158,157</u>	<u>\$ 164,344</u>	

City of Hallandale Beach, Florida

Schedule 2

Changes in Net Assets

Last Ten Fiscal Years (1)

(Accrual Basis of Accounting)

(Amounts Expressed in Thousands)

	2002	2003	2004	2005
Expenses:				
Governmental activities:				
General government	\$ -	\$ 7,207	\$ 7,251	\$ 8,448
Public safety	-	19,125	20,948	22,460
Physical environment	-	3,577	3,516	3,674
Transportation	-	1,250	1,041	893
Economic environment	-	19	-	37
Culture/Recreation	-	2,338	2,315	2,414
Human services	-	903	904	1,009
Interest on long-term debt	-	-	70	66
Total governmental activities expenses	-	34,419	36,045	39,001
Business-type activities:				
Cemetery	-	104	95	86
Sanitation	-	4,276	4,562	4,538
Sewer	-	5,660	5,783	6,418
Stormwater drainage	-	810	1,068	1,308
Water	-	5,097	5,397	5,601
Total business-type activities expenses	-	15,947	16,905	17,951
Total primary government expenses	\$ -	\$ 50,366	\$ 52,950	\$ 56,952
Program Revenues:				
Governmental activities:				
Charges for services:				
General government	\$ -	\$ 6,676	\$ 5,502	\$ 4,312
Public safety	-	2,110	3,114	5,886
Physical environment	-	-	-	-
Transportation	-	138	313	232
Economic environment	-	-	-	-
Culture/Recreation	-	106	153	117
Operating grants and contributions	-	698	785	911
Capital grants and contributions	-	1,675	2,485	3,316
Total governmental activities program revenues	-	11,403	12,352	14,774
Business-type activities				
Charges for services:				
Cemetery	-	78	69	227
Sanitation	-	4,032	4,407	4,481
Sewer	-	6,569	6,987	6,985
Stormwater drainage	-	923	1,012	1,112
Water	-	6,447	6,895	7,062
Capital grants and contributions	-	903	577	102
Total business-type activities program revenues	-	18,952	19,947	19,969
Total primary government program revenues	\$ -	\$ 30,355	\$ 32,299	\$ 34,743

Fiscal Year						
2006	2007	2008	2009	2010	2011	
\$ 13,030	\$ 13,069	\$ 11,986	\$ 11,990	\$ 9,633	\$ 11,684	
25,531	29,825	30,601	31,654	32,167	33,038	
3,465	3,693	3,841	2,839	2,037	2,411	
1,324	1,641	1,574	1,571	1,295	1,127	
1,542	2,363	4,946	3,227	6,479	3,659	
2,583	2,685	2,467	2,445	2,438	2,417	
1,379	1,154	1,141	1,139	931	1,014	
57	125	1,272	1,220	1,056	1,110	
48,911	54,555	57,828	56,085	56,036	56,460	
95	89	104	134	333	231	
4,661	5,117	5,274	5,213	4,943	4,724	
7,528	7,416	9,602	8,683	11,214	10,368	
1,346	1,359	1,382	1,425	1,932	1,873	
5,289	6,352	7,896	8,640	8,049	8,484	
18,919	20,333	24,258	24,095	26,471	25,680	
\$ 67,830	\$ 74,888	\$ 82,086	\$ 80,180	\$ 82,507	\$ 82,140	
\$ 4,018	\$ 5,029	\$ 4,659	\$ 5,564	\$ 4,456	\$ 4,409	
3,392	4,276	7,178	3,966	5,512	4,735	
-	-	-	39	40	-	
160	134	131	156	197	240	
-	-	-	-	20	-	
132	125	99	101	79	50	
4,247	1,823	1,893	1,267	5,384	1,811	
392	620	839	1,615	1,061	566	
12,341	12,007	14,799	12,708	16,749	11,811	
105	124	105	342	353	210	
4,951	5,228	5,474	5,636	5,435	4,920	
7,233	7,340	8,310	10,304	10,158	10,222	
1,299	1,302	1,347	1,420	1,429	1,542	
7,473	7,310	9,055	11,392	11,347	11,852	
-	371	28	644	9	32	
21,061	21,675	24,319	29,738	28,731	28,778	
\$ 33,402	\$ 33,682	\$ 39,118	\$ 42,446	\$ 45,480	\$ 40,589	

(Continued)

City of Hallandale Beach, Florida

Schedule 2 (Continued)

Changes in Net Assets

Last Ten Fiscal Years (1)

(Accrual Basis of Accounting)

(Amounts Expressed in Thousands)

	2002	2003	2004	2005
Net (expense)/revenue				
Governmental activities	\$ -	\$ (23,016)	\$ (23,693)	\$ (24,227)
Business-type activities	-	3,005	3,042	2,018
Total primary government net expenses	\$ -	\$ (20,011)	\$ (20,651)	\$ (22,209)
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Taxes				
Property taxes	\$ -	\$ 13,062	\$ 15,353	\$ 17,945
Franchise and utility taxes	-	6,461	6,378	6,852
Sales taxes	-	1,993	2,005	2,116
Motor fuel taxes	-	678	611	745
Alcoholic beverage taxes	-	18	25	21
Fire assessments	-	-	-	-
Intergovernmental revenue	-	2,018	3,671	3,575
Investment earnings	-	484	339	1,094
Slot machine proceeds	-	-	-	-
Other revenue	-	763	1,104	3,349
Gain on the sale of capital assets	-	-	-	23
Transfers	-	-	-	-
Total governmental activities	-	25,477	29,486	35,720
Business-type activities:				
Franchise and utility taxes	-	35	32	34
Investment earnings	-	361	315	855
Other revenue	-	(293)	-	1
Gain on the sale of capital assets	-	-	-	77
Transfers	-	-	-	-
Total business-type activities	-	103	347	967
Total primary government	\$ -	\$ 25,580	\$ 29,833	\$ 36,687
Change in Net Assets				
Governmental activities	\$ -	\$ 2,461	\$ 5,793	\$ 11,493
Business-type activities	-	3,108	3,389	2,985
Total primary government	\$ -	\$ 5,569	\$ 9,182	\$ 14,478

(1) The City began to report accrual information when it implemented GASB Statement No. 34 in fiscal year 2003. Information for fiscal year ended September 30, 2002 is unavailable.

Fiscal Year					
2006	2007	2008	2009	2010	2011
\$ (36,570)	\$ (42,548)	\$ (43,029)	\$ (43,377)	\$ (39,287)	\$ (44,649)
2,142	1,342	61	5,643	2,260	3,098
\$ (34,428)	\$ (41,206)	\$ (42,968)	\$ (37,734)	\$ (37,027)	\$ (41,551)

\$ 19,605	\$ 25,151	\$ 24,287	\$ 23,369	\$ 24,340	\$ 20,972
7,404	7,656	8,148	8,486	8,338	8,231
2,279	2,228	2,107	1,976	2,112	2,029
668	658	649	673	718	653
24	22	21	18	28	30
2,476	2,510	3,266	3,686	4,502	4,591
4,316	6,075	7,221	5,842	4,092	3,818
1,989	2,729	2,188	1,788	911	535
-	1,746	1,985	1,749	1,707	1,922
358	1,146	-	1,130	1,893	1,672
19	-	-	8	11	29
95	(150)	(100)	37	(929)	(638)
39,233	49,771	49,772	48,762	47,723	43,844

67	178	214	237	335	240
1,341	1,133	783	445	227	285
21	10	288	53	456	60
4	16	-	57	1	22
(95)	150	100	(37)	929	638
1,338	1,487	1,385	755	1,948	1,245
\$ 40,571	\$ 51,258	\$ 51,157	\$ 49,517	\$ 49,671	\$ 45,089

\$ 2,663	\$ 7,223	\$ 6,743	\$ 5,385	\$ 8,436	\$ (805)
3,480	2,829	1,446	6,398	4,208	4,343
\$ 6,143	\$ 10,052	\$ 8,189	\$ 11,783	\$ 12,644	\$ 3,538

City of Hallandale Beach, Florida

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

	2002	2003	2004	2005
General Fund				
Reserved	\$ 1,040	\$ 1,325	\$ 695	\$ 156
Unreserved	18,387	18,805	21,037	24,508
Non-spendable:				
Inventories	-	-	-	-
Prepaid items	-	-	-	-
Assigned to:				
Vehicles and equipment	-	-	-	-
Subsequent year's expenditures	-	-	-	-
Unassigned	-	-	-	-
Total general fund	\$ 19,427	\$ 20,130	\$ 21,732	\$ 24,664
All Other Governmental Funds				
Reserved	\$ 3,756	\$ 5,386	\$ 6,609	\$ 6,579
Unreserved, reported in:				
Special revenue funds	4,188	2,392	2,279	3,143
Capital projects funds	1,961	1,165	2,552	3,144
Non-spendable:				
Assets held for resale	-	-	-	-
Long-term receivable	-	-	-	-
Restricted for:				
Debt service	-	-	-	-
Developer agreements	-	-	-	-
Law enforcement	-	-	-	-
Transportation	-	-	-	-
Safe neighborhood districts	-	-	-	-
Assigned to:				
Computer equipment	-	-	-	-
Police outside services	-	-	-	-
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Total all other governmental funds	\$ 9,905	\$ 8,943	\$ 11,440	\$ 12,866

(1) GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions", redefined the components of the fund balance of governmental funds. 2011 is the first year of implementation.

Fiscal Year						
2006	2007	2008	2009	2010	2011 (1)	
\$ 95	\$ 133	\$ 624	\$ 356	\$ 179	\$ -	
24,302	23,065	20,133	22,187	26,840	-	
-	-	-	-	-	-	224
-	-	-	-	-	-	14
-	-	-	-	-	-	2,221
-	-	-	-	-	-	5,673
-	-	-	-	-	-	18,399
<u>\$ 24,397</u>	<u>\$ 23,198</u>	<u>\$ 20,757</u>	<u>\$ 22,543</u>	<u>\$ 27,019</u>	<u>\$ 26,531</u>	

\$ 5,460	\$ 11,508	\$ 14,623	\$ 2,419	\$ 3,820	\$ -	
3,445	5,768	7,009	22,832	23,516	-	
2,373	8,333	8,704	8,448	7,433	-	
-	-	-	-	-	-	5,552
-	-	-	-	-	-	2,327
-	-	-	-	-	-	910
-	-	-	-	-	-	2,623
-	-	-	-	-	-	2,638
-	-	-	-	-	-	2,764
-	-	-	-	-	-	1,209
-	-	-	-	-	-	22
-	-	-	-	-	-	79
-	-	-	-	-	-	14,243
-	-	-	-	-	-	5,207
<u>\$ 11,278</u>	<u>\$ 25,609</u>	<u>\$ 30,336</u>	<u>\$ 33,699</u>	<u>\$ 34,769</u>	<u>\$ 37,574</u>	

City of Hallandale Beach, Florida

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

	2002	2003	2004	2005
Revenues				
Taxes	\$ 17,653	\$ 19,523	\$ 21,731	\$ 24,075
Licenses, fees and permits	947	1,217	2,246	3,733
Fines and forfeitures	725	644	596	465
Charges for services	4,804	5,745	4,386	4,853
Intergovernmental	5,220	7,098	9,581	8,239
Investment earnings	535	396	339	958
Slot machine proceeds	-	-	-	-
Other revenues	1,467	1,872	2,860	3,731
Total revenues	31,351	36,495	41,739	46,054
Expenditures				
General government	5,404	5,698	6,363	8,109
Public safety	15,478	17,428	20,412	21,529
Physical environment	4,343	2,420	2,543	2,600
Transportation	-	1,084	905	996
Economic development	-	19	-	37
Human services	618	825	873	954
Culture and recreation	1,793	2,006	1,986	2,035
Capital outlay	3,477	5,347	3,886	4,720
Debt service:				
Principal	401	628	878	878
Interest	58	90	70	57
Bond issuance costs	-	-	-	-
Total expenditures	31,572	35,545	37,916	41,915
Excess of revenues over (under) expenditures	(221)	950	3,823	4,139
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	22	64	43
Transfers in	3,675	1,990	1,976	2,553
Transfers out	(3,788)	(3,640)	(1,764)	(2,377)
Issuance of long-term debt	2,846	-	-	-
Total other financing sources (uses)	2,733	(1,628)	276	219
Net change in fund balances	\$ 2,512	\$ (678)	\$ 4,099	\$ 4,358
Debt service as a percentage of noncapital expenditures	1.6%	2.4%	2.8%	2.5%

Fiscal Year						
	2006	2007	2008	2009	2010	2011
\$	27,241	\$ 32,784	\$ 32,665	\$ 31,854	\$ 33,114	\$ 29,194
	1,378	1,632	1,756	1,543	1,857	1,630
	419	580	3,769	823	1,925	1,099
	4,706	5,940	5,045	5,759	6,831	6,389
	11,907	10,908	11,890	11,079	11,901	9,443
	1,706	2,314	1,895	1,528	896	513
	-	1,746	1,985	1,749	1,707	1,922
	3,179	4,197	4,616	4,851	6,385	6,262
	50,536	60,101	63,621	59,186	64,616	56,452
	10,235	10,271	10,596	9,501	9,632	9,236
	24,332	28,860	29,760	30,749	31,428	32,702
	2,920	3,383	3,366	2,355	1,984	2,358
	1,161	1,437	1,390	1,416	1,137	937
	1,542	2,406	4,923	2,728	6,376	3,578
	1,318	1,101	1,087	1,098	859	944
	2,138	2,308	2,118	2,120	2,067	2,081
	7,549	22,943	2,476	4,415	2,557	2,319
	689	500	1,180	891	830	865
	61	52	1,318	1,189	1,153	1,117
	-	34	-	-	-	-
	51,945	73,295	58,214	56,462	58,023	56,137
	(1,409)	(13,194)	5,407	2,724	6,593	315
	40	-	-	14	13	32
	3,265	4,855	7,444	9,636	8,540	5,734
	(3,750)	(5,585)	(8,124)	(7,225)	(9,601)	(6,414)
	-	24,615	-	-	-	-
	(445)	23,885	(680)	2,425	(1,048)	(648)
\$	(1,854)	\$ 10,691	\$ 4,727	\$ 5,149	\$ 5,545	\$ (333)
	1.7%	1.1%	4.5%	4.0%	3.6%	3.7%

City of Hallandale Beach, Florida

Schedule 5
 Tax Revenues by Source, Governmental Funds
 Last Ten Fiscal Years
 (Amounts Expressed in Thousands)

Fiscal year	Ad Valorem	Franchise Fees	Utility	Communications Service	Sales
2002	\$ 11,329	\$ 1,808	\$ 2,684	\$ 1,877	\$ 1,943
2003	13,062	2,024	2,829	1,643	1,993
2004	15,353	2,120	2,811	1,479	2,005
2005	17,165	2,394	2,939	1,576	2,116
2006	19,791	2,699	2,988	1,763	2,251
2007	25,075	2,844	3,124	1,741	2,164
2008	24,531	2,904	3,367	1,861	2,107
2009	23,395	2,891	3,560	2,007	1,936
2010	24,740	2,601	3,783	1,989	2,078
2011	20,972	2,639	3,853	1,730	2,030
Change					
2002-2011	85.1%	46.0%	43.6%	-7.8%	4.5%

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

	Motor Fuel	Alcoholic Beverage	Total
	\$ 673	\$ 18	\$ 20,332
	678	17	22,246
	611	25	24,404
	745	21	26,956
	696	24	30,212
	685	21	35,654
	680	21	35,471
	714	18	34,521
	718	28	35,937
	653	30	31,907
	-3.0%	66.7%	56.9%

City of Hallandale Beach, Florida

Schedule 6

Property Tax Rates – Direct and Overlapping Property Taxes Rates

Last Ten Fiscal Years

Tax roll year	Fiscal Year	Direct City Rate (1)			Overlapping Rates				
		City of Hallandale Beach	Broward County BOCC		School Board of Broward County			So Florida Water Management District	
			Operating Millage	Debt Service Millage	Total Broward County	Operating Millage	Debt Service Millage	Total School District	
2001	2002	6.7480	-	-	7.4005	-	-	8.7541	0.6970
2002	2003	6.7480	-	-	7.3650	-	-	8.8825	0.6970
2003	2004	6.7480	-	-	7.1880	-	-	8.4176	0.6970
2004	2005	6.5456	6.4831	0.5399	7.0230	8.0140	0.2555	8.2695	0.6970
2005	2006	6.2838	6.2942	0.4888	6.7830	7.8410	0.2213	8.0623	0.6970
2006	2007	5.9696	5.6433	0.4228	6.0661	7.6790	0.1897	7.8687	0.6970
2007	2008	4.9818	4.8889	0.3979	5.2868	7.4770	0.1714	7.6484	0.6240
2008	2009	4.9818	4.8889	0.4256	5.3145	7.4170	-	7.4170	0.6240
2009	2010	5.9000	4.8889	0.5000	5.3889	7.4310	-	7.4310	0.6240
2010	2011	5.9000	5.1021	0.4509	5.5530	7.6310	-	7.6310	0.6240

Note: Tax millage rates (per \$1,000 of taxable value).

Source: Broward County Department of Revenue; Broward County Property Appraiser

- (1) The City's millage rate consists of only an operating millage.
- (2) Not included in total tax rate, as these do not apply to entire City.

Florida Inland Navigation District	Children's Services Council	South Broward Hospital District	Total Direct & Overlapping Rates	Golden Isles Safe Neighborhood District (2)	Three Islands Safe Neighborhood District (2)
0.0385	0.3055	1.8694	25.8130	1.0900	1.1170
0.0385	0.3316	1.7336	25.7962	1.0900	1.1170
0.0385	0.3920	1.7336	25.2147	1.2900	1.1170
0.0385	0.4231	1.5761	24.5728	1.2900	1.1170
0.0385	0.4231	1.4500	23.7377	1.2900	1.0000
0.0385	0.4073	1.3300	22.3772	1.2900	0.8000
0.0345	0.3572	1.1643	20.0970	1.0934	0.6897
0.0345	0.3754	1.1913	19.9385	1.0934	0.6600
0.0345	0.4243	1.2732	21.0759	1.0934	0.6600
0.0345	0.4696	1.2732	21.4853	1.0934	0.6600

City of Hallandale Beach, Florida

Schedule 7

Principal Property Taxpayers

Current and Nine Years Ago

(Amounts Expressed in Thousands)

Taxpayer	2011			2002		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Gulfstream Pk Racing Assn/Casino	\$ 166,697,184	1	4.715%	\$ 22,542,294	1	1.309%
17070 Collins Ave. Shopping Ctr	41,824,730	2	1.183%	18,242,520	7	1.059%
Florida Power & Light Co.	28,884,769	3	0.817%	18,990,769	6	1.102%
Hollywood Greyhound Track	25,294,330	4	0.715%	20,922,819	2	1.215%
Three Islands Associates Residential	23,493,620	5	0.665%	19,798,300	4	1.149%
Diplomat Properties Ltd. Partnership	22,253,210	6	0.629%	20,271,440	3	1.177%
2500 Hallandale Beach LLC	16,806,590	7	0.475%			
600 Hallandale LLC	14,907,390	8	0.422%			
Wal-Mart Stores	12,743,910	9	0.360%	9,510,577	9	0.552%
Murray Family Associates	12,799,680	10	0.362%			
Southern Bell Telephone Co.				14,343,000	8	0.833%
Omnipoint Communications				19,586,323	5	1.137%
Comke, Inc.				7,288,300	10	0.423%
Total	\$ 365,705,413		10.344%	\$ 171,496,342		9.956%

Source: Broward County, Florida, Department of Revenue

City of Hallandale Beach, Florida

Schedule 8

Property Tax Levies and Collections

Last Ten Fiscal Years

(Amounts Expressed In Thousands)

Fiscal Year	Taxes Levied for the Fiscal Year (2)	Collected within the Fiscal Year of the Levy (1)		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2002	\$ 11,760	\$ 11,649	99.06%	73	\$ 11,722	99.68%
2003	13,569	13,436	99.02%	101	13,537	99.77%
2004	15,859	15,811	99.69%	26	15,837	99.86%
2005	17,738	17,670	99.62%	39	17,709	99.84%
2006	20,426	20,329	99.52%	67	20,396	99.85%
2007	25,750	25,656	99.64%	117	25,773	100.09%
2008	25,226	25,097	99.49%	120	25,217	99.96%
2009	24,950	23,891	95.76%	863	24,754	99.21%
2010	24,832	24,187	97.40%	368	24,555	98.88%
2011	21,343	21,061	98.68%	-	21,061	98.68%

Source: Broward County Revenue Collection Division

(1) This amount represents gross levy (does not include discounts).

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

(3) Greater than 100% due to retroactive re-assessments

City of Hallandale Beach, Florida

Schedule 9

Assessed Value and Estimated Actual Value of Taxable Property

Last Seven Fiscal Years

(Amounts Expressed In Thousands)

Fiscal Year	Real Property			Personal Property	Less: Tax Exempt Property	Total Taxable Assessed Value
	Residential Property	Commercial Property	Other Property			
2005	\$ 2,886,394	\$ 372,248	\$ 64,300	\$ 128,391	\$ 840,718	\$ 2,610,615
2006	3,612,869	401,980	74,921	137,046	1,069,269	3,157,547
2007	4,977,427	499,783	94,731	103,527	1,506,712	4,168,756
2008	5,556,934	631,372	140,400	98,120	1,580,177	4,846,649
2009	5,314,439	682,485	150,501	134,656	1,383,597	4,898,484
2010	4,171,536	720,600	152,985	126,396	1,037,262	4,134,255
2011	3,360,656	702,187	178,327	116,524	807,371	3,550,323

Source: Broward County Revenue Collection Division

(1) Information for years before 2005 is not available.

(2) Includes tax exempt property.

Total Direct Tax Rate (mills)	Estimated Actual Taxable Value (2)	Assessed Value as a Percentage of Actual Value
6.5456	\$ 3,451,333	75.6%
6.5456	4,226,816	74.7%
5.9696	5,675,468	73.5%
4.9818	6,426,826	75.4%
4.9818	6,282,081	78.0%
5.9000	5,171,517	79.9%
5.9000	4,357,694	81.5%

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

Governmental Activities								
Fiscal year	Pledged Revenue Note	Revenue Note Series 2002	Bonds Series 2007A	Revenue Bonds Series 2001A	Revenue Bonds Series 2005A	Total Primary Government	Percentage Of Personal Income	Per Capita
2002	\$ 1,321,817	\$ 2,846,385	\$ -	\$ 4,770,000	\$ -	\$ 8,938,202	0.81%	\$ 261
2003	944,155	2,596,385	-	4,610,000	-	8,150,540	0.71%	233.49
2004	566,493	2,096,385	-	4,445,000	-	7,107,878	0.59%	201.91
2005	188,831	1,596,385	-	4,295,000	8,800,000	14,880,216	1.14%	416.63
2006	-	1,096,385	-	4,125,000	8,510,000	13,731,385	0.96%	383.09
2007	-	596,385	24,615,000	3,950,000	8,200,000	37,361,385	2.38%	978.23
2008	-	96,385	23,935,000	3,765,000	7,880,000	35,676,385	2.27%	953.91
2009	-	-	23,140,000	3,575,000	7,550,000	34,265,000	N/A	916.18
2010	-	-	22,310,000	3,375,000	7,205,000	32,890,000	N/A	886.12
2011	-	-	21,445,000	3,165,000	6,850,000	31,460,000	N/A	847.59

City of Hallandale Beach, Florida

Schedule 11

Direct and Overlapping Governmental Activities Debt

As of September 30, 2011

Jurisdiction	Net debt Outstanding (1)	Percentage applicable to City of Hallandale Beach (2)	Amount applicable to City of Hallandale Beach
City of Hallandale Beach	\$ -	0.000%	\$ -
Broward County	355,915,000	2.800%	9,965,620
Broward School District	-	0.000%	-
Total direct and overlapping debt	<u><u>\$ 355,915,000</u></u>		<u><u>\$ 9,965,620</u></u>

(1) Gross general obligation debt outstanding, less applicable amounts reserved for debt service.

(2) Percentage of taxable value of property in Hallandale Beach, to taxable value of property in overlapping unit.

City of Hallandale Beach, Florida

Schedule 12
Pledged Revenue Coverage
Last Ten Fiscal Years

Fiscal year	Utility Revenue Bonds, Series 2001A and 2005A						Coverage
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service			
				Principal	Interest		
2002	\$ 12,580,744	\$ 11,174,293	\$ 1,406,451	\$ -	\$ 106,200	13.24	
2003	14,019,936	11,786,521	2,233,415	160,000	227,712	5.76	
2004	14,894,415	12,247,145	2,647,270	155,000	222,594	7.01	
2005	15,158,977	13,283,428	1,875,549	160,000	387,085	3.43	
2006	15,753,547	12,819,915	2,933,632	460,000	266,186	4.04	
2007	15,951,761	14,862,524	1,089,237	485,000	265,067	1.45	
2008	18,712,613	18,424,786	287,827	505,000	334,112	0.34	
2009	23,115,163	18,184,821	4,930,342	520,000	562,540	4.55	
2010	22,934,776	20,701,617	2,233,159	545,000	507,178	2.12	
2011	23,615,907	20,246,971	3,368,936	565,000	484,653	3.21	

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

Revenue Note Series 2002 and Bonds 2007A						Pledged Revenue Note			
Pledged Revenue	Debt Service		Debt Service		Coverage	Franchise Fees	Debt Service		
	Principal	Interest	Principal	Interest			Principal	Interest	Coverage
\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ 3,640,334	\$ 377,662	\$ 42,665	8.66
2,215,102	250,000	61,951	-	-	7.10	3,482,715	377,662	28,303	8.58
3,299,820	500,000	51,382	-	-	5.98	3,567,793	377,662	18,553	9.00
4,461,035	500,000	48,668	-	-	8.13	3,969,778	377,662	8,620	10.28
5,827,132	500,000	56,437	-	-	10.47	4,462,284	188,831	4,331	23.10
9,390,974	500,000	41,645	-	-	17.34	-	-	-	-
40,356,815	500,000	16,346	680,000	1,301,576	16.16	-	-	-	-
37,137,163	96,385	1,035	795,000	1,187,552	17.85	-	-	-	-
41,379,803	-	-	830,000	1,153,092	20.87	-	-	-	-
38,053,914	-	-	865,000	1,117,215	19.20	-	-	-	-

City of Hallandale Beach, Florida

Schedule 13
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal year	Population (1)	Personal Income (2)	Broward County		Unemployment Rate		Public School Enrollment (5)
			Per capita Personal Income (2)	Median Age(6)	Broward County	Hallandale Beach	
2002	34,254	\$ 1,098,320,256	\$ 32,064	50.9	5.90%	4.60% (3)	2,817
2003	34,908	1,146,518,352	32,844	50.9	5.60%	7.10% (3)	2,835
2004	35,204	1,208,905,360	34,340	50.9	4.10%	6.14% (4)	2,735
2005	35,716	1,307,027,020	36,595	50.9	3.50%	4.70% (4)	2,895
2006	35,844	1,424,655,624	39,746	50.9	3.10%	3.90% (4)	3,010
2007	38,193	1,572,367,617	41,169	50.9	3.80%	4.50% (4)	3,073
2008	37,400	1,569,827,600	41,974	50.9	6.10%	7.40% (4)	2,978
2009	37,400	1,540,319,000	41,185	50.9	9.80%	10.70% (4)	3,070
2010	37,117	*	*	50.9	10.60%	12.10% (4)	2,933
2011	37,113	*	*	46.7	9.40%	10.80% (4)	2,850

(1) Source: University of Florida, Bureau of Economic Research for Hallandale Beach.

(2) Source: U.S. Department of Commerce, Bureau of Economic Analysis for year ended December 31.

(3) Source: Florida Department of Labor and Employment Security for City of Hallandale Beach, Florida.

(4) Source: Florida's Labor Market Statistics

(5) Source: Broward School District for City of Hallandale Beach, Florida.

(6) 2010 U. S. Census.

* Data not available.

City of Hallandale Beach, Florida

Schedule 14

Principal Employers

Current and Four Years Ago

Employer	2011			2007 (3)		
	Employees	Rank	% of total City Employment	Employees	Rank	% of total City Employment
Gulfstream Park Racing & Casino	1,450	1	7.914%	1,077	1	6.446%
Mardi Gras Racetrack & Gaming Center	700	2	3.821%	717	2	4.291%
City of Hallandale Beach	459	3	2.505%	451	3	2.699%
Wal-Mart Stores, Inc.	310	4	1.692%	260	6	1.556%
School Board of Broward County	283	5	1.545%	440	4	2.633%
Diplomat Country Club	250	6	1.365%	239	7	1.430%
Publix Supermarket	215	7	1.174%	285	5	1.706%
Winn Dixie Supermarkets	180	8	0.982%	185	8	1.107%
Burlington Coat Factory	90	9	0.491%	104	9	0.622%
US Post Office	79	10	0.431%	82	10	0.491%
	<u>4,016</u>		<u>21.920%</u>	<u>3,840</u>		<u>22.983%</u>

(1) Source: Individual employers

(2) Does not include seasonal employees

(3) Data from nine years ago unavailable

City of Hallandale Beach, Florida

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

	2002	2003	2004	2005
Function/Program				
General government				
Management	8.0	8.0	6.5	7.0
General Services	9.0	7.0	4.0	4.0
City Attorney	3.0	3.0	3.0	3.0
Finance	8.5	8.5	9.0	8.5
Information Technology	1.0	3.5	3.5	5.0
Personnel	5.0	5.0	5.0	5.0
City Clerk	6.0	5.0	3.0	3.0
Development Services	22.75	24.87	27.50	29.0
Other	4.0	4.5	4.0	2.0
Police				
Officers	98.0	105.0	101.0	102.0
Civilians	62.75	55.0	55.0	49.25
Fire				
Paramedics, firefighters, officers	76.0	74.0	74.0	76.0
Civilians	2.0	2.0	2.0	2.0
Public Works				
Administration	5.0	6.0	5.0	8.75
Equipment Maintenance	9.0	9.0	9.0	9.0
Grounds Maintenance	14.0	14.0	14.0	16.0
Building Maintenance	13.5	13.5	13.5	12.5
Human Services	16.6	16.6	12.2	12.2
Parks and Recreation	44.25	47.25	37.5	37.5
Transportation				
Streets	7.95	7.95	7.20	6.75
Minibus	4.8	3.2	-	-
Sanitation	21.75	21.75	21.75	21.0
Cemetery	-	-	-	-
Water	45.0	47.0	45.0	44.0
Stormwater	5.0	5.0	5.0	2.0
Sewer	14.0	12.0	12.0	12.0
Total	506.85	508.62	479.65	477.45

Source: City Budget Office

Notes: A full-time employee is scheduled to work 2,088 hours per year, including holidays, vacation and sick leave.
 Full-time equivalent employment is calculated by dividing total labor hours by 2,088.

2006	2007	2008	2009	2010	2011
8.0	8.0	8.0	8.00	7.00	7.00
4.0	4.0	4.0	4.00	4.00	4.00
3.0	4.0	4.0	4.00	3.00	3.00
9.5	9.75	9.75	9.75	9.75	9.77
5.0	5.0	5.0	5.00	5.00	5.00
5.75	5.75	5.50	5.00	5.00	5.92
3.0	3.0	3.0	3.00	2.00	3.00
29.0	30.75	30.75	28.75	22.62	24.00
2.0	2.0	2.0	2.00	3.50	1.00
101.0	103.00	101.00	101.00	98.00	95.00
37.0	40.00	40.00	41.00	40.52	38.54
77.0	80.0	77.0	78.00	75.00	75.00
3.0	3.0	3.0	3.00	2.00	3.00
7.75	7.75	7.75	5.76	3.00	5.00
9.0	9.0	9.5	10.75	9.75	8.77
17.25	17.00	16.00	16.54	14.76	13.77
14.25	13.50	12.50	11.28	9.52	11.31
12.2	13.2	13.2	10.10	10.15	10.31
32.80	36.30	32.30	31.12	29.04	27.40
6.75	6.75	5.75	4.25	3.27	3.27
-	-	-	-	-	-
21.0	17.0	23.0	22.29	24.00	23.93
-	-	-	-	1.76	1.77
43.0	43.0	42.5	40.50	45.03	44.31
2.0	2.0	4.0	5.53	7.52	6.54
12.0	12.0	12.0	16.00	15.00	14.00
465.25	475.75	471.50	466.62	450.19	444.61

City of Hallandale Beach, Florida

Schedule 16
 Operating Indicators by Function/Program
 Last Ten Fiscal Years

	2002	2003	2004	2005
Function/Program				
Development Services				
Building permits issued	2,541	2,541	2,956	3,526
Building inspections conducted	19,935	53,904	23,173	42,010
Police				
Physical arrests	1,444	1,357	1,063	1,063
Parking violations	2,870	3,409	3,434	3,434
Traffic violations	16,388	17,652	15,096	13,850
Fire				
EMS responses	6,143	5,815	5,870	5,859
Other emergency responses	1,194	1,118	1,358	1,798
Fires	102	132	122	161
Inspections	2,510	2,657	1,648	2,411
Refuse Collection				
Refuse collected (tons per year)	23,942	25,597	27,500	27,601
Other Public Works				
Street resurfacing (miles)	*	2.77	2.85	1.27
Number of streets repaired	589	620	557	585
Asphalt used (tons)	418	558	213	352
Parks and recreation				
Summer camp participants	*	*	*	95
Athletic teams	39	35	41	38
Water				
New/Replacemnt connections	37	208	70	66
Average daily consumption (1000's of gallons)	5,630	5,840	5,880	5,990
Peak daily consumption (1000's of gallons)	7,440	6,940	6,850	7,290
Wastewater				
Average daily sewage transmitted (1000's of gallons)	5,480	4,820	5,400	6,330
Transit				
Total route miles per year	45,209	45,209	45,209	45,209
Passengers per year	48,822	47,420	41,234	44,287

* Data not available

2006	2007	2008	2009	2010	2011
3,702	2,917	2,558	2,704	3,390	3,261
32,134	32,134	13,994	9,138	10,387	9,556
977	1,211	1,168	1,655	1,524	1,610
2,983	1,995	2,674	5,763	3,093	2,382
12,680	12,259	13,498	9,254	10,434	10,085
5,781	5,617	5,505	5,277	5,192	4,719
2,362	2,343	1,734	2,285	2,466	2,025
218	156	149	129	122	108
2,097	2,665	2,170	2,451	1,467	1,713
26,775	27,934	27,650	25,882	26,611	22,766
2.75	6.67	5.18	-	5.69	3.98
468	439	641	455	685	673
334	312	405	87	125	334
100	637	609	593	194	63
37	50	66	77	76	84
74	62	32	80	86	47
5,830	5,520	5,462	5,167	5,516	5,313
6,880	6,780	7,280	7,500	6,890	6,570
6,690	6,952	6,841	6,650	6,906	6,483
64,584	81,102	107,215	103,109	99,505	99,505
91,700	118,266	156,160	145,200	163,370	178,461

City of Hallandale Beach, Florida

Schedule 17
 Capital Assets Statistics by Function/Program
 Last Ten Fiscal Years

	2002	2003	2004	2005
Function/Program				
Police				
Stations	1	1	1	1
Patrol Units				
Fire Stations	3	3	3	3
Refuse Collection				
Collection Trucks	*	*	*	*
Other Public Works				
Streets (miles)	67	67	67	67
Sidewalks (miles)	40	40	40	41
Streetlights	*	*	*	*
Traffic signals	42	42	42	42
Parks and recreation				
Playgrounds	8	8	8	8
Baseball/softball diamonds	4	4	4	4
Outdoor pavilions	5	5	5	5
Community centers	5	5	5	5
Pool	1	1	1	1
Tennis courts	14	14	14	14
Water				
Water mains (miles)	77	77	77	78
Fire hydrants	*	*	545	545
Storage capacity (millions of gallons)	*	*	4.9	4.9
Wastewater				
Sanitary sewers (miles)	73	73	73	73
Storm sewers (miles)	31	31	32	35
Transmission capacity (millions of gallons per day)	*	*	*	6.65

* Data not available

2006	2007	2008	2009	2010	2011
1	1	1	1	1	1
3	3	3	3	3	3
18	18	18	18	20	20
67	67	67	67	67	67
41	41	41	41	41	41
1,391	1,391	1,391	1,391	1,391	1,391
42	42	42	42	42	42
8	7	7	10	10	10
4	4	4	4	4	4
5	5	5	7	7	7
5	5	5	5	5	5
1	1	1	1	1	1
14	14	14	14	14	14
78	79	79	79	79	79
545	554	554	554	554	554
4.9	4.9	4.9	4.9	4.9	4.9
73	73	73	73	73	73
35	38	38	38	38	38
6.65	6.65	6.65	6.65	6.65	6.65