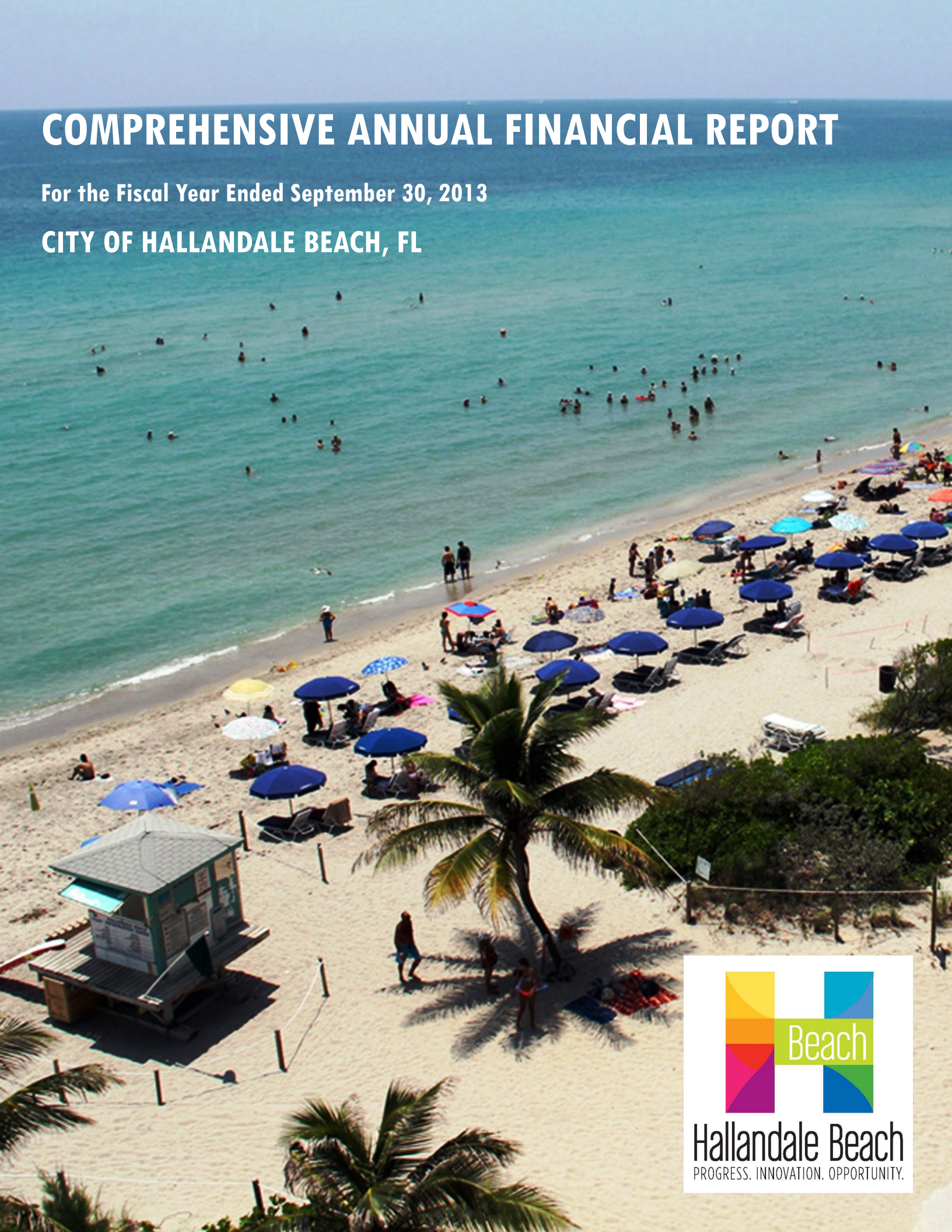
COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2013

CITY OF HALLANDALE BEACH, FL



Hallandale Beach
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Cover Photo

South City Beach Park

Peter F Dobens

CITY OF HALLANDALE BEACH, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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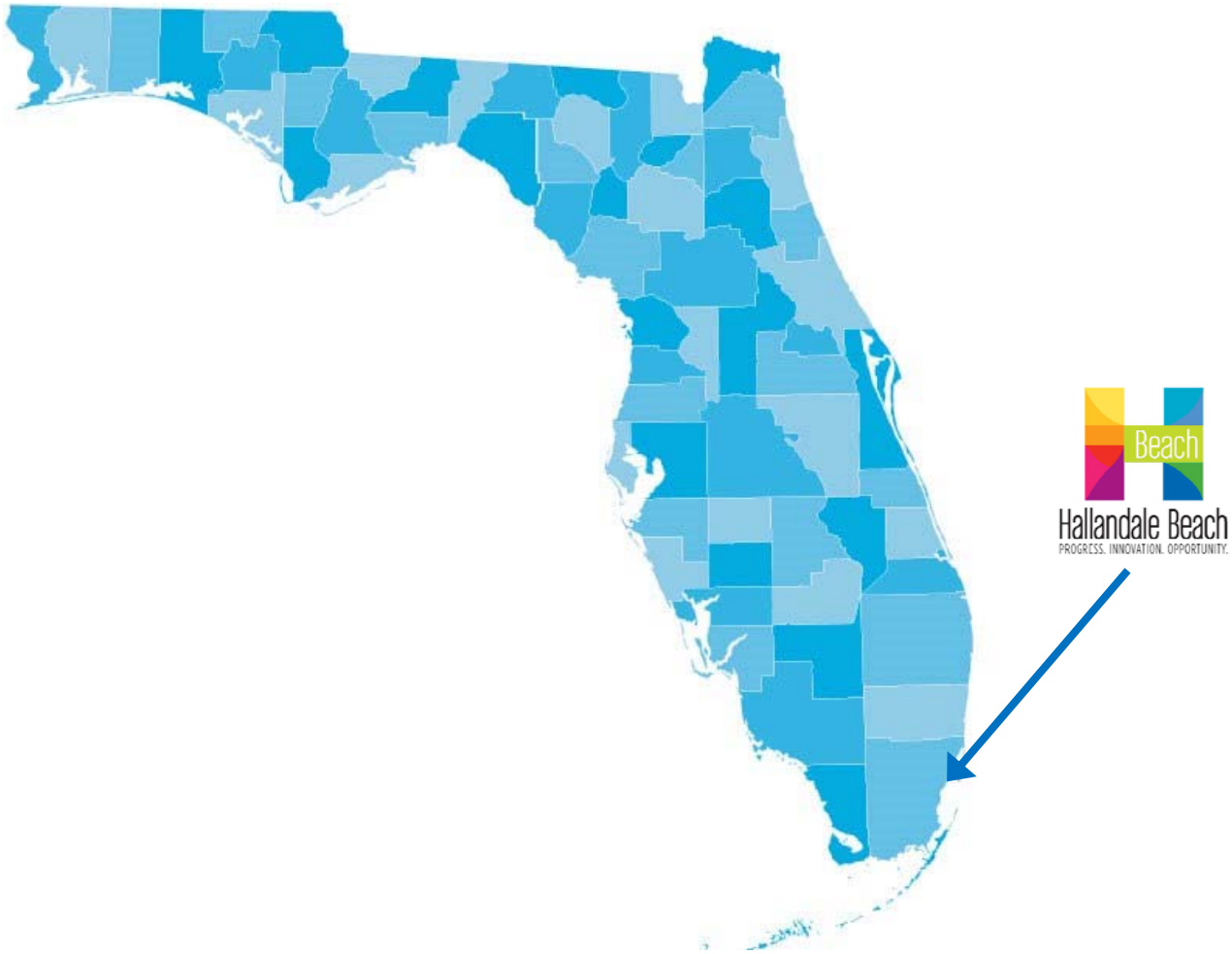

PREPARED BY

DEPARTMENT OF FINANCE

City of Hallandale Beach, Florida
Comprehensive Annual Financial Report
September 30, 2013
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Hallandale Beach

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Introductory Section

Hallandale Beach
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OFFICE OF THE CITY MANAGER

Renee C. Miller
City Manager

JOY F. COOPER
Mayor

WILIAM JULIAN
Vice Mayor

LEO GRACHOW
Commissioner

MICHELE LAZAROW
Commissioner

ANTHONY SANDERS
Commissioner

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June 2, 2014

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

We are pleased to submit the Comprehensive Annual Financial Report ("CAFR) of the City of Hallandale Beach, Florida (the "City"), for fiscal year ended September 30, 2013. Florida law requires that every general purpose local government publish, within nine months of the close of each fiscal year, a complete set of audited financial statements.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation (including all disclosures) rests with the City. The City operates under a system of accounting internal controls that are concerned with the safeguarding of assets and the reliability of financial records. The definition of accounting control assumed reasonable, but not absolute, assurance that the objectives expressed in it will be accomplished by the system. The concept of reasonable assurance recognizes that the cost of internal control should not exceed the benefits expected to be derived.

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 unmodified opinion on the City of Hallandale Beach's financial statements for the year ended September 30, 2013. 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 (CRA).

As a recipient of federal, state and local financial assistance, the City is subject to an annual single audit in conformity with applicable federal and state laws. 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. 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.

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 38,391 residents as of April 1, 2012, which is the last date population counts were officially published by the State of Florida. The City's demographics continue to change as younger families move to Hallandale Beach for its location and quality of life attributes. The 2010 census showed that the median age has dropped from 50.9 in 2000 to 46.7 in 2010. Tourism continues to play an important role in the City's economy, as the population during the peak winter season increases to 50,000 within the City.

The City operates under the Commission-Manager form of government, including five elected officials (the Mayor and City Commission). The City Commission determines policy, adopts legislation, and approves the City's annual budget. The City Commission also appoints the two Charter Officers, the City Manager and the City Attorney. The City Manager as the Chief Administrative Officer is charged with the responsibility of enforcing all ordinances and resolutions passed by the City Commission.

The City provides a full range of municipal services as authorized 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.

This report includes all the City funds. The City has three component units, the Community Redevelopment Agency, the Golden Isles Safe Neighborhood District, and the Three Islands Safe Neighborhood District, which are shown as separate blended special revenue funds of the City's funds.

Local Economy

Four years post-recession, the Nation's recovery remains painfully slow. In the State of Florida, once the recession ended and the slow recovery began in 2010, Florida's economy regained its positive footing. According to the Florida Legislature Office of Economic and Demographic Research (EDR) in 2012, Florida's economic growth was in positive territory for the third year after declining two years in a row. State Gross Domestic Product (GDP) ranked the state 14th in the nation in real growth with a gain of 2.4%, just slightly below the national average of 2.5%. As far as Personal Income, Florida finished the 2012 calendar year with 4.1% growth over 2011, placing the state only slightly below the national growth rate of 4.2%. The latest report for the 2013 calendar year shows that Florida was ranked 13th in the country with personal income growth of 2.9%. This was higher than the national average of 2.6%. Overall, however, economic indicators such as GDP, personal income, consumer spending, inventories and even foreclosures are moving in the right direction.

Florida's unemployment rate has been falling consistently from its peak of 12.3% in March of 2010 to 6.7% in September of 2013. Broward County fared slightly better during this period, with unemployment reaching 10.6% in mid-2010, before reaching the current rate of 5%. To a great extent, the slow recovery in the jobs sector is related to the outlook for Florida's housing market. According to EDR building permit activity, an indicator of new construction, is back in positive territory, showing strong (36.6%) calendar year growth in 2012. While still strong, data for the 2013 calendar year indicates that the increase in permits (33.4%) was slightly below the prior year. Despite the

strong percentage growth in both years, the level is still low by historic standards. Data for the first three calendar months of 2014 indicate significant slowing in activity. Year-to-date activity for single-family residences is essentially equal to last year.

The City of Hallandale Beach unemployment rate has dropped from 8.2% in December of 2012 to 5.8% in December 2013, according to the US Bureau of Labor Statistics. To a great extent, the recovery in the jobs sector is related to the outlook for Florida's housing market.

The City of Hallandale Beach has seen an increase in building permit submissions locally, with permit applications increasing 1% from FY 2012. In addition, the year ending September 2013 marked the second fiscal year since the start of the recession that the City of Hallandale Beach noted an increase in property tax values. The 6.93% increase in FY2013, combined with new large scale development projects moving through the review process, shows hope full signs for continued modest increases in the City's tax base in the upcoming fiscal years.

Economic Incentives

In 1996, the City Commission established the Hallandale Beach Community Redevelopment Agency 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 few years, the CRA has advanced many projects, plans and programs to keep the commercial and residential renaissance going strong. Tax Increment Financing (TIF) incentivized the Village at Gulfstream Park, a redevelopment project featuring a racetrack, casino and approximately 375,000 square feet of lifestyle and entertainment space featuring upscale shops and specialty stores, and 70,000 square feet of office space.

The CRA's Down Payment Assistance/Affordable Housing Program assists homebuyers with the cost of construction of a new single family home or the purchase of an existing home, condominium or townhouse. This program was vital in providing homeownership opportunities to 13 new homeowners during FY13. In addition, through its participation in the Neighborhood Stabilization Program (NSP-1), the City has been able to rehabilitate a foreclosed, seven-unit townhome complex, named Carver Heights, and make these units available for workforce housing in partnership with the CRA. Through its partnership with Habitat for Humanity, the City has demolished and will be redeveloping seven townhomes located at 133 NW 1st Ave., thereby increasing availability of quality affordable housing in the area while reducing blight.

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 CRA, in cooperation with 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, and 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. Finally, in partnership with the City of Hallandale Beach and local businesses and developers, the CRA has been instrumental in offering incentives for workforce training and utilization of local workforce and businesses.

Initiatives and Highlights of the Current Fiscal Year 2013

Fiscal Year 2013 was a year of continued challenge for City government, in which a number of initiatives and projects already underway in the previous year continued or accelerated. Some of the projects, and a number of new initiatives started during FY 2013 will continue to be addressed in FY 2014 and beyond.

Some of the more notable achievements that were accomplished during this year are listed below:

Enterprise System Replacement: Completed the first phase of the Enterprise Resource Planning (ERP) implementation with the evaluation, selection and award of the ERP Project to Tyler Technologies. The new system will integrate internal and external management information across the entire organization embracing finance/accounting, procurement, utility services, and customer relationship management. The purpose of the system is to facilitate the flow of information between all business functions inside the City and manage the connections to outside entities and customers.

Enhanced Lifeguard Services: Implemented expanded lifeguard protection citywide including three new lifeguard stations being added to increase coverage to all areas along the City's waterfront. Additionally, 12 full-time and part-time positions were added to protect and offer classes and programs at the City's Municipal Pool located at Bluesten Park. Prior to this year's budget, the City contracted for beach and pool lifeguard services.

Parks Master Plan – Began construction of BF James, Joe Scavo, and South Beach Parks. All of which incorporate a well-defined Community Benefit Component.

New City Marina – Completed construction of a new $1.2 million, 30-slip marina. Constructed in partnership with the Broward Boating Improvement Program and the Florida Inland Navigational District (FIND), Hallandale Beach City Marina is the southern-most public dockage in Broward County. Situated on the DeSoto Waterway, just north and west of the Intracoastal Waterway, the marina offers easy access to inland waters and the Atlantic Ocean. The marina is located midway between the Haulover Inlet and the inlet at Port Everglades.

Hazard Mitigation Grant Program – Northeast/Southwest Drainage Improvement Project – secured additional grant funding from the Federal Emergency Management Administration (FEMA) for a regional flood control project which includes the NE and SE quadrants drainage basins of the City, and commenced construction in the northeast quadrant of the City. The drainage project consists of pump stations, baffle boxes, and additional collection systems to direct stormwater to deep wells to reduce the pollutant levels and improve drainage in these sections of the City, thereby increasing property values, safety and quality of life of our residents.

Improved Fire Department ICS Rating – The Fire Department was successful in improving the ICS rating of the City from Level 3 to Level 2, which ultimately results in insurance savings for our residents.

Enhanced Median Maintenance – Reorganized the Landscape Maintenance Division thereby improving level of service. Through reorganization and investment in new technology the Median Maintenance Cycle time has decreased from every 28 days to every 7-10 days citywide.

Police Initiatives – Implemented new neighborhood programs aimed to increase interaction between members of the police department, both management and patrol staff and the community.

New City Logo – Approved a new City logo, as part of the City's branding project. The City's brand and new logo will be the economic development tool, to not only attract business development but increase tourism as well.

Community Benefit Plan - The City of Hallandale Beach's Community Benefit Plan was named as one of the top five Livable City programs in the nation by the U.S. Conference of Mayors in May 2013. The Community Benefit Plan requires contractors on municipal capital construction projects to hire City residents and utilize City-based businesses. The Mayor and City Commission instituted this plan to ensure the entire community benefits from any project built with City funds or City participation.

The City of Hallandale Beach was named a Playful City USA Community, identified as having made a commitment to play and physical activity by developing a unique local action plan to increase the quantity and quality of play in the community.

For the second consecutive year, the City of Hallandale Beach's Water Treatment plant operation has been named Broward County Utility of the Year by the regional Florida Water & Pollution Control Operators Association (FWPCOA). The annual award is presented to the operators of the treatment plant that has an exemplary record and does the most to advance the standards of the Association. The association includes large and small government and private treatment plants throughout Broward, Miami-Dade and Monroe Counties.

Major Initiatives – Future Years

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."

In January of 2013, the City Commission met and established nine strategic priorities. These priorities are designed to address serious economic, social, and organizational challenges in order to meet Community expectations and build on the Community's strengths.

The Commission determined the following strategic priorities:

- Create Local Jobs and a Business Friendly Environment
- Promote Quality Economic Development
- Improve Functionality and Affordability of City Infrastructure
- Operational Excellence
- Improve Safety Security and Comfort of Residents
- Establish a Cohesive Visual Appeal Citywide
- Maintain a Civil and Respectful Government
- Improve Quality of Life and Services
- Become a Vibrant Destination

Capital Outlay and Improvements

For FY 2014, there is $7.1 million in new City funding provided for capital improvement projects. The largest portion, almost $3.6 million, is for Facility Improvement Projects, including redevelopment of B.F. James, Joseph Scavo and

South Beach Parks, replacement of the City's computer system, and planning phase costs for a new main fire station. Two million dollars has been budgeted for Transportation Improvement Projects, including sidewalk and lighting improvements at A1A and Layne Blvd., Complete Streets, and Way finding. Sanitary Sewer Projects are budgeted at $1.06 million, Water Improvement Projects are budgeted at $269,000 and Stormwater Projects at $130,958.

The City Commission continues the implementation of the long-range parks improvement program for citywide parks. For FY14, the City will be holding a referendum for the approval of a General Obligation Bond in order to fund the completion of the adopted Parks Master Plan.

Long-term Financial Planning

Each year, the City Commission adopts a financial plan which projects revenue, expenditures and fund balances for major funds 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, national and regional economies, the City of Hallandale Beach has faced a number of challenges in recent years. Although current indicators are more promising, there will be more obstacles ahead. The City of Hallandale Beach, led by the City Commissioners, stands ready to meet those challenges.

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 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, 2012. This was the 31th consecutive year that the City has achieved this prestigious award. 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 27 consecutive years. 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 Acting Director of Finance Robert Fraidenburg. Special recognition is given to Melissa Cruz, Controller, Laura Thezine, Chief Accountant, Susie Balgobin, Accountant III and David Friedman, Accountant II. The financial results of one year of those efforts are shown in this report. We extend our appreciation to the City Commission and to the Department Directors and their respective staffs for their assistance and cooperation throughout the year.

Respectfully submitted,

Renee C. Miller
City Manager

Robert D. Fraidenburg
Acting Director of Finance

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

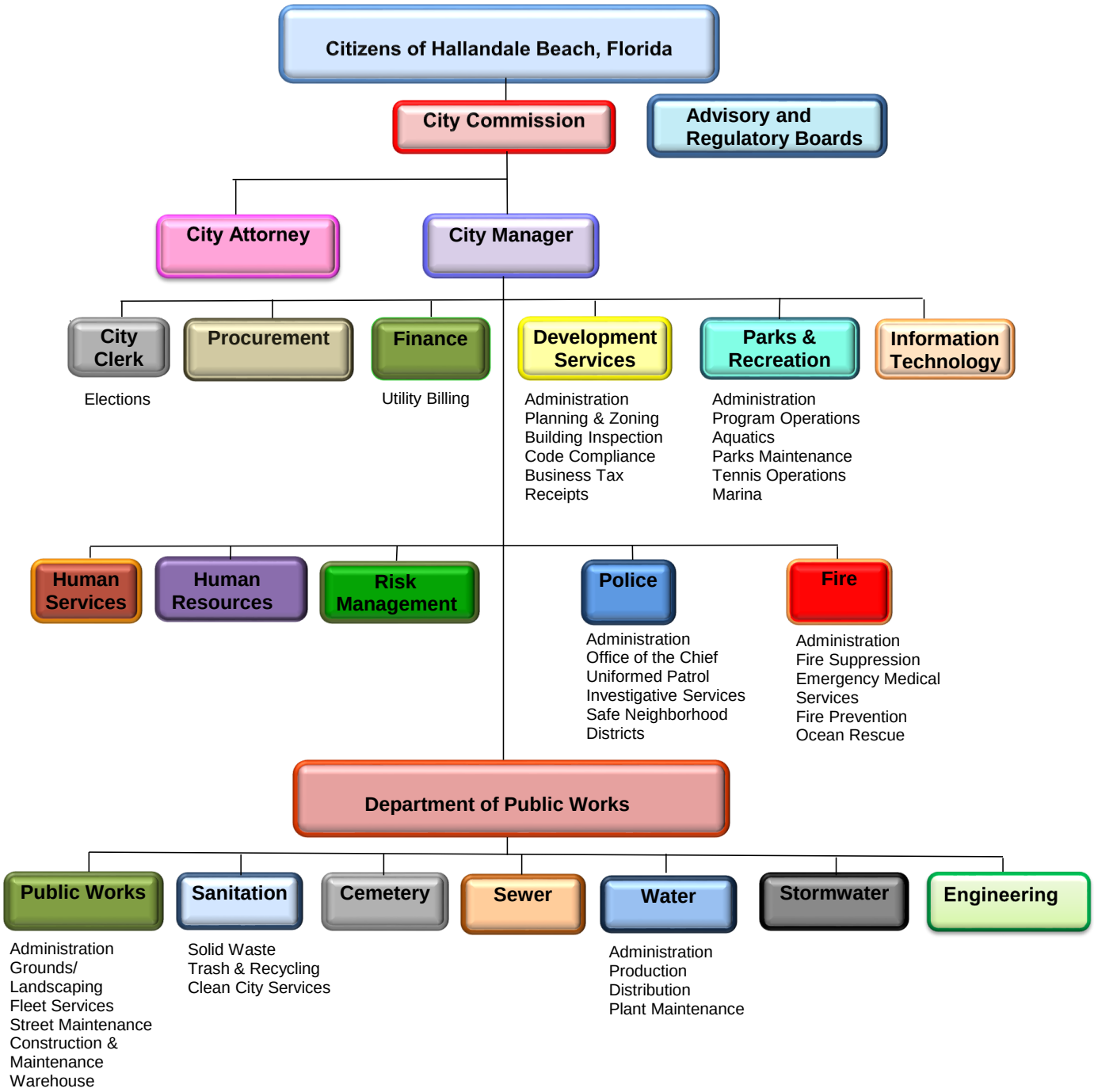
City of Hallandale Beach
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2012

Executive Director/CEO

CITY OF HALLANDALE BEACH ORGANIZATIONAL CHART



CITY OF HALLANDALE BEACH, FLORIDA

List of City Officials

September 30, 2013

Title	Name
Elected Officials	
Mayor	Joy Cooper
Vice-Mayor	Alexander Lewy
Commissioner	William Julian
Commissioner	Michele Lazarow
Commissioner	Anthony Sanders
Appointed Officials	
City Manager and CRA Executive Director	Renee C. Miller
Deputy City Manager	Nydia Rafols Sallaberry
Deputy City Manager/CRA Director	Daniel Rosemond
Assistant City Manager	Jennifer Frastai
City Attorney	Lynn V. Whitfield
City Clerk	Sheena James
Chief Financial Officer	Vacant
Chief Information Officer	Tom Amburgey
Director of Development Services	Charles Wu
Director of Human Resources/Labor Relations	George Amiraian
Director of Human Services	Marian McCann-Collie
Director of Parks and Recreation	Cathleen Schanz
Director of Procurement	Andrea Lues
Director of Public Works, Utilities and Engineering	Steven Parkinson
Fire Chief	Daniel Sullivan
Police Chief	Dwayne Flournoy
Risk Manager	James Buschman

Hallandale Beach

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Financial Section

Hallandale Beach

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Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Hallandale Beach, Florida (the City), as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Police Officers' and Firefighters' Personnel Retirement Trust, which represents 59%, 62% and 64%, respectively, of the assets, fund balance/net position and revenues/additions of the aggregate remaining fund information. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinions, insofar as they relate to the amounts included for the Police Officers' and Firefighters' Personnel Retirement Trust are based upon the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Audit 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor

MARCUMGROUP
MEMBER

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

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to previously 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, 2013, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 1 to the financial statements, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* as of October 1, 2012. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 17, the budgetary comparison schedules on pages 71 through 72, and the schedules of funding progress and employer contributions on page 74 through 75 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 and the other auditors do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 2, 2014 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

Marcum LLP

Fort Lauderdale, FL
June 2, 2014

Hallandale Beach

PROGRESS. INNOVATION. OPPORTUNITY.

Management's Discussion and Analysis

This section of the report presents our discussion and analysis of the City's performance during the fiscal year that ended September 30, 2013. Please read it in conjunction with the City's financial statements, which follow this section.

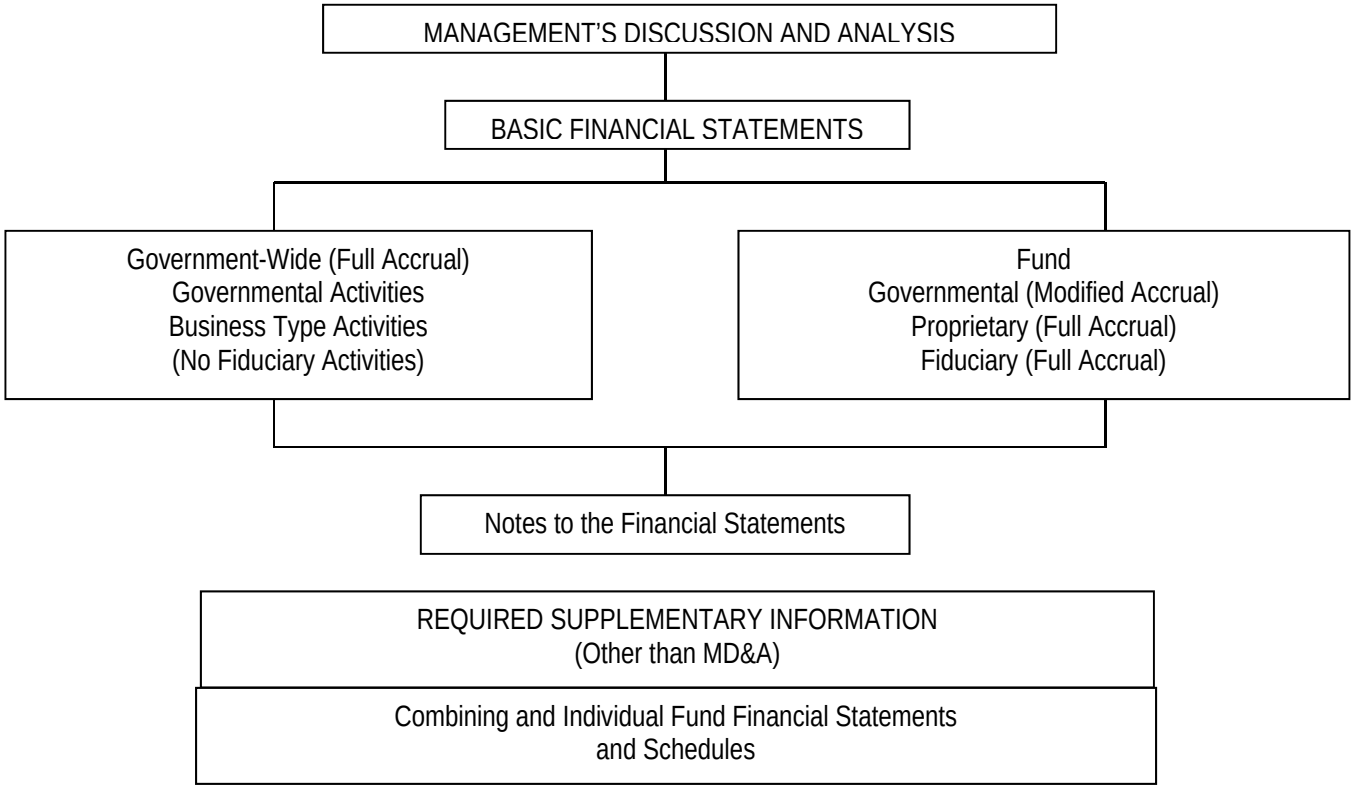
Financial Highlights

- The assets of the City of Hallandale Beach exceeded its liabilities at the close of the most recent fiscal year by $164.6 million (net position). Of this amount, $72.9 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased $7.0 million over the course of this year's operations. Net position of governmental activities decreased by $1.3 million, while the net position of business type activities increased by $8.3 million.
- The City's governmental funds reported combined ending fund balances of $49.7 million, a reduction of $6.2 million which includes a prior period adjustment of $.4 million related to a write off of HBCRA receivables (see Note 15).
- At the end of the current fiscal year, unassigned fund balance for the General fund was $18.7 million, or 40.3% of total General fund expenditures, an increase from the 33.1% in the previous year.

Overview of the Financial Statements

The financial section of this Annual report consists of the following—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



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 position Statement of activities	Balance sheet Statement of revenue, expenditures, and changes in fund balances	Statement of net position Statement of revenue expenses, and changes in net position Statement of cash flows	Statement of fiduciary net position Statement of changes in fiduciary net position
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.

The City's government-wide financial statements include the statement of net position 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 Position* 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 position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Although the purpose of the City is not to accumulate net position, 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.

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 position presented in the governmental activities column on the statement of net position. 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 position as reported in the governmental activities column in the statement of activities.

Proprietary funds. Financial statements consist of a statement of net position, statement of revenue, expenses, and changes in net position 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. 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 position and a statement of changes in fiduciary net position.

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 its major special revenue fund to demonstrate compliance with this budget. Required supplementary information is also presented for the City's pension plans and other post-employment benefits, including schedules of funding progress and schedules of employer contributions.

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

Government-Wide Financial Analysis

The table below presents a summary of net position as of September 30, 2013 and 2012, derived from the government-wide Statement of Net Position:

	Net Position (in thousands)					
	Governmental Activities		Business - Type Activities		Total	
	2013	2012	**2013**	2012	**2013**	2012
Current and other assets	**$ 72,115**	$ 70,273	**$ 44,118**	$ 40,060	**$ 116,233**	$ 110,333
Capital assets	**67,628**	64,482	**37,338**	34,347	**104,966**	98,829
Total assets	**139,743**	134,755	**81,455**	74,407	**221,199**	209,162
Long-term liabilities	**35,947**	32,549	**9,582**	9,938	**45,529**	42,487
Other liabilities	**6,278**	2,962	**4,840**	5,739	**11,118**	8,701
Total liabilities	**42,225**	35,511	**14,422**	15,677	**56,647**	51,188
Net position:						
Invested in capital assets, net of related debt	**42,885**	48,484	**28,361**	24,702	**71,246**	73,186
Restricted	**20,409**	25,446	**-**	-	**20,409**	25,446
Unrestricted	**34,225**	25,314	**38,673**	34,028	**72,897**	59,342
Total net position	**$ 97,518**	$ 99,244	**$ 67,033**	$ 58,730	**$ 164,552**	$ 157,974

As noted earlier, net position 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 $164.6 million.

The City's total net position is divided among unrestricted, at 44.3%, representing resources that are available for spending, and net investment in capital assets at 43.3% with the remaining 12.4% restricted for specific purposes. Net investment in capital assets 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 the net position is not available for future spending. Although the net investment in 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 position, 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 position increased from operations by $7.0 million during the current fiscal year. This contrasts with the $3.5 million decrease in net position in the prior year. This $10.5 million variation is a result of a $9.4 million increase in revenues offset by a $1.1 million decrease in expenditures. Governmental activities resulted in an excess of expenses over revenues of $1.3 million, with general and program revenues of $63.6 million compared to program expenses and transfers of $64.9 million. Net position of business-type activities increased $8.3 million, with general and program revenues of $36.9 million compared to program expenses and transfers of $28.6 million.

The City's investments decreased $10.6 million as $12.7 million in investments was transferred to bank accounts. Accounts receivable increased $.7 million, and amounts due from other governments increased by $1.8 million, as the City did not receive reimbursement for federal grant expenditures. Assets held for resale decreased $2.0 million due to the sale of 20 affordable housing units in Highland Park Village and Carver Heights.

As previously noted, net position of business-type activities increased $8.3 million, which is $5.6 million more than the addition to net position in the previous year. The $8.3 million increase in net position is a result of the $2.6 excess of revenue over expenses in Water and Stormwater fund operations, or $2.8 million and $220,000 respectively, offset by deficits of $234,000, $69,000, $35,000 and $10,000 in the Sewer, Sanitation, Cemetery and Marina funds, respectively. In addition, there was $4.8 million in capital contributions of $3.9 million, $530,000 and $402,000 in the Stormwater, Sewer and Water funds, respectively. The capital contribution to the Stormwater fund is for drainage improvements.

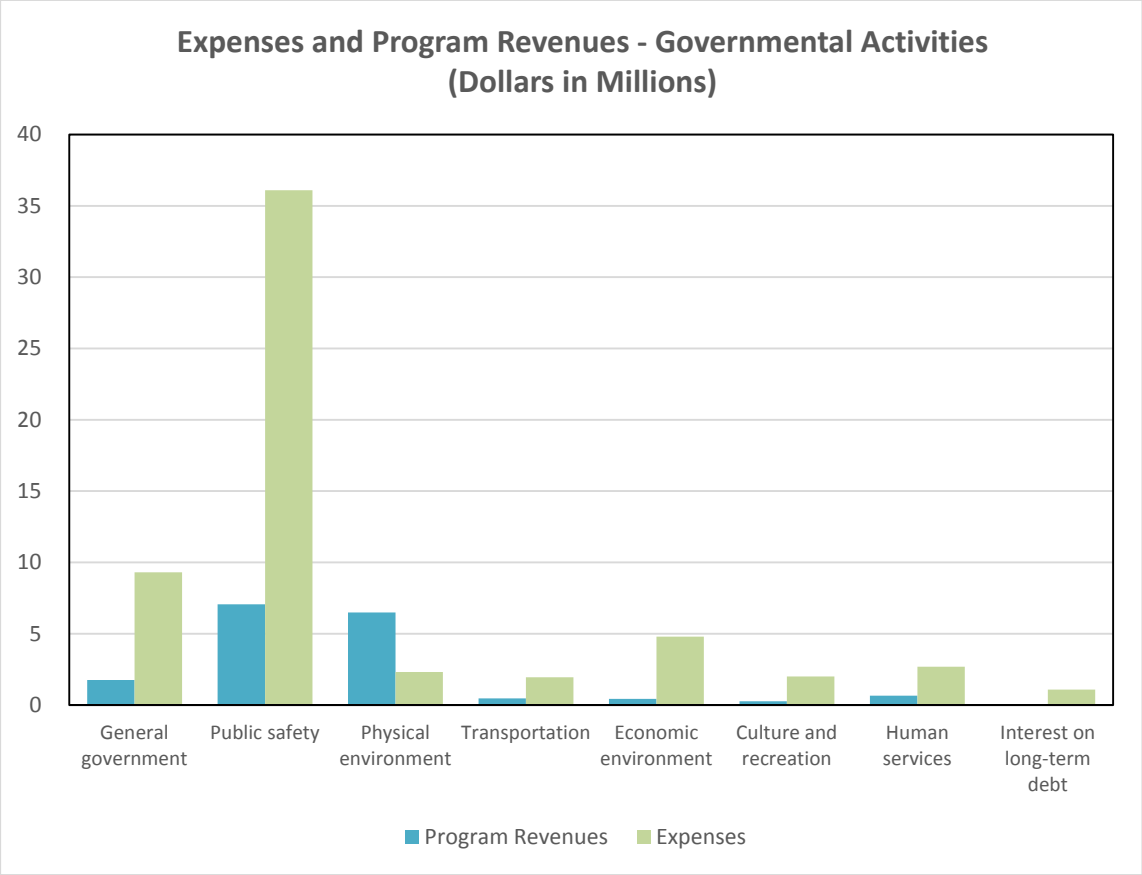
The table below presents a summary of changes in net position for the years ended September 30, 2013 and 2012, as derived from the government-wide Statement of Activities:

	Changes in Net Position (in thousands)					
	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	$ 13,226	$ 8,848	$ 30,786	$ 29,129	$ 44,012	$ 37,977
Operating grants and contributions	901.04	1,589	-	-	901	1,589
Capital grants and contributions	2,999	1,697	933	11	3,931	1,708
General Revenues:						
Property taxes	20,579	20,600	-	-	20,579	20,600
Other taxes	11,110	11,072	220	213	11,330	11,285
Other revenues	14,786	12,780	243	430	15,030	13,210
Total revenues	63,601	56,586	32,182	29,783	95,783	86,369
Expenses:						
General government	9,302	11,530	-	-	9,302	11,530
Public safety	36,091	34,941	-	-	36,091	34,941
Physical environment	2,312	2,507	-	-	2,312	2,507
Transportation	1,943	1,221	-	-	1,943	1,221
Economic environment	4,798	6,820	-	-	4,798	6,820
Culture and recreation	2,005	2,622	-	-	2,005	2,622
Human services	2,684	1,215	-	-	2,684	1,215
Interest	1,078	1,068	-	-	1,078	1,068
Nonmajor	-	-	277	253	277	253
Sanitation	-	-	5,267	4,775	5,267	4,775
Sewer	-	-	11,937	12,641	11,937	12,641
Stormwater	-	-	1,769	1,678	1,769	1,678
Water	-	-	9,351	8,640	9,351	8,640
Total expenses	60,213	61,924	28,600	27,987	88,813	89,911
Changes in net position before transfers	3,388	(5,338)	3,582	1,796	6,970	(3,542)
Transfers	(4,721)	(914)	4,721	914	-	-
Change in net position	(1,333)	(6,252)	8,303	2,710	6,970	(3,542)
Net position, beginning, as restated	98,852	105,496	58,730	56,020	157,582	161,516
Net position, ending	$ 97,518	$ 99,244	$ 67,033	$ 58,730	$ 164,552	$ 157,974

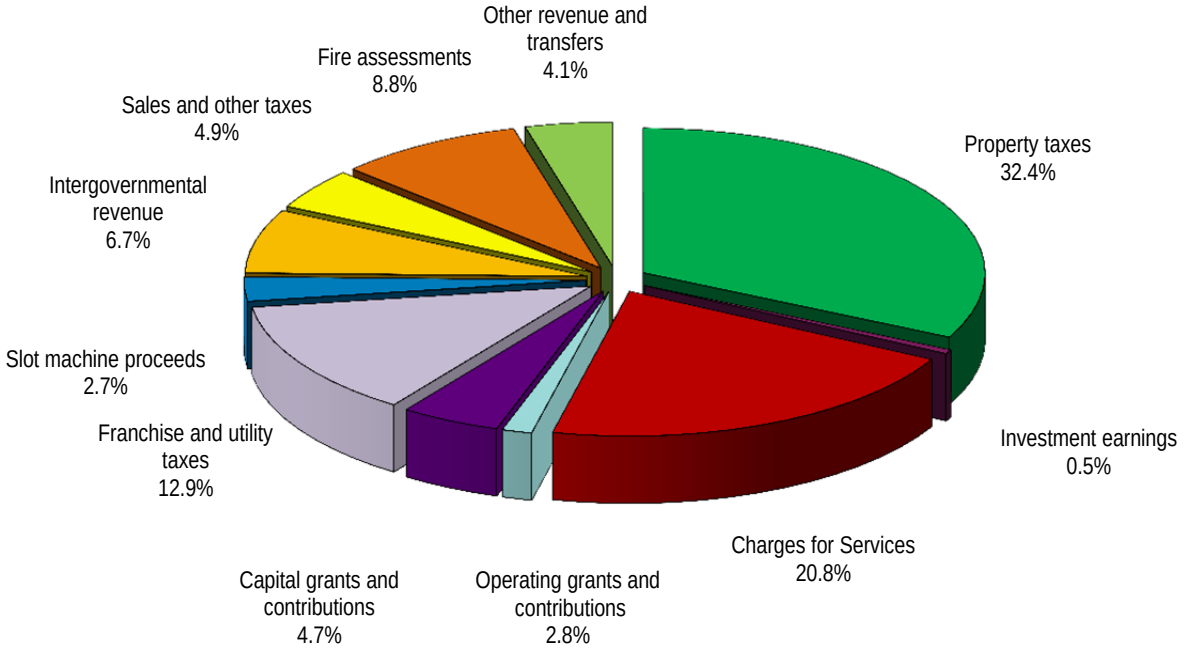
Governmental activities

Governmental activities reduced the City of Hallandale Beach's net position by $1.3 million. This is in contrast to the $6.3 million reduction in net position in the prior fiscal year. Key elements to this change in net assets are as follows:

- At 32.4% of governmental activities revenues, the largest component was property taxes in the amount of $20.6 million, a decrease of $.02 million or 0.1% from the prior fiscal year. Despite a 3.1% increase in the City's taxable assessed valuation, this decrease was caused by the decrease in the millage rate to 5.6833 compared to 5.9000 in the prior year.
- Intergovernmental revenue, comprised of both program and general revenues, totaled $8.4 million, a $1.3 million increase related mainly to operating grants pertaining to economic environments;
- Charges for services increased $4.4 million or 49.5% from the prior year, due primarily to a 34.4% increase in administrative charges, a 49.3% increase in revenue from licenses and permits as well as a 14.7% increase in revenue from fines and forfeitures;
- Public safety expenses, at 59.9% of governmental expenses, increased $1.1 million to $36.1 million, or 3.3% more than the previous year.



Revenues by Source - Governmental Activities

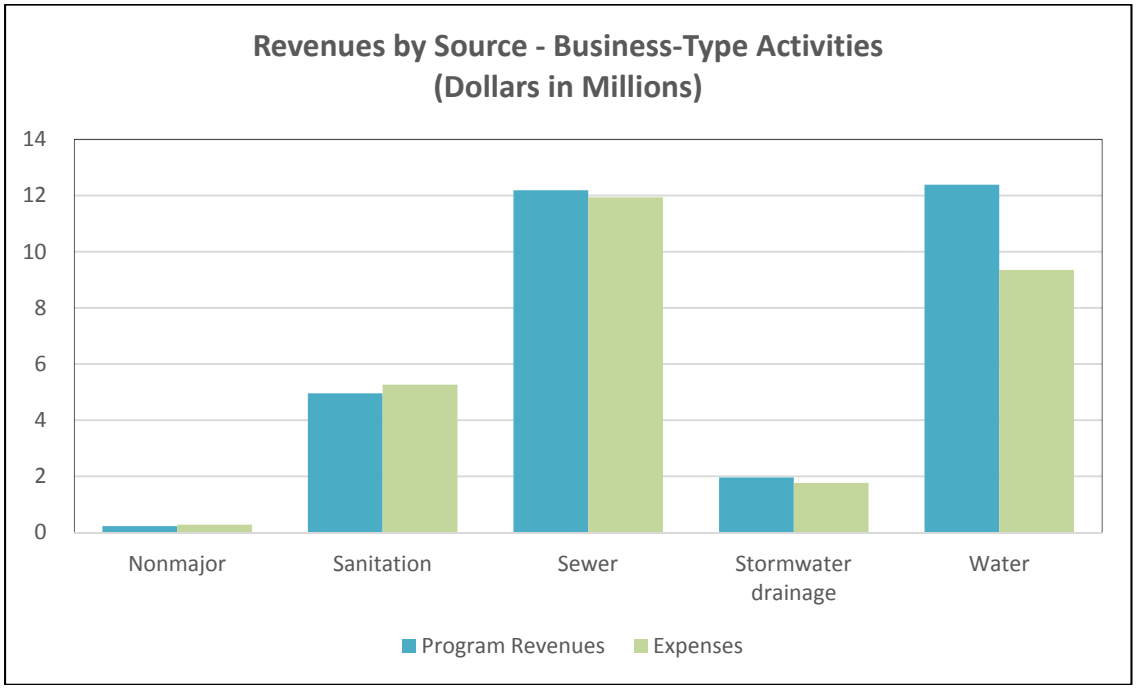


Business-type activities

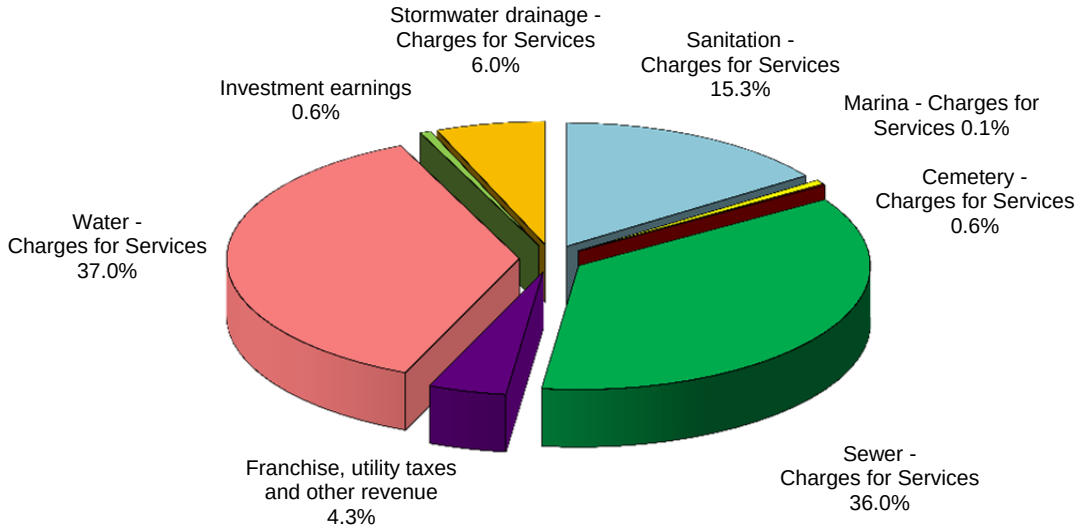
Business-type activities increased the City's net position by $8.3 million, or $5.6 million more than the previous year. Key elements of this increase are as follows:

- Water fund program revenues, including capital contributions, exceeded expenses by $3.0 million. Charges for services and capital contributions increased by $.3 million each, while operating expenses increased by $.7 million, for flat operating income compared to the prior year;
- Sewer fund program expenses exceeded revenues by $.3 million, or $2.6 million more than the previous year, mainly due to significantly high wastewater treatment costs in the prior year offset by a current year increase in charges for services by $1.4 million;
- Stormwater Drainage fund program revenues exceeded program expenses by $.2 million, and was flat compared to the prior year. There was a $.1 million increase in operating expenses;
- Sanitation fund program expenses exceeded program revenues by $.3 million, or $.5 million more than the previous year;
- Investment income was $193,000, or $180,000 less than in the prior year due mainly to the transfer from investments to cash in the Hallandale Beach Community Redevelopment Agency (HBCRA).

In fiscal year 2013, the City established a new enterprise fund, the Marina fund to account for the Marina dock operations, including dock rental and supplies and maintenance of the docks.



Revenues by Source - Business-Type Activities



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 $49.7 million, a decrease of $5.8 million from the prior year's restated ending fund balance. The fund balance is categorized to indicate whether it is not available for new spending because it represents resources that are non-spendable ($361,000), that are restricted for debt service and other purposes ($16.3 million), that have already been assigned for subsequent year's expenditures ($8.4 million), that have been assigned for the purchase of capital and equipment ($2.7 million), that have been assigned for other purposes ($4.1 million), or that are unassigned ($17.8 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 $18.7 million. This is a $3.6 million or 23.9% increase when compared with the prior year. 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 40.5% of total General fund expenditures and transfers out, while total fund balance represents 55.9% of that same amount.

The fund balance of the City's General fund increased by approximately $1.6 million during the current fiscal year. In contrast, the previous year's fund balance decreased by $2.3 million. Key factors of the current fiscal year increase are as follows:

- A $2.9 million increase in charges for services, mainly due to $1.3 million in higher administrative charges and $1.3 million in new revenue from the HBCRA to support the FY13 Police, Development Services and Parks MOU programs;
- A $1.0 million increase in licenses and permits;
- A $.3 million increase in fines and forfeitures;
- A $.9 million increase in fire assessments;
- A $.8 million decrease in expenditures for capital outlay;
- A $.3 million decrease in expenditures for physical environment.

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

- A $.3 million or 6.3% decrease in franchise taxes;
- A $1.4 million or 4.8% increase in public safety expenditures, mainly due to retroactive payout of COLA for Police in FY13.

The Hallandale Beach Community Redevelopment Agency ("CRA") fund, accounts for the activities of the CRA. The fund balance of the CRA fund decreased from operations by $2.7 million during the fiscal year. The $14.2 million fund balance is allocated among the categories of non-spendable ($35,250), restricted ($10.1 million), assigned to computer equipment ($21,710), and assigned to subsequent year's expenditures ($4.1 million). Comparisons to prior year results include:

- A 5.3% or $192,000 decrease in Tax Increment Financing revenue from outside agencies;
- A .3% or $11,200 decrease in Tax Increment Financing revenue from the General fund (reported as ad valorem taxes);
- Other revenues decreased $127,000 due mainly to non-recurring corrections in the prior year;
- Investment earnings declined by $53,000 or 31.2%;
- Economic environment spending decreased by $2.9 million due mainly to down payment assistance for units at Highland Park Village and funding for NEED program which was paid out in FY12 for $1.7 million and $203,000, respectively. Spending for residential and commercial loan programs decreased by $98,000 and $127,000, respectively. Lastly, there was $95,000 in salary savings.

The fund balance of the Grant Administration fund decreased by $2.8 million. Major expenditures for this fund include:

- $.6 million in operating and $2.7 million in capital grants projects funded by federal grants;
- $.6 million in capital projects funded by local grants
- $39,000 in construction projects and $90,000 in operational programs funded by state grants;
- $1.2 million in capital improvement projects funded from private sources.

The fund balance of the Capital Projects fund decreased by $891,000. Major expenditures for this fund include $2.0 million in principal and interest payments on the 2007A bonds and $792,000 in capital outlay.

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 position was $38.7 million, a $4.6 million increase from the prior year's net position. Net investment in capital assets increased $3.7 million in the current year due to increases in construction in progress and vehicles.

The enterprise funds showed an $8.3 million increase in total net position from the prior year. This consisted of a $2.6 million excess of operating revenues over operating expenses, an $82,000 excess of non-operating revenues over non-operating expenses, and a $5.7 million excess of transfers in and capital contributions over transfers out.

In comparison to the prior year, charges for services were $1.7 million higher in total. All funds except Sanitation and Stormwater recorded higher charges for service, with Sewer revenues reporting the highest increase at $1.4 million. The Water fund experienced a $.3 million increase in charges for service. Capital contributions increased $4.0 million due mainly to a contribution of $3.9 million in the Stormwater fund for drainage improvements. Operating expenses increased by $.7 million due to higher wastewater treatment costs compared to the prior year.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget 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 $3.4 million.

The original and the final budget anticipated $6.6 million and $9.4 million, respectively, to be expended from available fund balance. During the year, however, expenditure and transfers savings compared to the final budget were $8.7 million.

Property taxes fell short of budgetary estimates by $112,000 in current tax collections and applicable discounts. This was offset by $195,000 in penalties and interest that are not budgeted. An additional $3.3 million negative variance

was the result of changing the accounting treatment of the City's TIF payment to the CRA fund, which was formerly shown as ad valorem revenue to the City and an offsetting interfund transfer out.
Charges for services revenue exceeded estimates by $1.5 million due mainly to the annual cost allocation which exceeded budget by $1.9 million, offset by shortfalls in park rental fees of $101,000, fire inspection fees of $74,000 and day camp fees of $36,000.

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 $11.0 million positive variance. Operating expenditures resulted in $1.4 million in budget savings, mainly due to lower expenditures for legal fees, consultants and professional services, Parks outside services, and Development Services outside services. Personal services expenditures reflected a $1.8 million positive variance resulting from position vacancies and lower police and fire contributions.

Capital Assets and Debt Administration

Capital assets. As of September 30, 2013 and 2012, the City had $104.4 and $98.8 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	
	2013	2012	2013	2012	2013	2012
Land	$ 41,909	$ 41,694	$ 1,159	$ 1,159	$ 43,068	$ 42,853
Construction in progress	6,252	3,771	4,609	909	10,861	4,680
Buildings	4,677	5,427	10,945	11,856	15,622	17,283
Improvements other than buildings	2,884	3,139	2,430	2,614	5,314	5,753
Vehicles and equipment	4,963	2,878	1,889	2,018	6,852	4,896
Infrastructure	6,943	7,573	16,306	15,791	23,249	23,364
Total	$ 67,628	$ 64,482	$ 37,338	$ 34,347	$ 104,966	$ 98,829

Major capital asset events during the year included:

- $3.6 million was added to construction in progress for the NE/SW Drainage project,
- $1.1 million was added to construction in progress for BF James park,
- $.6 million was added to construction in progress for Joe Scavo park,
- $2.3 million was spent on City vehicles,
- $.9 million was spent on sewer improvements,
- $.5 million was spent on water distribution upgrades.

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

Long-term debt. As of year-end, the City had $33.5 million in bonded debt and revenue notes outstanding compared to the $29.8 million last year. This increase was the result of both a new $5.1 million note for City vehicles and principal payments made during the year. Of this amount of debt outstanding as of the end of fiscal year 2013, approximately 58.4% was backed by the full faith and credit of the government and the balance was secured by various revenue sources.

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

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	Outstanding Revenue Bonds and Notes (in thousands)					
	Governmental Activities		Business - Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenue bonds and notes	$24,630	$20,535	$ 8,870	$ 9,250	$33,500	$29,785

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

- At September 30, 2013 the unemployment rate for the City was 6.7%, which is an improvement over the 8.9% of a year ago,
- After several years of deflated real estate prices in south Florida in the past five years, business reports suggest that real estate prices have begun to rise as the inventory of available homes has been greatly reduced. South Florida is still experiencing one of the highest foreclosure rates in the nation, which had contributed to the real estate price decline. The reported rise in Broward County home sales and prices indicate that assessed values are likely to rise for tax year 2014. This would be the third 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. The millage rate was adopted at 5.9000 for the fiscal year 2012 budget and at 5.6833 for the fiscal year 2013 budget. For fiscal year 2014, the rate remained at 5.6833, while assessed values were estimated to increase by 6.7%. This is expected to result in approximately a $1.4 million increase in ad valorem taxes.

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 Chief Financial Officer, 400 South Federal Highway, Hallandale Beach, Florida 33009.

Hallandale Beach

PROGRESS. INNOVATION. OPPORTUNITY.

Basic Financial Statements

City of Hallandale Beach, Florida

Statement of Net Position
September 30, 2013

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	$ 40,051,536	$ 8,476,719	$ 48,528,255
Investments	19,389,352	22,276,757	41,666,109
Accounts receivable, net of allowances	5,148,579	4,424,089	9,572,668
Internal balances	(6,008,702)	6,008,702	-
Due from other governments	4,453,315	2,000	4,455,315
Inventory	189,006	527,630	716,636
Assets held for resale	1,177,330	-	1,177,330
Other assets	1,064,517	3,064	1,067,581
Restricted assets:			
Cash and cash equivalents	5,513,031	2,298,729	7,811,760
Unamortized bond issuance costs	339,023	100,078	439,101
Net pension asset	797,982	-	797,982
Capital assets, nondepreciable	48,161,332	5,768,319	53,929,651
Capital assets, net of accumulated depreciation	19,466,605	31,569,302	51,035,907
Total assets	139,742,906	81,455,389	221,198,295
Liabilities and Net Position			
Liabilities:			
Accounts payable and accrued liabilities	5,476,127	3,065,882	8,542,009
Deposits	123,989	1,709,316	1,833,305
Unearned revenue	644,352	-	644,352
Accrued interest	33,078	65,041	98,119
Noncurrent liabilities:			
Due within one year	3,216,880	952,225	4,169,105
Due in more than one year	32,058,681	8,629,502	40,688,183
Net pension obligation	671,303	-	671,303
Total liabilities	42,224,410	14,421,966	56,646,376
Net Position			
Net investment in capital assets	42,885,085	28,360,877	71,245,962
Restricted for community improvements	14,676,957	-	14,676,957
Restricted for debt service	1,000,000	-	1,000,000
Restricted for law enforcement	1,141,365	-	1,141,365
Restricted for transportation	2,638,616	-	2,638,616
Restricted for safe neighborhood districts	951,586	-	951,586
Unrestricted	34,224,887	38,672,546	72,897,433
Total net position	$ 97,518,496	$ 67,033,423	$ 164,551,919

See Notes to Financial Statements.

City of Hallandale Beach, Florida
Statement of Activities
Year Ended September 30, 2013

Functions/Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions
Governmental activities:				
General government	$ 9,302,360	$ 1,757,422	$ -	$ -
Public safety	36,090,885	6,590,862	452,445	14,890
Physical environment	2,311,755	3,559,954	-	2,933,681
Transportation	1,943,482	464,971	-	-
Economic environment	4,797,913	236,280	192,692	-
Culture and recreation	2,004,818	217,661	-	50,063
Human services	2,683,699	398,430	255,906	-
Interest on long-term debt	1,077,816	-	-	-
Total governmental activities	60,212,728	13,225,580	901,043	2,998,634
Business-type activities:				
Nonmajor	276,566	228,663	-	-
Sanitation	5,266,834	4,955,016	-	-
Sewer	11,936,668	11,659,444	-	530,434
Stormwater drainage	1,768,574	1,957,949	-	-
Water	9,351,392	11,984,956	-	402,370
Total business-type activities	28,600,034	30,786,028	-	932,804
Total	$ 88,812,762	$ 44,011,608	$ 901,043	$ 3,931,438
		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		
		Other revenue		
		Transfers		
		Total general revenue and transfers		
		Change in net position		
		Net position - beginning, as previously reported		
		Prior period adjustment		
		Net position - beginning, as restated		
		Net position - ending		

See Notes to Financial Statements

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
$ (7,544,938)	$ -	$ (7,544,938)
(29,032,688)	-	(29,032,688)
4,181,880	-	4,181,880
(1,478,511)	-	(1,478,511)
(4,368,941)	-	(4,368,941)
(1,737,094)	-	(1,737,094)
(2,029,363)	-	(2,029,363)
(1,077,816)		(1,077,816)
(43,087,471)	-	(43,087,471)
-	(47,903)	(47,903)
-	(311,818)	(311,818)
-	253,210	253,210
-	189,375	189,375
-	3,035,934	3,035,934
-	3,118,798	3,118,798
(43,087,471)	3,118,798	(39,968,673)
20,579,051	-	20,579,051
8,221,939	219,766	8,441,705
2,223,139	-	2,223,139
641,564	-	641,564
23,436	-	23,436
5,615,253	-	5,615,253
4,535,621	-	4,535,621
290,816	192,645	483,461
1,718,618	-	1,718,618
2,625,811	50,756	2,676,567
(4,721,160)	4,721,160	-
41,754,088	5,184,327	46,938,415
(1,333,383)	8,303,125	6,969,742
99,244,074	58,730,298	157,974,372
(392,195)	-	(392,195)
98,851,879	58,730,298	157,582,177
$ 97,518,496	$ 67,033,423	$ 164,551,919

City of Hallandale Beach, Florida

Balance Sheet
Governmental Funds
September 30, 2013

	General Fund	Community Redevelopment Agency Fund	Grant Administration Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	$ 5,926,190	$ 20,927,760	$ 328,995	$ 65,582	$ 4,922,595	$ 32,171,122
Investments	16,204,219	268,205	-	-	-	16,472,424
Accounts receivable, net of allowances	3,626,913	1,214,215	503	-	165,744	5,007,375
Due from other funds	600,000	-	-	-		600,000
Due from other governments	1,043,289	-	3,298,426	-	111,600	4,453,315
Restricted cash and cash equivalents	122,007	690	-	5,390,334	-	5,513,031
Inventory	189,006	-	-	-	-	189,006
Assets held for resale	-	1,177,330	-	-	-	1,177,330
Prepaid items	31,107	35,250	105,750	-	-	172,107
Total assets	$ 27,742,731	$ 23,623,450	$ 3,733,674	$ 5,455,916	$ 5,199,939	$ 65,755,710
Liabilities and Fund Balances						
Liabilities:						
Accounts payable and accrued liabilities	500,172	3,039,979	1,070,355	200,941	$ 252,974	$ 5,064,421
Deposits	123,989	-	-	-	-	123,989
Due to other funds	-	6,408,702	-	200,000	-	6,608,702
Unavailable revenue	1,039,882	-	2,568,000	-	-	3,607,882
Unearned revenue	180,083	-	389,359	-	74,910	644,352
Compensated absences	48,936	-	-	-	-	48,936
Total liabilities	1,893,062	9,448,681	4,027,714	400,941	327,884	16,098,282
Fund Balances:						
Non-spendable:						
Prepaid items	31,107	35,250	105,750	-	-	172,107
Inventory	189,006	-	-	-	-	189,006
Restricted:						
Assets held for resale	-	1,177,330	-	-	-	1,177,330
Long-term receivable	-	1,214,215	-	-	-	1,214,215
Community Redevelopment	-	7,672,300	-	-	-	7,672,300
Debt service	-	-	-	1,000,000	-	1,000,000
Developer agreements	-	-	502,188	-	-	502,188
Law enforcement	-	-	-	-	1,141,365	1,141,365
Transportation	-	-	-	-	2,638,616	2,638,616
Safe neighborhood districts	-	-	-	-	951,586	951,586
Assigned:						
Fire equipment	1,096,591	-	-	-	-	1,096,591
Computer equipment	265,339	21,710	-	-	-	287,049
Police outside services	-	-	-	-	140,488	140,488
Police vehicles and radios	1,040,897	-	-	-	-	1,040,897
Enterprise system	150,000	-	-	-	-	150,000
Capital projects fund	-	-	-	4,054,975	-	4,054,975
Subsequent year's expenditures	4,356,142	4,053,964	-	-	-	8,410,106
Unassigned:						
General fund	18,720,587	-	-	-	-	18,720,587
Special revenue funds	-	-	(901,978)	-	-	(901,978)
Total fund balances	25,849,669	14,174,769	(294,040)	5,054,975	4,872,055	49,657,428
Total liabilities and fund balances	$ 27,742,731	$ 23,623,450	$ 3,733,674	$ 5,455,916	$ 5,199,939	$ 65,755,710

See Notes to Financial Statements.

City of Hallandale Beach, Florida

Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position September 30, 2013

Total fund balance - governmental funds		$ 49,657,428
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		
Governmental capital assets	116,056,695	
Less accumulated depreciation	50,586,040	
		65,470,655
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		797,982
Net pension obligation		(671,303)
Revenues that do not meet the availability criteria are reported as unavailable revenue in the fund financial statements; these amounts are reported as revenue in the government-wide statements.		3,607,882
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Bond premium	(207,461)	
Bonds and notes payable	(19,597,768)	
Compensated absences	(3,869,975)	
		(23,675,204)
Bond issuance costs are treated as expenditures in the governmental funds, but are deferred to future periods in the statement of net position and amortized over the life of the bonds.		291,023
Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The net position of internal service funds are reported with governmental activities.		2,040,033
Net position of governmental activities		$ 97,518,496

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, 2013

	General Fund	Community Redevelopment Agency Fund	Grant Administration Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Property taxes	$ 16,710,250	$ 3,380,611	$ -	$ -	$ 488,190	$ 20,579,051
Charges for services	8,660,627	23,654	-	-	1,333,642	10,017,923
Utility taxes	4,123,076	-	-	-	-	4,123,076
Intergovernmental	3,173,638	3,618,978	2,007,854	-	910,970	9,711,440
Franchise taxes	4,097,364	-	-	-	-	4,097,364
Licenses and permits	2,328,869	-	-	-	-	2,328,869
Fines and forfeitures	912,550	-	-	-	163,629	1,076,179
Fire assessments	5,615,253	-	-	-		5,615,253
Investment earnings	101,913	117,018	-	3,784	23,290	246,005
Slot machine proceeds	1,718,618	-	-	-	-	1,718,618
Other revenues	540,754	220,298	1,313,180	187	109,433	2,183,852
Total revenues	47,982,912	7,360,559	3,321,034	3,971	3,029,154	61,697,629
Expenditures:						
Current:						
General government	9,159,965	-	44,904	38,911	-	9,243,780
Public safety	31,141,414	1,668,362	528,557	-	2,282,088	35,620,421
Physical environment	2,155,018	-	96,409	-	-	2,251,427
Transportation	-	-	313,524	-	1,323,353	1,636,877
Economic environment	-	3,751,641	927,925	-	-	4,679,566
Human services	1,086,818	-	476,933	-	-	1,563,751
Culture and recreation	2,572,651	-	36,157	89,514	-	2,698,322
Debt service:						
Principal	-	-	-	955,000	-	955,000
Interest	-	-	-	1,030,876	-	1,030,876
Capital outlay	364,022	2,530,904	2,998,633	791,900	336,827	7,022,286
Total expenditures	46,479,888	7,950,907	5,423,042	2,906,201	3,942,268	66,702,305
Excess (deficiency) of revenues over expenditures	1,503,024	(590,348)	(2,102,008)	(2,902,230)	(913,114)	(5,004,676)
Other financing sources (uses):						
Transfers in	78,079	-	362,600	2,010,876	-	2,451,555
Transfers out	(25,000)	(2,348,476)	(1,084,990)	-	(59,114)	(3,517,580)
Sale of cappital assets	65,962	206,446	-	-	-	272,408
Total other financing sources (uses)	119,041	(2,142,030)	(722,390)	2,010,876	(59,114)	(793,617)
Net change in fund balances	1,622,065	(2,732,378)	(2,824,398)	(891,354)	(972,228)	(5,798,293)
Fund balances, beginning, as previously reported	24,227,604	17,299,342	2,530,358	5,946,329	5,844,283	55,847,916
Prior period adjustment	-	(392,195)	-	-	-	(392,195)
Fund balances, beginning, restated	24,227,604	16,907,147	2,530,358	5,946,329	5,844,283	55,455,721
Fund balances, ending	$ 25,849,669	$ 14,174,769	$ (294,040)	$ 5,054,975	$ 4,872,055	$ 49,657,428

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, 2013

Net change in fund balances - total governmental funds		$ (5,798,293)
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	$ 6,577,374	
Capital outlay transferred to proprietary fund	(3,861,982)	
Depreciation expense	(1,874,471)	
		840,921
The net effect of various miscellaneous transactions involving capital assets		149,154
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.		1,435,882
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 position. In the current year these amounts consist of:		
Principal payments on notes		955,000
Amortization of bond issuance costs		(20,786)
Amortization of bond premium		(26,154)
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		(50,349)
Net pension obligation		640,473
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.		(145,450)
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		686,219
Change in net position of governmental activities		$ (1,333,383)

See Notes to Financial Statements.

City of Hallandale Beach, Florida

Statement of Net Position
Proprietary Funds
Year Ended September 30, 2013

	Business-Type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Water Fund	Sewer Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Enterprise Funds	Total	
Assets							
Current Assets:							
Cash and cash equivalents	$ 4,288,800	$ 1,047,439	$ 1,732,817	$ 1,260,267	$ 147,396	$ 8,476,719	$ 7,880,414
Investments	13,741,057	5,306,058	3,175,288	54,354	-	22,276,757	2,916,928
Restricted assets:							
Cash and cash equivalents	1,890,222	16,809	-	100,698	291,000	2,298,729	-
Accounts receivable, net of allowance	1,773,846	1,971,962	474,815	195,032	8,434	4,424,089	141,204
Due from other funds	4,500,000	-	-	1,908,702	-	6,408,702	-
Due from other governments		-	-	2,000	-	2,000	-
Inventory	117,321	-	-	-	410,309	527,630	-
Other assets	3,064	-	-	-	-	3,064	892,410
Total current assets	26,314,310	8,342,268	5,382,920	3,521,053	857,139	44,417,690	- 11,830,956
Noncurrent Assets:							
Deferred charges	55,869	14,842	-	29,367	-	100,078	48,000
Capital assets:							
Land	743,777	40,047	-	-	375,478	1,159,302	-
Construction in progress	182,271	-	-	4,426,746	-	4,609,017	-
Buildings and improvements	20,359,741	694,999	151,276	24,203	-	21,230,219	-
Improvements other than buildings	3,432,703	38,168	-	126,439	150,673	3,747,983	-
Vehicles and equipment	4,676,573	1,791,399	3,313,497	504,528	44,899	10,330,896	2,288,277
Infrastructure	11,210,157	24,843,992	-	13,850,480	-	49,904,629	-
Total capital assets	40,605,222	27,408,605	3,464,773	18,932,396	571,050	90,982,046	2,288,277
Less accumulated depreciation	(22,215,431)	(22,267,029)	(2,754,397)	(6,237,496)	(170,072)	(53,644,425)	(130,995)
Net capital assets	18,389,791	5,141,576	710,376	12,694,900	400,978	37,337,621	2,157,282
Total noncurrent assets	18,445,660	5,156,418	710,376	12,724,267	400,978	37,437,699	2,205,282
Total assets	44,759,970	13,498,686	6,093,296	16,245,320	1,258,117	81,855,389	14,036,238

See Notes to Financial Statements.

City of Hallandale Beach, Florida

Statement of Net Position
Proprietary Funds
Year Ended September 30, 2013

	Business-Type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Water Fund	Sewer Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Enterprise Funds	Total	
Liabilities and Net Position							
Current liabilities:							
Accounts payable and accrued liabilities	592,194	2,341,160	103,826	14,486	14,216	3,065,882	411,706
Due to other funds	-	400,000	-	-	-	400,000	-
Accrued interest	36,100	9,086	-	19,855	-	65,041	33,078
Payable from restricted assets:							
Deposits	1,709,316	-	-	-	-	1,709,316	-
Compensated absences	152,000	35,700	64,625	2,275	12,625	267,225	25,724
Accrued claims for self-insured risks	-	-	-	-	-	-	781,544
Current portion of bonds and notes payable	383,865	105,681	-	195,454	-	685,000	610,000
Total current liabilities	2,873,475	2,891,627	168,451	232,070	26,841	6,192,464	1,862,052
Noncurrent liabilities:							
Compensated absences	165,000	24,000	88,875	675	19,125	297,675	40,125
Accrued claims for self-insured risks	-	-	-	-	-	-	1,555,246
Accrued other post-employment benefits	-	-	-	-	-	-	4,098,782
Bonds and notes payable	4,632,071	1,184,919	-	2,514,837	-	8,331,827	4,440,000
Total noncurrent liabilities	4,797,071	1,208,919	88,875	2,515,512	19,125	8,629,502	10,134,153
Total liabilities	7,670,546	4,100,546	257,326	2,747,582	45,966	14,821,966	11,996,205
Net Position							
Net investment in capital assets	13,369,729	3,865,818	710,376	10,013,976	400,978	28,360,877	(2,844,718)
Unrestricted	23,719,695	5,532,322	5,125,594	3,483,762	811,173	38,672,546	4,884,751
Total net position	$ 37,089,424	$ 9,398,140	$ 5,835,970	$ 13,497,738	$ 1,212,151	$ 67,033,423	$ 2,040,033

See Notes to Financial Statements.

City of Hallandale Beach, Florida

Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year Ended September 30, 2013

	Business-Type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Water Fund	Sewer Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Enterprise Funds	Total	
Operating revenues:							
Charges for services	$ 11,984,956	$ 11,659,444	$ 4,955,016	$ 1,957,949	$ 228,663	$ 30,786,028	$ 1,307,067
Other revenues	25,283	16,029	-	8,126	1,318	50,756	35,929
Total operating revenues	12,010,239	11,675,473	4,955,016	1,966,075	229,981	30,836,784	1,342,996
Operating expenses:							
Cost of sales and services	2,136,045	8,548,137	3,080,253	135,687	63,259	13,963,381	229,007
Personal services	5,489,294	2,926,967	1,889,962	782,728	207,337	11,296,288	916,135
Claims expense	-	-	-	-	-	-	(425,481)
Depreciation	1,543,928	419,564	296,619	743,390	5,970	3,009,471	130,995
Total operating expenses	9,169,267	11,894,668	5,266,834	1,661,805	276,566	28,269,140	850,656
Operating income (loss)	2,840,972	(219,195)	(311,818)	304,270	(46,585)	2,567,644	492,340
Nonoperating revenues (expenses):							
Investment earnings	118,246	27,288	22,858	22,512	1,741	192,645	44,811
Franchise taxes	-	-	219,766	-	-	219,766	-
Amortization expense	(11,689)	(2,790)	-	(5,845)	-	(20,324)	-
Interest expense	(170,437)	(39,210)	-	(100,924)	-	(310,571)	(56,967)
Total nonoperating revenues (expenses)	(63,880)	(14,712)	242,624	(84,257)	1,741	81,516	(12,156)
Income (loss) before contributions and transfers	2,777,092	(233,907)	(69,194)	220,013	(44,844)	2,649,160	480,184
Capital contributions	402,370	530,434	-	3,861,171	-	4,793,975	-
Transfers in	303,800	781,190	-	-	-	1,084,990	225,000
Transfers out	(50,000)	(50,000)	(75,000)	(50,000)	-	(225,000)	(18,965)
Change in net position	3,433,262	1,027,717	(144,194)	4,031,184	(44,844)	8,303,125	686,219
Total net position, beginning	33,656,162	8,370,423	5,980,164	9,466,554	1,256,995	58,730,298	1,353,814
Total net position, ending	$ 37,089,424	$ 9,398,140	$ 5,835,970	$ 13,497,738	$ 1,212,151	$ 67,033,423	$ 2,040,033

See Notes to Financial Statements.

City of Hallandale Beach, Florida

Statement of Cash Flows
Proprietary Funds
Year Ended September 30, 2013

	Business-Type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Water Fund	Sewer Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Funds	Total	
Cash Flows From Operating Activities:							
Cash received from fees and charges	$ 12,071,196	$ 11,481,418	$ 4,966,306	$ 1,984,637	$ 233,326	$ 30,736,883	$ 1,319,006
Cash paid to suppliers for goods, services, claims and administrative charges	(1,877,465)	(9,792,007)	(3,124,086)	(130,442)	(27,760)	(14,951,760)	(1,271,111)
Cash paid to employees for services	(5,479,139)	(2,945,754)	(1,850,006)	(790,412)	(197,692)	(11,263,003)	(219,602)
Cash received from other funds or (paid) to other funds	(4,500,000)	400,000	-	(1,908,702)	-	(6,008,702)	-
Net cash provided (used) by operating activities	214,592	(856,343)	(7,786)	(844,919)	7,874	(1,486,582)	(171,707)
Cash Flows From Noncapital Financing Activities:							
Franchise taxes	-	-	219,766	-	-	219,766	-
Transfers from other funds	303,800	781,190	-	-	-	1,084,990	225,000
Transfers to other funds	(50,000)	(50,000)	(75,000)	(50,000)	-	(225,000)	(18,965)
Net cash provided (used) by noncapital financing activities	253,800	731,190	144,766	(50,000)	-	1,079,756	206,035
Cash Flows From Capital and Related Financing Activities:							
Purchase of capital assets	(599,067)	(956,024)	(547,515)	(35,993)	-	(2,138,599)	(2,288,277)
Proceeds from capital contributions	402,370	530,434	-	-	-	932,804	-
Principal paid on long-term debt	(219,230)	(45,655)	-	(137,005)	-	(401,890)	5,050,000
Interest paid on long-term debt	(182,126)	(40,000)	-	(106,769)	-	(328,895)	(56,967)
Net cash used by noncapital financing activities	(598,053)	(511,245)	(547,515)	(279,767)	-	(1,936,580)	2,704,756
Cash Flows Provided By Investing Activities							
(Purchase) sale of investments	(80,166)	(495,610)	(48,342)	45,122	-	(578,996)	(44,409)
Interest and investment income (loss) received	118,246	27,288	22,859	22,512	1,741	192,646	44,811
Net cash provided (used) by investing activities	38,080	(468,322)	(25,483)	67,634	1,741	(386,350)	402
Net increase (decrease) in cash and cash equivalents	(91,581)	(1,104,720)	(436,018)	(1,107,052)	9,615	(2,729,756)	2,739,486
Cash and cash equivalents, beginning	6,270,603	2,168,968	2,168,835	2,468,017	428,781	13,505,204	5,140,928
Cash and cash equivalents, ending	$ 6,179,022	$ 1,064,248	$ 1,732,817	$ 1,360,965	$ 438,396	$ 10,775,448	$ 7,880,414
Reconciliation to the statement of net position:							
Cash and cash equivalents	4,288,800	1,047,439	1,732,817	1,260,267	147,396	8,476,719	7,880,414
Restricted assets, cash and cash equivalents	1,890,222	16,809	-	100,698	291,000	2,298,729	-
	$ 6,179,022	$ 1,064,248	$ 1,732,817	$ 1,360,965	$ 438,396	$ 10,775,448	$ 7,880,414

(Continued)

See Notes to Financial Statements.

City of Hallandale Beach, Florida

Statement of Cash Flows
Proprietary Funds (Continued)
Year Ended September 30, 2013

	Business-Type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Water Fund	Sewer Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Funds	Total	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating income (loss)	$ 2,840,972	$ (219,195)	$ (311,818)	$ 304,270	$ (46,585)	$ 2,567,644	$ 492,340
Adjustments to reconcile operating income (loss) to net cash provided (used) in operating activities:							
Depreciation expense	1,543,926	419,564	296,619	743,390	5,971	3,009,470	130,995
(Increase) decrease in accounts receivable	(28,127)	(194,055)	11,290	18,562	3,344	(188,986)	(23,990)
Increase in due from other funds	(4,500,000)	-	-	-	-	(4,500,000)	-
(Increase) decrease in inventories	(41,850)	-	-	-	18,275	(23,575)	-
Increase in due from other funds	-	-	-	(1,908,702)	-	(1,908,702)	-
(Increase) decrease in other assets	6,286	1,985	-	4,271	-	12,542	(940,410)
Increase (decrease) in accounts payable and accrued liabilities	294,146	(1,245,855)	(43,834)	974	4,733	(989,836)	435,465
Increase in due to other funds	-	400,000	-	-	-	400,000	
Increase in customer deposits	89,084	-	-	-	-	89,084	-
Increase (decrease) in compensated absences payable	10,155	(18,787)	39,957	(7,684)	22,136	45,777	43,083
Increase in accrued claims for self-insured risks	-	-	-	-	-	-	(962,640)
Increase in accrued liability for other post-employment benefits	-	-	-	-	-	-	653,450
Net cash provided (used) by operating activities	$ 214,592	$ (856,343)	$ (7,786)	$ (844,919)	$ 7,874	$ (1,486,582)	$ (171,707)
Noncash Capital and Related Financing Activities							
Unrealized gain (loss) on investments	$ (33,879)	$ (24,348)	$ (15,603)	$ 11,714	$ -	$ (62,116)	$ -
Contribution of Capital Assets	$ -	$ -	$ -	$ 3,861,171	$ -	$ -	$ -

See Notes to Financial Statements.

City of Hallandale Beach, Florida

Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2013

	Pension Trust Funds	Agency Funds
Assets		
Cash and cash equivalents	$ 7,063,155	$ 1,189,853
Due from others	169,243	-
Interest receivable	196,586	-
Accounts receivable	-	5,969
Due from broker	269,320	-
Investments:		
Mutual funds	119,818	-
Corporate bonds	9,422,400	-
Equity securities	72,499,987	-
U.S. Obligations	9,354,658	-
Hedge funds	17,012,160	-
Insurance company separate account	59,886,802	-
Real estate investment trust	7,620,255	-
Prepaid expense	8,214	-
Total assets	183,622,598	1,195,822
Liabilities		
Accounts payable	137,226	-
Due for securities purchased	559,322	-
Due to others	-	1,195,822
	696,548	1,195,822
Net Position		
Held in trust for pension benefits	$ 182,926,050	$ -

See Notes to Financial Statements.

City of Hallandale Beach, Florida

Statement of Changes in Fiduciary Net Position
Pension Trust Funds
Year Ended September 30, 2013

Additions	
Contributions:	
Employer	$ 11,742,596
Plan members	1,583,689
State of Florida	620,891
Other income	195,549
Total contributions	14,142,725
Investment earnings:	
Interest and dividends	2,258,013
Net increase in fair value of investments	21,606,312
Total investment earnings	23,864,325
Less investment expense	(830,840)
Net investment earnings	23,033,485
Total additions	37,176,210
Deductions	
Benefits	12,752,052
Professional services	161,010
Total deductions	12,913,062
Change in net position	24,263,148
Net position, beginning	158,662,902
Net position, ending	$ 182,926,050

See Notes to Financial Statements.

Hallandale Beach

PROGRESS. INNOVATION. OPPORTUNITY.

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 Beach 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

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. The CRA issues a publicly available financial statement which can be obtained by contacting the CRA's office.

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 position 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 position 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.

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.

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 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, deferred outflows of resources, liabilities, deferred inflows of resources, 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.

GAAP set forth minimum criteria (percentage of the assets and deferred outflows of resources, liabilities and deferred inflows of resources, 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.

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.

Note 1. Summary of Significant Accounting Policies (Continued)

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, general liability insurance and fleet services 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.

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.

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.

Note 1. Summary of Significant Accounting Policies (Continued)

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, 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 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). Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

Accounts receivable are recorded and where appropriate, an associated allowance for uncollectible 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.

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.

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, 2013 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.

Note 1. Summary of Significant Accounting Policies (Continued)

I. Capital Assets

Capital assets, including land, buildings and improvements, infrastructure, vehicles and equipment, and intangibles, 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 are capitalized for financial reporting purposes. 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 2013 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.

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/Unavailable 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, unavailable revenue may also arise if the funds are not received in the availability period; the funds are then not considered a current available resource.

Note 1. Summary of Significant Accounting Policies (Continued)

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 unamortized bond issue costs 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 Position

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 (equally binding), are classified as committed fund balances. These constraints remain binding unless removed or changed in the same manner employed to commit those resources. 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. With the exception of the General fund, this is the residual fund balance classification for all governmental funds with positive balances. Assignments are approved by the City Commission through adoption of the budget. 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.

Net position of the government-wide financial statements and proprietary fund financial statements are categorized as net investment in capital assets, 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 position represent resources that are available for spending.

N. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted resources are available for use, it is the City's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

Note 1. Summary of Significant Accounting Policies (Continued)

O. Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last, unless the City Commission has provided otherwise in its commitment or assignment actions by either ordinance or resolution.

P. 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 position.

Q. 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.

R. 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.

S. 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, deferred outflows of resources and liabilities and deferred inflows of resources, 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.

Note 1. Summary of Significant Accounting Policies (Continued)

T. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for *deferred outflows of resources*. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has no items that qualify for reporting in this category in the current year.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has no items that qualify for reporting in the category in the current year .

U. Implementation of Governmental Accounting Standards Board Statements

The City implemented the following GASB Statements during the year ended September 30, 2013:

GASB Statement No. 62 Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.

This statement incorporates into GASB literature certain accounting and financial reporting guidance contained in Pre-November 30, 1989 FASB and AICPA Pronouncements which does not conflict with GASB pronouncements which had no impact on the financial information in the current year.

GASB Statement No. 63 Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.

This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. It further identifies net position as the residual of all other elements presented in a statement of net position. This statement had an impact by adding new terminology in the current year.

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 City is permitted by state law to levy taxes up to 10 mills of assessed valuation for the General fund. Taxes were levied at 5.6833 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 2012-13 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, 2013, were approximately 99.8% of the total tax levy before applying discounts.

Note 3. Deposits and Investments

Cash and investments of the City consist of the following at September 30, 2013:

Cash and Cash Equivalents:		
Deposits with financial institutions	$ 52,641,840	
Commercial paper	2,096,940	
Money market funds	7,063,155	
Florida PRIME	2,791,088	
	64,593,023	
Investments:		
Corporate notes	6,513,503	
U.S. Government agencies	18,601,145	
U.S. Government treasuries	14,251,557	
Municipal bonds	2,077,029	
SBA Fund B	222,875	
	41,666,109	
Pension trust funds:		
U.S. Government agencies	4,786,147	*
U.S. Government treasuries	4,568,511	*
Corporate bonds	9,422,400	*
Equities	72,499,987	*
Mutual funds	119,818	*
Insurance company separate account	59,886,802	*
Hedge funds	17,012,160	*
Real estate investment trust	7,620,255	*
	175,916,080	
Total Investments	217,582,189	
Total Cash, Cash Equivalents and Investments	$ 282,175,212	

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

Note 3. Deposits and Investments (Continued)

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

Statement of Net Position	
Cash and cash equivalents	$ 48,528,255
Restricted cash and cash equivalents	7,811,760
Investments	41,666,109
Fiduciary Funds	
Cash and cash equivalents	8,253,008
Investments	175,916,080
Total Cash, Cash Equivalents and Investments	$ 282,175,212

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, 2013, the fair value factor for Fund B was $1.1326 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.

Note 3. Deposits and Investments (Continued)

Concentration of credit risk: Under the City's investment policy, authorized investments 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

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.

The City of Hallandale Beach Police Officers' and Firefighters' Personnel Retirement Trust authorized investments may consist of the following:

- Time, savings and money market deposit accounts of a national bank, or a savings and loan association insured by the Federal Deposit Insurance Corporations.
- Obligations issued by the U.S. Government, or an agency or instrumentality of the U.S. Government, including mortgage-related securities
- Equities (not to exceed 5% of the total portfolio being invested in the common stock of any one issuing company with the exception of a co-mingled investment portfolio such as a mutual fund or insurance company separate account)
- Fixed Income investments defined as preferred issues and fixed income securities
- Money Market Funds (defined as fixed income securities having a maturity of less than one year that meet or exceed Standard & Poor's A1, or Moody's P1 credit rating)
- Master Limited Partnerships (not to exceed 5% of the portfolio)
- Real Assets-co-mingled investment portfolios, such as a mutual fund or insurance company separate account consisting of real assets (including owned real estate, real estate investment trusts and /or other co-mingled real estate equity investment options)
- Funds of Hedge Funds (private investment funds investing primarily in the global equity and fixed income markets

Note 3. Deposits and Investments (Continued)

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:

	Investment Maturities (in Years)				
Summary of Investments and Interest Rate Risk	Fair Value	Less than 1 Year	1 - 5 Years	5 - 10 Years	Greater than 10 Years
U.S. Government treasuries	$ 18,820,066	$ 1,330,029	$ 15,676,414	$ 1,638,273	$ 175,250
U.S. Government agencies	23,387,292	-	19,479,873	-	5,348,650
Municipal bonds	2,077,029	-	2,077,029	-	-
Insurance company separate account	26,620,833	-	-	26,620,833	-
Corporate Bonds and Notes	15,935,905	877,965	8,149,603	3,065,503	2,519,381
Commercial paper	2,096,940	2,096,940	-	-	-
SBA	3,013,962	2,791,087	222,875	-	-
Total	$ 91,952,027	$ 7,096,021	$ 45,605,794	$ 31,324,609	$ 8,043,281

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 Police Officers' & Firefighters' Personnel Retirement Trust 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' limit investments to securities ranked in Standard & Poor's , AAA, AA, A, BBB or Moody's Aaa, Aa, A and Baa except for below investment grade bonds held in a co-mingled investment portfolio, such as a mutual fund or insurance company separate account.

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	Municipal Bonds	Separate Account	Commercial Paper	SBA	Total
AAA	$ 100,113	$ -	$ -	$ -	$ -	$ 2,791,087	$ 2,891,200
AA+	7,836,956	37,516,225	-	-	-	-	45,353,181
AA	325,954	-	2,077,029	-	-	-	2,402,983
AA-	275,258	-	-	-	-	-	275,258
A+	199,596	-	-	-	-	-	199,596
A	684,957	-	-	-	-	-	684,957
A-	1,263,137	-	-	-	-	-	1,263,137
A-1	-	-	-	-	1,897,150	-	1,897,150
A-1+	-	-	-	-	199,790	-	199,790
BBB+	1,739,494	-	-	-	-	-	1,739,494
BBB	1,918,566	-	-	-	-	-	1,918,566
BBB-	1,273,163	-	-	-	-	-	1,273,163
BB+	113,083	-	-	-	-	-	113,083
BB-	110,763	-	-	-	-	-	110,763
Unrated	94,865	4,691,133	-	26,620,833	-	222,875	31,629,706
TOTAL	$ 15,935,905	$ 42,207,358	$ 2,077,029	$ 26,620,833	$ 2,096,940	$ 3,013,962	$ 91,952,027

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' Personnel Retirement Trust, consistent with its investment policy, the investments are held by the Plan's custodial bank and registered in the Plan's name. Investments in the General Employees and Professional/ Management Retirement Plans, consist of investments pooled as separate investment accounts, under a group annuity contract and operate similar to a mutual fund. These investments are not subject to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

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' Personnel Retirement Trust's exposure to foreign currency risk derives mainly from its investments in international equity stocks. The Plan's exposure to foreign currency risk related to foreign equity funds totals $12,443,946. The investment policy limits the foreign investments to no more than 12.5% of the plan's investment balance. As of year-end, the foreign investments were 10.5% of total investments.

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, 2013 were as follows:

Governmental Activities	General	Hallandale Beach Community Redevelopment Agency	Grant Administration	Nonmajor Funds	Internal Service Funds	Total Governmental Activities
EMS transport	$ 8,424,185	$ -	$ -	$ -	$ -	$ 8,424,185
Property tax	1,886	-	-	-	-	1,886
Utility and sales tax	511,579	-	-	-	-	511,579
Franchise fees	482,500	-	-	-	-	482,500
Sales and user fees	511,168	-	-	167,406		678,574
Miscellaneous	1,411,898	-	-	11,093		1,422,991
Interest	36,538	4,434	-	-	134,624	175,596
Construction loan	-	-	-	-	6,580	6,580
CRA Loans	-	1,371,941	503	-	-	1,372,444
Gross receivables	11,379,754	1,376,375	503	178,499	141,204	13,076,335
Less: allowance for uncollectibles	(7,752,841)	(162,160)	-	(12,755)	-	(7,927,756)
Net total receivables	$ 3,626,913	$ 1,214,215	$ 503	$ 165,744	$ 141,204	$ 5,148,579

Affordable Housing Loan Program

The CRA 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. Repayment is not required if the resident remains in the home until the completion of ten years. The CRA does not report these amounts in their financial statements due to the uncertainty as to the date or amount of future collections.

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, 2013 were as follows:

Business-type Activities	Water Fund	Sewer Fund	Sanitation Fund	Stormwater Drainage Fund	Nonmajor Cemetery Fund	Total Business-Type Activities
Water sales	$ 2,289,440	$ -	$ -	$ -	$ -	$ 2,289,440
Sewer service charges	-	2,249,102	-	-	-	2,249,102
Garbage and trash	-	-	774,524	-	-	774,524
Special trash	-	-	133,918	-	-	133,918
Recycling	-	-	29,042	-	-	29,042
Franchise fees	-	-	37,900	-	-	37,900
Stormwater drainage services	-	-	-	334,144	-	334,144
Interest receivable	30,655	11,953	7,161	-	-	49,769
Burial rights contracts	-	-	-	-	8,434	8,434
Other	15,241	43,922	-	1,460	-	60,623
Gross receivables	2,335,336	2,304,977	982,545	335,604	8,434	5,966,896
Less: allowance for uncollectibles	(561,490)	(333,015)	(507,730)	(140,572)	-	(1,542,807)
Net total receivables	$ 1,773,846	$ 1,971,962	$ 474,815	$ 195,032	$ 8,434	$ 4,424,089

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, 2013 include the following:

Governmental Activities	General Fund	Grant Administration	Capital Projects Fund	Nonmajor Funds	Total Governmental Activities
Federal Government	$ -	$ 2,856,176	$ -	$ -	$ 2,856,176
Florida Department of Revenue	611,200	252,068	-	111,600	974,868
Local Governments	432,089	190,182	-	-	622,271
	$ 1,043,289	$ 3,298,426	$ -	$ 111,600	$ 4,453,315

Note 6. Capital Assets

The following is a summary of capital asset activity for the year ended September 30, 2013:

Governmental activities:

		Beginning Balance	Additions and Transfers	Retirements and Transfers	Ending Balance
Capital assets not being depreciated:					
Land		$ 41,694,265	$ 330,905	$ 116,086	$ 41,909,084
Construction in progress	(1)	3,771,364	6,267,335	3,786,451	6,252,248
Total capital assets not being depreciated		45,465,629	6,598,240	3,902,537	48,161,332
Capital assets being depreciated:					
Buildings		19,316,098	-	-	19,316,098
Improvements other than buildings		9,143,346	41,273	56,129	9,128,490
Vehicles and equipment		14,834,296	3,278,683	747,752	17,365,227
Infrastructure	(1)	24,434,683	14,673	75,531	24,373,825
Total capital assets being depreciated		67,728,423	3,334,629	879,412	70,183,640
Less accumulated depreciation for:					
Buildings		13,889,460	749,713	-	14,639,173
Improvements other than buildings		6,003,968	251,752	11,471	6,244,249
Vehicles and equipment		11,955,899	1,193,881	747,752	12,402,028
Infrastructure		16,862,242	580,133	10,790	17,431,585
Total accumulated depreciation		48,711,569	2,775,479	770,013	50,717,035
Total capital assets being depreciated, net		19,016,854	559,150	109,399	19,466,605
Governmental activities capital assets, net		$ 64,482,483	$ 7,157,390	$ 4,011,936	$ 67,627,937

(1) Increases and decreases include assets constructed by governmental activities of $3,861,982 contributed to enterprise funds.

Note 6. Capital Assets (Continued)

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)	908,851	3,716,300	16,134	4,609,017
Total capital assets not being depreciated		2,068,153	3,716,300	16,134	5,768,319
Capital assets being depreciated:					
Buildings		21,230,219	-	-	21,230,219
Improvements other than buildings		3,731,849	16,134	-	3,747,983
Vehicles and equipment		9,719,165	611,731	-	10,330,896
Infrastructure	(1)	48,232,890	1,671,739	-	49,904,629
Total capital assets being depreciated		82,914,123	2,299,604	-	85,213,727
Less accumulated depreciation for:					
Buildings		9,374,471	910,797	-	10,285,268
Improvements other than buildings		1,117,749	200,217	-	1,317,966
Vehicles and equipment		7,700,583	741,900	-	8,442,483
Infrastructure		32,442,151	1,156,557	-	33,598,708
Total accumulated depreciation		50,634,954	3,009,471	-	53,644,425
Total capital assets being depreciated, net		32,279,169	(709,867)	-	31,569,302
Business-type activities capital assets, net		$ 34,347,322	$ 3,006,433	$ 16,134	$ 37,337,621

(1) Increase in assets contributed from governmental activities of $3,861,982.

Note 6. Capital Assets (Continued)

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

Governmental activities:	
General government	$ 1,360,494
Public safety	
Law enforcement	158,446
Fire protection	367,412
Physical environment	63,341
Economic environment	87,886
Culture and recreation	356,514
Transportation	303,539
Human services	77,847
Total depreciation expense, governmental activities	$ 2,775,479
Business-type activities:	
Water utility	$ 1,543,928
Sewer utility	419,564
Sanitation	296,619
Stormwater drainage	743,390
Cemetery	5,970
Total depreciation expense, business-type activities	$ 3,009,471

Note 7. Interfund Activities

Transfers: The composition of interfund transactions for the year ended September 30, 2013 is as follows:

	Transfers In						
Transfers Out	General Fund	Grant Administration Fund	Capital Projects Fund	Water Fund	Sewer Fund	Internal Service Fund	Total Transfers Out
General Fund		$ -	$ 25,000	$ -	$ -	$ -	$ 25,000
Community Redevelopment Agency Fund	-	362,600	1,985,876	-	-	-	2,348,476
Grant Administration Fund	-		-	303,800	781,190	-	1,084,990
Nonmajor Governmental Funds	59,114	-	-	-	-	-	59,114
Water Fund	-		-	-	-	50,000	50,000
Sewer Fund	-		-	-	-	50,000	50,000
Sanitation Fund	-	-	-	-	-	75,000	75,000
Stormwater Drainage Fund	-	-	-	-	-	50,000	50,000
Internal Service Funds	18,965	-	-	-	-	-	18,965
	$ 78,079	$ 362,600	$ 2,010,876	$ 303,800	$ 781,190	$ 225,000	$ 3,761,545

Note 7. Interfund Activities (Continued)

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 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 from the CRA fund into the Water fund is to provide funding for a rehabilitation and sidewalk repair project within the CRA area. All other small transfers typically cover capital purchases made from multiple funds.

Note 8. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities for the City's governmental activities, each major governmental fund and nonmajor governmental and internal service funds in the aggregate as of September 30, 2013 were as follows:

Governmental Activities	General Fund	Hallandale Beach Community Redevelopment Agency	Grant Administration Fund	Capital Projects Fund	Nonmajor Funds	Internal Service Funds	Total Governmental Activities
Vendor payables	$ 407,591	$ 2,927,367	$ 964,488	$ 165,557	$ 110,787	$ 411,706	$ 4,987,496
Retainage payable	-	103,163	105,867	35,384	-	-	244,414
A/R overpayments	2,593	690	-	-	-	-	3,283
Other liabilities	89,988	8,759	-	-	142,187	-	240,934
Total payables	$ 500,172	$ 3,039,979	$ 1,070,355	$ 200,941	$ 252,974	$ 411,706	$ 5,476,127

Accounts payable and accrued liabilities for the City's business-type activities, each major and nonmajor proprietary fund as of September 30, 2013 were as follows:

Business-type Activities	Water Fund	Sewer Fund	Sanitation Fund	Stomwater Fund	Nonmajor Funds	Total Business-type Activities
Vendor payables	$ 466,082	$ 54,182	$ 103,826	$ 14,486	$ 13,550	$ 652,126
Retainage payable	59,995	-	-	-	-	59,995
Accrued wastewater treatment expense	-	2,286,978	-	-	-	2,286,978
A/R overpayments	66,117	-	-	-	-	66,117
Other liabilities	-	-	-	-	666	666
Total payables	$ 592,194	$ 2,341,160	$ 103,826	$ 14,486	$ 14,216	$ 3,065,882

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, 2013:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
Revenue Bonds - Series 2007A	$ 20,535,000	$ -	$ (955,000)	$ 19,580,000	$ 1,000,000
Revenue Note - Series 2012		5,050,000		5,050,000	610,000
Unamortized bond premium	233,615	-	(26,154)	207,461	-
	20,768,615	5,050,000	(981,154)	24,837,461	1,610,000
Other long-term liabilities:					
Accrued claims for self-insured risks	3,299,429	231,796	(1,194,435)	2,336,790	781,544
Capital lease	-	17,768	-	17,768	-
Net OPEB obligation	3,445,332	653,450	-	4,098,782	-
Compensated absences	3,724,525	3,248,123	(2,987,888)	3,984,760	825,336
	10,469,286	4,151,137	(4,182,323)	10,438,100	1,606,880
Total governmental activities, long-term liabilities	$ 31,237,901	$ 9,201,137	$ (5,163,477)	$ 35,275,561	$ 3,216,880
Business-type activities:					
Revenue Bonds - Series 2005A	$ 6,480,000	$ -	$ (380,000)	$ 6,100,000	$ 395,000
Revenue Note - Series 2012	2,770,000	-	-	2,770,000	290,000
Unamortized bond premium	168,717	-	(21,890)	146,827	-
	9,418,717	-	(401,890)	9,016,827	685,000
Compensated absences	519,123	633,775	(587,998)	564,900	267,225
Total business-type activities, long-term liabilities	$ 9,937,840	$ 633,775	$ (989,888)	$ 9,581,727	$ 952,225

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.

The Revenue Note, Series 2012 for $5,050,000 was issued for the purpose of financing the purchase of 63 vehicles. The note is not a general obligation of the City, bears interest at 1.31% and is to be repaid solely from non-ad valorem revenue. Principal is payable annually, and the note matures on October 1, 2019.

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

The Revenue Note – Series 2012 was issued through the issuance of a revenue note from JPMorgan Chase in the amount of $2,770,000 at 1.5% interest. The difference in cash flows produced nominal savings of $434,668 and an economic gain on the transaction of $402,331 which represents a 13.661% savings of the refunded bonds. The note matures on November 1, 2021.

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.

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.

A summary of annual debt service requirements as of September 30, 2013 is as follows:

	Governmental Activities				Business-Type Activities			
	Revenue Bonds Series 2007A		Revenue Note Series 2012		Revenue Note Series 2012		Revenue Bonds Series 2005A	
Year Ending September 30,	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2014	$ 1,000,000	$ 965,000	$ 610,000	$ 62,159	$ 290,000	$ 39,375	$ 395,000	$ 277,390
2015	1,050,000	915,000	715,000	53,481	290,000	35,025	410,000	263,046
2016	1,105,000	862,500	725,000	44,049	300,000	30,600	425,000	247,221
2017	1,160,000	807,250	735,000	34,486	305,000	26,053	445,000	230,039
2018	1,220,000	749,250	745,000	24,791	310,000	21,450	460,000	209,750
2019-2023	7,030,000	2,835,875	1,520,000	19,978	1,275,000	38,737	2,685,000	668,875
2024-2027	7,015,000	898,500	-	-	-	-	1,280,000	64,750
	$ 19,580,000	$ 8,033,375	$ 5,050,000	$ 238,944	$ 2,770,000	$ 191,240	$ 6,100,000	$ 1,961,071

Pledged Revenue: General long-term debt bonds and the note are collateralized by multiple sources. The City has pledged certain revenue to repay revenue bonds and the note outstanding as of September 30, 2013. 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 and/or accrued 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, 2013:

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

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	$ 44,239,028	$ 1,967,750	4.45%	$ 27,613,375	2027
Business-type Activities:						
Revenue bonds, Series 2005A	Non Ad Valorem	$ 1,811,683	$ 672,378	1.59%	$ 8,061,071	2025
JPMorgan Chase Loan 2012	Net revenues of water, sewer, and stormwater utility	$ 4,518,562	$ 30,932	0.68%	$ 2,961,250	2021

Note 10. Pension Plans

The City provides three separate defined benefit single-employer pension plans (General Employees Retirement Plan, Police Officers' and Firefighters' Personnel Retirement Trust, and the 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 net position along with the gains and losses realized on the sales of investments. Purchases and sales of investments are recorded on a trade-date basis.

Note 10. Pension Plans (Continued)

Investments (continued)

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' Personnel Retirement Trust 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.

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 position 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 year ended September 30, 2013, was approximately $7.1 million. As of the date of the most recent actuarial valuation, October 1, 2013, employee membership data related to the plan was as follows:

Retirees and beneficiaries currently receiving benefits	134
Terminated employees entitled to benefits but not yet receiving them	70
Current active employees	142
Total	346

Note 10. Pension Plans (Continued)

General Employees Retirement Plan (continued)

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.

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, 2013, there were eight DROP participants, with a total balance of $668,762.

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, 2013 totaling $268,168. Employer contributions for same period, as determined by the October 1, 2011 actuarial valuation, totaled $3,513,684 or 100% of the actual amount required.

Note 10. Pension Plans (Continued)

Police Officers' and Firefighters' Personnel Retirement Trust

Plan description: The Police Officers' and Firefighters' Personnel Retirement Trust 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 year ended September 30, 2013, was approximately $12.5 million. As of the date of the most recent actuarial valuation, October 1, 2012, employee membership data related to the plan was as follows:

Retirees and beneficiaries currently receiving benefits	166
Terminated employees entitled to benefits but not yet receiving them	4
Current active employees	161
Total	331

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 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 18 active employees in the DROP plan. The balance in the DROP account for these employees as well as for those already retired is $20,513,527.

The Police Officers' and Firefighters' Personnel Retirement Trust 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.

Note 10. Pension Plans (Continued)

Police Officers' and Firefighters' Personnel Retirement Trust (continued)

Pursuant to Florida Statutes, Chapter 175 and Chapter 185, 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 $620,891 for the year ended September 30, 2013. This amount was recognized as an expenditure and revenue in the General Fund. Contributions for year ended September 30, 2013 consisting of $7,482,890 for the employer, or 100% of the required employer contribution, $1,207,516 for the employees and $620,891 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, 2011.

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 year ended September 30, 2013, was approximately $695,000

As of the date of the most recent actuarial valuation, October 1, 2013, employee membership data related to the plan was as follows:

Retirees and beneficiaries currently receiving benefits	16
Terminated employees entitled to benefits but not yet receiving them	10
Current active employees	14
Total	40

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.

Note 10. Pension Plans (Continued)

Professional/Management Employees Retirement Plan (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, 2013, there was one active DROP participant, with a total asset balance of $1,151,399.

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, 2013, totaling $108,005. Employer contributions for the same period, as determined by the October 1, 2011 actuarial valuation totaled $746,022 or 100% of the actual amount required. Payments of contributions, benefits and refunds are recognized in the financial statements as they are paid.

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' Personnel Retirement Trust for the year ended September 30, 2013 are as follows:

	General Employees	Police Officers and Firefighters	Professional/ Management
Annual required contribution (ARC)	$ 3,512,685	$ 9,137,817	$ 762,010
Interest on net pension asset	(6,155)	(57,115)	(3,712)
Adjustment to annual required contribution	9,853	82,907	14,779
Annual pension cost	3,516,383	9,163,609	773,077
Contributions made	3,512,684	9,144,014	746,022
Increase (decrease) in net pension asset	(3,699)	(19,595)	(27,055)
Net pension asset, beginning	84,895	713,938	49,498
Net pension asset, ending	$ 81,196	$ 694,343	$ 22,443

Note 10. Pension Plans (Continued)

Annual Pension Cost and Net Pension Asset – All Defined Benefit Pension Plans (continued)

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, 2013 is as follows:

	Three Year Trend Information		
Year Ended September 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
General Employees Retirement Plan:			
2013	$ 3,516,383	99.9%	$ 81,196
2012	3,394,838	99.9%	84,895
2011	3,294,899	99.9%	88,274
Police Officers and Firefighters Retirement Plan:			
2013	$ 9,163,610	99.8%	$ 694,343
2012	8,129,129	99.8%	713,938
2011	7,335,519	102.9%	732,519
Professional/Management Employees Retirement Plan:			
2013	$ 773,077	96.5%	$ 22,443
2012	961,087	99.2%	49,498
2011	1,058,753	99.3%	57,367

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 Retirement Plan	$ 41,173,497	$ 56,234,327	$ 15,060,830	73%	$ 7,176,000	210%	10/1/2013
Police Officers and Firefighters Retirement Plan	97,793,889	174,280,586	76,486,697	56%	13,244,476	577%	10/1/2012
Professional/Management Employees Retirement Plan	13,815,273	17,479,708	3,664,435	79%	695,000	527%	10/1/2013

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.

Note 10. Pension Plans (Continued)

Annual Pension Cost and Net Pension Asset – All Defined Benefit Pension Plans (continued)

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.

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 and Firefighters Pension Plan	Professional Management Pension Plan
Actuarial valuation	October 1, 2013	October 1, 2012	October 1, 2013
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	7.25%	7.75%	7.50%
Salary increases	Table S-5 from the Actuary's Pension Handbook plus 2.80%	4.5-10.0%, based on service	Table S-5 from the Actuary's Pension Handbook plus 4.50%
Cost of living adjustments	None	Up to 2% if CPI-U is .05% or greater the preceding year	2%
Inflation rate	2.5%	4%	2.5%

Note 10. Pension Plans (Continued)

Annual Pension Cost and Net Pension Asset – All Defined Benefit Pension Plans (continued)

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

Combining Statement of Fiduciary Net Position and
Changes in Fiduciary Net Position as of and for the
Year ended September 30, 2013

	General Employees	Professional/ Management
Assets		
Cash and cash equivalents	$ -	$ 1,500,000
Investments:		
Insurance company separate account	40,510,860	19,375,942
Real estate investment trust	2,247,289	716,253
Total assets	42,758,149	21,592,195
Net position		
Held in trust for pension benefits	$ 42,758,149	$ 21,592,195

	General Employees	Professional/ Management
Additions		
Contributions:		
Employer	$ 3,513,684	$ 746,022
Plan members	268,168	108,005
Total contributions	3,781,852	854,027
Investment earnings:		
Net increase in fair value of investments	3,413,315	2,197,439
Total investment earnings	3,413,315	2,197,439
Less: investment expense	(52,258)	(32,595)
Net investment income	3,361,057	2,164,844
Total additions	7,142,909	3,018,871
Deductions		
Benefits	2,189,188	1,054,622
Change in net position	4,953,721	1,964,249
Net position, beginning	37,804,428	19,627,946
Net position, ending	$ 42,758,149	$ 21,592,195

Note 10. Pension Plans (Continued)

Annual Pension Cost and Net Pension Asset – All Defined Benefit Pension Plans (continued)

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.

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 liablilities. The City has recorded a liability in the amount of $671,303 in the government-wide financial statements that represents the Net Pension Obligation of the Plan as of September 30, 2013. 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. As of September 30, 2013, the total balance of DROP assets covering ten persons in the excess benefit plan was $712,011. At September 30, 2013, the City set aside $7,026,299 which is included in the investments of the Professional/Management Pension Trust Fund.

Note 10. Pension Plans (Continued)

Annual Pension Cost and Net Pension Asset – All Defined Benefit Pension Plans (continued)

Annual Pension Cost and Net Pension Obligation

As of October 1, 2013 (date of the latest actuarial valuation), the City's annual pension cost and net pension obligation are as follows:

Annual required contribution	$ 172,510
Interest on net pension obligation	98,383
Adjustments to annual required contribution	(391,657)
Annual pension cost	(120,764)
Contributions made	519,709
Decrease in net pension obligation	(640,473)
Net pension obligation, beginning	1,311,776
Net pension obligation, ending	$ 671,303

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	UAAL as Percentage of Covered Payroll	Actuarial Valuation Date
Excess Benefit Plan	$ -	$ 8,630,188	$ 8,630,188	0%	$ 695,382	1241%	10/1/2013

	Three Year Trend Information		
Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2013	$ (120,764)	-232.0%	$ 671,303
2012	(494,782)	-92.0%	1,311,776
2011	322,340	133.0%	2,261,779

Note 10. Pension Plans (Continued)

Annual Pension Cost and Net Pension Asset – All Defined Benefit Pension Plans (continued)

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

Valuation date	10/1/2013
Actuarial cost method	Unprojected union credit
Amortization method	Immediate recognition
Remaining amortization period	1 year
Asset valuation method	Unfunded
Actuarial assumptions:	
Investment rate of return*	7.50%
Projected salary increases*	Table S-5 from the Actuary's Pension Handbook plus 4.50%
Payroll growth assumptions	None
*Include inflation at 2.5%	

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 six 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, 2013, there were 93 members participating in the plan. The plan requires the City to contribute 7.5% 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 $4,057,000. In fiscal year 2013, the City's contribution amounted to $656,583, or approximately 16% 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

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.

Note 11. Other Post-Employment Benefits (Continued)

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, 2012, the date of the most recent valuation, 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, 2012, included other actuarial assumptions as classified above. The calculation produced an unfunded actuarially accrued liability (UAAL) of $8,126,096, and an estimated net OPEB obligation of $4,098,782 as of September 30, 2013.

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.

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

Actuarial valuation date	10/1/2012
Actuarial cost method	Projected union credit
Amortization method	Level dollar, open
Remaining amortization period	30 years
Asset valuation method	Unfunded
Actuarial assumptions:	
Investment rate of return*	4.50%
Projected salary increases*	N/A
Inflation rate	3.00%
Post retirement benefit increases	Benefits tied to premium rate (see health care cost trend)
Health care cost trend:	HMO1- 5.5% in 2023:
	HMO2-5.5% in 2023:
	PPO- 5% in 2023

Note 11. Other Post-Employment Benefits (Continued)

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:

Annual required contribution (ARC)	$ 1,091,849
Interest on net OPEB obligation	150,533
Adjustments to annual required contribution	(296,522)
Annual OPEB cost	945,860
Contributions made (pay as you go)	(292,248)
Increase in net OPEB obligation	653,612
Net OPEB obligation, beginning of year	3,445,170
Net OPEB obligation, end of year	$ 4,098,782

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	2013	2012	2011
Annual OPEB cost	$ 1,045,860	$ 815,666	$ 1,066,050
Percentage of OPEB cost contributed	28.00%	24.00%	23.49%
Net OPEB obligation	4,098,782	3,445,170	2,629,666

Schedule of Funding Progress: Funding progress of the OPEB liability as of October 1, 2012, the date of the latest valuation date, is presented below:

Actuarial Valuation Date	Actuarial Valuation of Assets (a)	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)
10/1/2012	$ -	$ 8,126,096	$ 8,126,096	0%	$ 27,215,000	0%

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. The City relies on the liability limits of $200,000/300,000 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 $66,000,000 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 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, 2013 of $2,336,790 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 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, 2013 and 2012, the total estimated liabilities on pending claims were as follows:

	2013	2012
Claims payable - beginning	$ 3,299,429	$ 2,193,244
Incurred claims	231,796	1,767,886
Payments on claims	(1,194,435)	(661,701)
Claims payable - ending	$ 2,336,790	$ 3,299,429

Note 13. Commitments and Contingent Liabilities

Construction and purchase commitments: The City has active construction and economic development projects as of September 30, 2013. The projects include park development, bridge repairs, street and beautification projects, water distribution and stormwater drainage improvements, and sanitary sewer and capacity improvements. As of September 30, 2013, the City's significant commitments with contractors are as follows:

	Spent-to-Date	Remaining Commitment
Sanitary sewer improvements	$ 674,861	$ 145,139
Street and beautification projects	136,308	18,498
Water plant and distribution	978,771	896,538
Sewer capacity improvements	127,489	38,281
Parks and Recreation / Open Spaces projects	1,196,649	438,452
Drainage improvements	1,804,826	913,807
Other projects	109,422	20,904
Total	$ 5,028,326	$ 2,471,619

The water membrane plant is partially financed by revenue bonds secured by water revenue. Parks and recreation projects are partially financed with State and County grants, by revenue bonds secured by non-ad valorem revenues, 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.

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/expenses 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 year ended September 30, 2013:

	Deposits	Withdrawals
Source of deposits:		
Tax increment revenues - Hallandale Beach	$ 3,380,611	$ -
Tax increment revenues - other agencies	3,618,978	-
Loan repayments	220,297	-
Loan application fees	23,654	-
Investment income	323,465	-
Purpose of withdrawals:		
Salaries and benefits	-	426,072
Utilities	-	11,423
Materials and supplies	-	46,239
Repairs and maintenance	-	1,132
Community redevelopment programs	-	1,503,557
rants to community organizations	-	111,644
Professional and outside services	-	2,073,467
Other service charges	-	225,292
Subsidized loan programs	-	645,991
Administrative charges	-	236,280
Capital outlay	-	2,530,904
Reimbursement for debt service	-	1,985,876
Transfer to City	-	501,506
	$ 7,567,005	$ 10,299,383

Note 15. Prior Period Adjustment

During the year, the City restated beginning net position of the governmental activites and the Hallandale Beach Community Redevelopement Agency fund balance in the amount of $392,195 for revenues and receivables recognized in prior years for which collection was not reasonable assured.

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Hallandale Beach

PROGRESS. INNOVATION. OPPORTUNITY.

Required Supplementary Information

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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Property taxes	$ 20,019,148	$ 20,019,148	$ 16,710,250	$ (3,308,898)
Charges for services	6,525,449	7,191,095	8,660,627	1,469,532
Utility taxes	3,870,000	3,870,000	4,123,076	253,076
Intergovernmental	3,335,072	3,335,072	3,173,638	(161,434)
Franchise taxes	4,432,464	4,432,464	4,097,364	(335,100)
Licenses and permits	1,902,912	1,902,912	2,328,869	425,957
Fines and forfeitures	535,000	535,000	912,550	377,550
Fire assessments	5,488,651	5,488,651	5,615,253	126,602
Investment earnings	246,000	246,000	101,913	(144,087)
Slot machine proceeds	1,900,000	1,900,000	1,718,618	(181,382)
Other revenues	267,629	227,204	606,716	379,512
Total revenues	48,522,325	49,147,546	48,048,874	(1,098,672)
Expenditures:				
Personal services	43,935,666	42,535,875	40,780,284	1,755,591
Operating expenditures	5,458,022	6,576,355	5,132,988	1,443,367
Contingency	800,574	882,593	151,211	731,382
Grants and aids	325,000	326,380	51,384	274,996
Capital outlay	1,104,275	4,868,053	364,021	4,504,032
Total expenditures	51,623,537	55,189,256	46,479,888	8,709,368
Excess (deficiency) of revenues over (under) expenditures	(3,101,212)	(6,041,710)	1,568,986	7,610,696
Other financing sources (uses)				
Transfers in	63,500	63,500	78,079	14,579
Transfers out	(3,417,074)	(3,417,074)	(25,000)	3,392,074
Total other financing uses	(3,353,574)	(3,353,574)	53,080	3,406,654
Net change in fund balance	$ (6,454,786)	$ (9,395,284)	$ 1,622,065	$ 11,017,349
Appropriated Fund Balance	$ 6,454,786	$ 9,395,284		

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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Property taxes	$ -	$ -	$ 3,380,611	$ 3,380,611
Charges for services	20,000	20,000	23,654	3,654
Intergovernmental	3,630,572	3,630,572	3,618,978	(11,594)
Investment earnings	156,000	156,000	117,018	(38,982)
Other revenues	360,000	414,000	426,744	12,744
Total revenues	4,166,572	4,220,572	7,567,005	3,346,433
Expenditures:				
Personal services	498,145	481,145	426,071	55,074
Operating expenditures	6,362,689	10,008,072	4,347,941	5,660,131
Grants and aids	1,300,000	2,090,846	645,991	1,444,855
Capital outlay	1,148,083	9,090,925	2,530,904	6,560,021
Total expenditures	9,308,917	21,670,988	7,950,907	13,720,081
Deficiency of revenues under expenditures	(5,142,345)	(17,450,416)	(383,902)	(10,373,648)
Other financing sources (uses):				
Transfers in	3,392,074	3,392,074	-	(3,392,074)
Transfers out	(2,350,350)	(2,350,350)	(2,348,476)	1,874
Total other financing sources (uses)	1,041,724	1,041,724	(2,348,476)	(3,390,200)
Net change in fund balance	$ (4,100,621)	$ (16,408,692)	$ (2,732,378)	$ (13,763,848)
Appropriated Fund Balance	$ 4,100,621	$ 16,408,692		

See Notes to Required Supplementary Information.

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

City of Hallandale Beach, Florida

Required Supplementary Information
Schedule of Funding Progress (unaudited)
September 30, 2013

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, 2013	$ 41,173,497	$ 56,234,327	$ 15,060,830	73%	$ 7,176,000	210%
October 1, 2012	36,192,655	53,598,417	17,405,762	68%	7,059,000	247%
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%
Police Officers and Firefighters Retirement Plan:						
October 1, 2012	$ 97,793,889	$ 174,280,586	$ 76,486,697	56%	$ 13,244,000	578%
October 1, 2011	74,817,891	115,958,179	41,140,288	65%	12,200,000	337%
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%	11,035,000	339%
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%
Professional/Management Employees Retirement Plan:						
October 1, 2013	$ 13,815,273	$ 17,479,708	$ 3,664,435	79%	$ 695,000	527%
October 1, 2012	12,248,259	16,276,449	4,028,190	75%	985,000	409%
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%
Other Post-Employment Benefits (2):						
October 1, 2012	$ -	$ 8,126,096	$ 8,126,096	0%	$ 27,215,000	30%
October 1, 2010	-	7,998,803	7,998,803	0%	24,995,000	32%
October 1, 2008	-	8,530,000	8,530,000	0%	26,238,000	33%

(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.

(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.

See Notes to Required Supplementary Information.

City of Hallandale Beach, Florida

Required Supplementary Information
Schedule of Employer Contributions (unaudited)
September 30, 2013

Plan Year Ended	Employer Contributions			
	Annual Required Contribution	City Contribution	State Contribution	Percentage Contributed
General Employees Retirement Plan:				
September 30, 2013	$ 3,512,685	$ 3,512,684	n/a	100%
September 30, 2012	3,391,459	3,391,459	n/a	100%
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%
Police Officers and Firefighters Retirement Plan:				
September 30, 2013	$ 8,103,781	$ 7,482,890	$ 620,891	100%
September 30, 2012	9,137,817	8,509,003	635,011	100%
September 30, 2011	8,110,548	7,528,548	582,000	100%
September 30, 2010	7,320,389	6,907,038	642,505	103%
September 30, 2009	7,527,340	7,016,066	511,274	100%
September 30, 2008	5,842,140	5,417,116	632,261	104%
Professional/Management Employees Retirement Plan:				
September 30, 2013	$ 762,010	$ 746,022	n/a	98%
September 30, 2012	953,218	953,218	n/a	100%
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%

See Notes to Required Supplementary Information.

Hallandale Beach

PROGRESS. INNOVATION. OPPORTUNITY.

Combining and Individual Fund Financial Statements and Schedules

NONMAJOR GOVERNMENTAL FUNDS

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 Special Revenue Funds
September 30, 2013

	Police Training Fund	Police Outside Services Fund	Police Equitable Sharing Fund	Transportation Fund	Golden Isles Safe Neighborhood Fund	Three Islands District Fund	Law Enforcement Trust Fund	Total Nonmajor Special Revenue Funds
Assets								
Cash and cash equivalents	$ 64,912	$ 55,747	$ 728,400	$ 2,644,688	$ 348,102	$ 629,356	$ 451,390	$ 4,922,595
Accounts receivable, net of allowances	-	159,651	1,093	5,000	-	-	-	165,744
Due from other governments	-	-	-	111,600	-	-	-	111,600
Total assets	$ 64,912	$ 215,398	$ 729,493	$ 2,761,288	$ 348,102	$ 629,356	$ 451,390	$ 5,199,939
Liabilities and Fund Balances								
Liabilities:								
Accounts payable and accrued liabilities	$ -	$ -	$ 5,689	$ 122,672	$ 13,863	$ 12,009	$ 98,741	$ 252,974
Unearned revenue	-	74,910	-	-	-	-	-	74,910
Total liabilities	-	74,910	5,689	122,672	13,863	12,009	98,741	327,884
Fund Balances:								
Restricted:								
Law enforcement	64,912	-	723,804	-	-	-	352,649	1,141,365
Transportation	-	-	-	2,638,616	-	-	-	2,638,616
Safe neighborhood districts	-	-	-	-	334,239	617,347	-	951,586
Assigned:								
Police outside services	-	140,488	-	-	-	-	-	140,488
Total fund balances	64,912	140,488	723,804	2,638,616	334,239	617,347	352,649	4,872,055
Total liabilities and fund balances	$ 64,912	$ 215,398	$ 729,493	$ 2,761,288	$ 348,102	$ 629,356	$ 451,390	$ 5,199,939

City of Hallandale Beach, Florida

Combining Statement of Revenue, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended September 30, 2013

	Police Training Fund	Police Outside Services Fund	Police Equitable Sharing Fund	Transportation Fund	Golden Isles Safe Neighborhood Fund	Three Islands District Fund	Law Enforcement Trust Fund	Total Nonmajor Special Revenue Funds
Revenues:								
Property taxes	$ -	$ -	$ -	$ -	$ 222,321	$ 265,869	$ -	$ 488,190
Charges for services	-	1,067,449	-	266,193	-	-	-	1,333,642
Intergovernmental	-	-	-	910,970	-	-	-	910,970
Fines and forfeitures	9,859	-	108,258	-	-	-	45,512	163,629
Investment earnings	241	346	3,765	11,837	1,938	3,052	2,111	23,290
Other revenues	-	59,115	-	50,318	-	-	-	109,433
Total revenues	10,100	1,126,910	- 112,023	1,239,318	- 224,259	- 268,921	- 47,623	- 3,029,154
Expenditures:								
Current:								
Public safety	-	1,045,217	512,919	-	184,590	343,438	195,924	2,282,088
Transportation	-	-	-	1,323,353	-	-	-	1,323,353
Capital outlay	-	-	32,575	196,422	93,870	-	13,960	336,827
Total expenditures	-	1,045,217	545,494	1,519,775	278,460	343,438	209,884	3,942,268
Excess (deficiency) of revenues over (under) expenditures	10,100	81,693	(433,471)	(280,457)	(54,201)	(74,517)	(162,261)	(913,114)
Other financing uses:								
Transfers out	-	(59,114)	-	-	-	-	-	(59,114)
Total other financing uses	-	(59,114)	-	-	-	-	-	(59,114)
Net change in fund balances	10,100	22,579	(433,471)	(280,457)	(54,201)	(74,517)	(162,261)	(972,228)
Fund balances, beginning	54,812	117,909	1,157,275	2,919,073	388,440	691,864	514,910	5,844,283
Fund balances, ending	$ 64,912	$ 140,488	$ 723,804	$ 2,638,616	$ 334,239	$ 617,347	$ 352,649	$ 4,872,055

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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Fines and forfeitures	$ 10,000	$ 10,000	$ 9,859	$ (141)
Investment earnings	120	120	241	121
Total revenues	10,120	10,120	10,100	(20)
Excess of revenues over expenditures	$ 10,120	$ 10,120	$ 10,100	$ (20)

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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Charges for services	$ 1,100,000	$ 1,100,000	1,067,449	$ (32,551)
Investment earnings	200	200	346	146
Other revenues	63,500	63,500	59,115	(4,385)
Total revenues	1,163,700	1,163,700	1,126,910	(36,790)
Expenditures:				
Personal services	1,100,140	1,100,140	1,045,217	54,923
Excess of revenues over expenditures	63,560	63,560	81,693	18,133
Other financing uses:				
Transfers out	63,500	63,500	59,114	4,386
Net change in fund balance	$ 60	$ 60	$ 22,579	$ 22,519

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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
Revenues:				
Fines and forfeitures	$ -	$ -	$ 108,258	$ 108,258
Investment earnings	6,000	6,000	3,765	(2,235)
Total revenues	6,000	6,000	112,023	106,023
Expenditures:				
Personal services	507,432	507,432	317,644	189,788
Operating expenditures	305,722	305,722	195,275	110,447
Capital outlay	-	-	32,575	(32,575)
Total expenditures	813,154	813,154	545,494	300,235
Deficiency of revenues under expenditures	$ (807,154)	$ (807,154)	$ (433,471)	$ 406,258
Appropriated fund balance	$ 807,154	$ 807,154		

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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Charges for services	$ 215,550	$ 215,550	$ 266,193	$ 50,643
Intergovernmental	930,000	930,000	910,970	(19,030)
Investment earnings	5,500	5,500	11,837	6,337
Other revenues	-	-	50,318	50,318
Total revenues	1,151,050	1,151,050	1,239,318	88,268
Expenditures:				
Personal services	634,241	526,284	364,337	161,947
Operating expenditures	672,456	1,000,211	959,016	41,195
Capital outlay	355,000	1,686,378	196,422	1,489,956
Total expenditures	1,661,697	3,212,873	1,519,775	1,693,098
Deficiency of revenues under expenditures	$ (510,647)	$ (2,061,823)	$ (280,457)	$ 1,781,366
Appropriated fund balance	$ 510,647	$ 2,061,823		

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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Ad valorem taxes	223,426	223,426	222,321	$ (1,105)
Investment earnings	1,500	1,500	1,938	438
Total revenues	224,926	224,926	224,259	(667)
Expenditures:				
Operating expenditures	201,133	201,133	184,590	16,543
Contingency	10,000	10,000	-	10,000
Capital outlay	-	271,325	93,870	177,455
Total expenditures	211,133	482,458	278,460	203,998
Excess (deficiency) of revenues under expenditures	$ 13,793	$ (257,532)	$ (54,201)	$ 203,331
Appropriated fund balance	$ -	$ 257,532		

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, 2013

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final	Amounts	Positive (Negative)
Revenues:				
Ad valorem taxes	$ 264,831	$ 264,831	$ 265,869	$ 1,038
Investment earnings	2,600	2,600	3,052	452
Total revenues	267,431	267,431	268,921	1,490
Expenditures:				
Operating expenditures	436,342	436,342	343,438	92,904
Contingency	15,000	15,000	-	15,000
Capital outlay	39,845	39,845	-	39,845
Total expenditures	491,187	491,187	343,438	147,749
Deficiency of revenues under expenditures	$ (223,756)	$ (223,756)	$ (74,517)	$ 149,239
Appropriated fund balance	$ 223,756	$ 223,756		

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, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	$ -	$ -	$ 45,512	$ 45,512
Investment earnings	1,800	1,800	2,111	311
Total revenues	1,800	1,800	47,623	45,823
Expenditures:				
Operating expenditures	259,988	258,976	195,924	63,052
Capital outlay	-	3,828	13,960	(10,132)
Total expenditures	259,988	262,804	209,884	52,920
Deficiency of revenues under expenditures	$ (258,188)	$ (261,004)	$ (162,261)	$ 98,743
Appropriated fund balance	$ 258,188	$ 261,004		

ENTERPRISE FUNDS

Cemetery Fund - The Cemetery Fund was established to account for the Municipal Cemetery's operations, including the sale of cemetery lots, vaults, niches, and markers as well as the ongoing maintenance of the cemetery property.

Marina Fund - The Marina Fund was established to account for the Marina Dock operations, including the rental of docks as well as the supplies and maintenance of the docks, such as equipment, utilities, and licenses.

City of Hallandale Beach, Florida

Combining Statement of Net Position
Nonmajor Proprietary Funds
September 30, 2013

	Cemetery Fund	Marina Fund	Total Nonmajor Enterprise Funds
Assets			
Current Assets:			
Cash and cash equivalents	$ 144,119	$ 3,277	$ 147,396
Restricted assets:			
Cash and cash equivalents	291,000	-	291,000
Accounts receivable, net of allowance	8,434	-	8,434
Inventory	410,309	-	410,309
Total current assets	853,862	3,277	857,139
Capital assets:			
Land	375,478	-	375,478
Improvements other than buildings	150,673	-	150,673
Vehicles and equipment	44,899	-	44,899
Total capital assets	571,050	-	571,050
Less accumulated depreciation	(170,072)	-	(170,072)
Net capital assets	400,978	-	400,978
Total assets	1,254,840	3,277	1,258,117
Liabilities and Net Position			
Current liabilities:			
Accounts payable and accrued liabilities	1,103	13,113	14,216
Compensated absences	12,625	-	12,625
Total current liabilities	13,728	13,113	26,841
Noncurrent liabilities:			
Compensated absences	19,125	-	19,125
Total noncurrent liabilities	19,125	-	19,125
Total liabilities	32,853	13,113	45,966
Net Position			
Net investment in capital assets	400,978	-	400,978
Unrestricted	821,009	(9,836)	811,173
Total net position	$ 1,221,987	$ (9,836)	$ 1,212,151

City of Hallandale Beach, Florida

Combining Statement of Revenue, Expenditures and Changes in Net Position
Nonmajor Proprietary Funds
Year Ended September 30, 2013

	Cemetery Fund	Marina Fund	Total Nonmajor Enterprise Funds
Operating revenues:			
Charges for services	$ 186,635	$ 42,028	$ 228,663
Other revenues	1,318	-	1,318
Total operating revenues	187,953	42,028	229,981
			-
Operating expenses:			-
Cost of sales and services	50,768	12,491	63,259
Personal services	167,966	39,371	207,337
Depreciation	5,970	-	5,970
Total operating expenses	224,704	51,862	276,566
Operating loss	(36,751)	(9,834)	(46,585)
Nonoperating revenues (expenses):			
Investment earnings (loss)	1,743	(2)	1,741
Total nonoperating revenues (expenses)	1,743	(2)	1,741
Change in net position	(35,008)	(9,836)	(44,844)
Total net position, beginning	1,256,995	-	1,256,995
Total net position, ending	$ 1,221,987	$ (9,836)	$ 1,212,151

City of Hallandale Beach, Florida

Combining Statement of Cash Flows
Nonmajor Proprietary Funds
Year Ended September 30, 2013

	Cemetery Fund	Marina Fund	Total Nonmajor Enterprise Funds
Cash Flows From Operating Activities:			
Cash received from fees and charges	$ 191,298	$ 42,028	$ 233,326
Cash paid to suppliers for goods, services, claims and administrative charges	(40,873)	13,113	(27,760)
Cash paid to employees for services	(145,830)	(51,862)	(197,692)
Net cash provided by operating activities	4,595	3,279	7,874
Cash Flows Provided By Investing Activities			
Interest and investment income (loss)	1,743	(2)	1,741
Net cash provided (used) by investing activities	1,743	(2)	1,741
Net increase in cash and cash equivalents	6,338	3,277	9,615
Cash and cash equivalents, beginning	428,781	-	428,781
Cash and cash equivalents, ending	$ 435,119	$ 3,277	$ 438,396
Reconciliation to the statement of net position:			
Cash and cash equivalents	144,119	3,277	147,396
Restricted assets, cash and cash equivalents	291,000	-	291,000
	$ 435,119	$ 3,277	$ 438,396
Reconciliation of operating loss to net cash provided by operating activities:			
Operating loss	(36,751)	(9,834)	(46,585)
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Depreciation expense	5,971	-	5,971
Decrease in accounts receivable	3,344	-	3,344
Decrease in inventories	18,275	-	18,275
Increase (decrease) in accounts payable and accrued liabilities	(8,380)	13,113	4,733
Decrease in compensated absences payable	22,136	-	22,136
Net cash provided by operating activities	$ 4,595	$ 3,279	$ 7,874

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.

Fleet Fund - to account for the maintenance and replacement of all the City's vehicles with the exception of Fire and Emergency Medical Services apparatus.

City of Hallandale Beach, Florida

Combining Statement of Net Position
Internal Service Funds
Year Ended September 30, 2013

	General Liability Trust Fund	Workers' Compensation Fund	OPEB Fund	Fleet Fund	Total Internal Service Funds
Assets					
Current assets:					
Cash and cash equivalents	$ 3,054,851	$ 1,228,685	$ 1,339,687	$ 2,257,191	$ 7,880,414
Investments	-	-	2,916,928	-	2,916,928
Accounts receivable, net of allowance	134,624	-	6,580	-	141,204
Other assets	-	-	-	892,410	892,410
Total current assets	3,189,475	1,228,685	4,263,195	3,149,601	11,830,956
Noncurrent Assets:					
Deferred charges	-	-	-	48,000	48,000
Capital assets:	-	-	-	-	-
Vehicles and equipment	-	-	-	2,288,277	2,288,277
Total capital assets	-	-	-	2,288,277	2,288,277
Less accumulated depreciation	-	-	-	(130,995)	(130,995)
Net capital assets	-	-	-	2,157,282	2,157,282
Total noncurrent assets	-	-	-	2,205,282	2,205,282
Total assets	3,189,475	1,228,685	4,263,195	5,354,883	14,036,238
Liabilities					
Current liabilities:					
Accounts payable and accrued liabilities	2,186	670	-	408,850	411,706
Accrued interest	-	-	-	33,078	33,078
Compensated absences	25,724	-	-	-	25,724
Accrued claims for self-insured risks	524,286	257,258	-	-	781,544
Current portion of bonds and notes payable	-	-	-	610,000	610,000
Total current liabilities	552,196	257,928	-	- 1,051,928	1,862,052
Noncurrent liabilities:					
Compensated absences	40,125	-	-	-	40,125
Accrued claims for self-insured risks	848,417	706,829	-	-	1,555,246
Accrued other post employment benefits	-	-	4,098,782	-	4,098,782
Bonds and notes payable	-	-	-	4,440,000	4,440,000
Total noncurrent liabilities	888,542	706,829	4,098,782	- 4,440,000	10,134,153
Total liabilities	1,440,738	964,757	4,098,782	- 5,491,928	11,996,205
Net position					
Unrestricted	$ 1,748,737	$ 263,928	$ 164,413	$ (137,045)	$ 2,040,033

City of Hallandale Beach, Florida

Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
Year Ended September 30, 2013

	General Liability Trust Fund	Workers' Compensation Fund	OPEB Fund	Fleet Fund	Total Internal Service Funds
Operating revenues:					
Charges for services	$ 50,000	$ 466,455	$ 753,612	37,000	$ 1,307,067
Other revenues	35,929	-	-	-	35,929
Total operating revenues	85,929	466,455	753,612	37,000	1,342,996
Operating expenses:					
Cost of services	24,454	204,553	-	-	229,007
Personal services	262,685	-	653,450		916,135
Depreciation	-	-	-	130,995	130,995
Claims expense	(179,582)	(245,899)	-	-	(425,481)
Total operating expenses	107,557	(41,346)	653,450	130,995	850,656
Operating income (loss)	(21,628)	507,801	100,162	(93,995)	492,340
					-
Nonoperating revenues (expenses):					
Investment earnings	13,143	4,824	12,927	13,917	44,811
Interest expense	-	-	-	(56,967)	(56,967)
Income (loss) before transfers	(8,485)	512,625	113,089	(137,045)	480,184
Transfers in	225,000	-	-	-	225,000
Transfers out	(18,965)	-	-	-	(18,965)
Change in net position	197,550	512,625	113,089	(137,045)	686,219
Net position, beginning	1,551,187	(248,697)	51,324	-	1,353,814
Net position, ending	$ 1,748,737	$ 263,928	$ 164,413	$ (137,045)	$ 2,040,033

City of Hallandale Beach, Florida

Combining Statement of Cash Flows
Internal Service Funds
Year Ended September 30, 2013

	General Liability Trust Fund	Workers' Compensation Fund	OPEB Fund	Fleet Fund	Total Internal Service Funds
Cash Flows From Operating Activities:					
Cash received from fees and charges	$ 64,362	$ 466,455	$ 751,189	$ 37,000	$ 1,319,006
Cash paid to suppliers for goods, services, claims and administrative charges	(283,084)	(489,545)	-	(498,482)	(1,271,111)
Cash paid to employees for services	(219,602)	-	-	-	(219,602)
Net cash provided (used) by operating activities	(438,324)	(23,090)	751,189	(461,482)	(171,707)
Cash Flows From Noncapital Financing Activities:					
Transfers from other funds	225,000	-	-	-	225,000
Transfers to other funds	(18,965)	-	-	-	(18,965)
Net cash provided by non-capital financing activities	206,035	-	-	-	206,035
Cash Flows From Capital and Related Financing Activities:					
Purchase of capital assets	-	-	-	(2,288,277)	(2,288,277)
Proceeds from long-term debt	-	-	-	5,050,000	5,050,000
Interest paid on long-term debt	-	-	-	(56,967)	(56,967)
Net cash used capital and related financing activities	-	-	-	2,704,756	2,704,756
Cash Flows From Investing Activities					
Purchase of investments	-	-	(44,409)	-	(44,409)
Interest received	13,143	4,824	12,927	13,917	44,811
Net cash provided by investing activities	13,143	4,824	(31,482)	13,917	402
Net increase (decrease) in cash and cash equivalents	(219,146)	(18,266)	719,707	2,257,191	2,739,486
Cash and cash equivalents:					
Beginning	3,273,997	1,246,951	619,980	-	5,140,928
Ending	$ 3,054,851	$ 1,228,685	$ 1,339,687	$ 2,257,191	$ 7,880,414

City of Hallandale Beach, Florida

Combining Statement of Cash Flows
Internal Service Funds
Year Ended September 30, 2013

	General Liability Trust Fund	Workers' Compensation Fund	OPEB Fund	Fleet Fund	Total Internal Service Funds
Reconciliation of operating loss to net cash provided (used) by operating activities:					
Operating income (loss)	$ (21,628)	$ 507,801	$ 100,162	$ (93,995)	$ 492,340
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	-	-	-	130,995	130,995
Increase in accounts receivable	(21,567)	-	(2,423)	-	(23,990)
Increase in other assets	-	-	-	(892,410)	(892,410)
Increase in deferred charges	-	-	-	(48,000)	(48,000)
Increase (decrease) in accounts payable and accrued liabilities	(6,833)	370	-	408,850	402,387
Increase in accrued interest	-	-	-	33,078	33,078
Decrease in compensated absences	43,083	-	-	-	43,083
Decrease in accrued claims for self-insured risks	(431,379)	(531,261)	-	-	(962,640)
Increase in accrued liability for other post-employment benefits	-	-	653,450	-	653,450
Net cash provided (used) by operating activities	$ (438,324)	$ (23,090)	$ 751,189	$ (461,482)	$ (171,707)
Noncash Capital and Related Financing Activities					
Unrealized gain (loss) on investments	$ -	$ -	$ (14,334)	$ -	$ -

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 Position
Pension Trust Funds
Year Ended September 30, 2013

	General Employees Pension Plan	Police and Firefighters Pension Plan	Professional/ Management Pension Plan	Total Pension Trust Funds
Assets				
Cash and cash equivalents	$ -	$ 5,563,155	$ 1,500,000	$ 7,063,155
Due from others	-	169,243	-	169,243
Interest receivable	-	196,586	-	196,586
Due for securities sold	-	269,320	-	269,320
Investments:				
Mutual funds	-	119,818	-	119,818
Corporate bonds	-	9,422,400	-	9,422,400
Equity securities	-	72,499,987	-	72,499,987
U.S. Obligations	-	9,354,658	-	9,354,658
Hedge funds	-	17,012,160	-	17,012,160
Insurance company separate account	40,510,860		19,375,942	59,886,802
Real estate investment trust	2,247,289	4,656,713	716,253	7,620,255
Prepaid expense	-	8,214	-	8,214
Total assets	42,758,149	119,272,254	21,592,195	183,622,598
Liabilities				
Accounts payable	-	137,226	-	137,226
Due for securities purchased		559,322		559,322
Total Liabilities	-	696,548	-	696,548
Net position				
Held in trust for pension benefits	$ 42,758,149	$ 118,575,706	$ 21,592,195	$ 182,926,050

City of Hallandale Beach, Florida

Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
Year Ended September 30, 2013

	General Employees Pension Plan	Police and Firefighters Pension Plan	Professional/ Management Pension Plan	Total Pension Trust Funds
Contributions:				
Employer	$ 3,513,684	$ 7,482,890	$ 746,022	$ 11,742,596
Plan members	268,168	1,207,516	108,005	1,583,689
State of Florida	-	620,891	-	620,891
Other income	-	195,549	-	195,549
Total contributions	3,781,852	9,506,846	854,027	14,142,725
Investment earnings:				
Interest and dividends	-	2,258,013	-	2,258,013
Net increase in fair value of investments	3,413,315	15,995,558	2,197,439	21,606,312
Total investment earnings	3,413,315	18,253,571	2,197,439	23,864,325
Less investment expense	(52,258)	(745,987)	(32,595)	(830,840)
Net investment income	3,361,057	17,507,584	2,164,844	23,033,485
Total additions	7,142,909	27,014,430	3,018,871	37,176,210
Deductions				
Benefits	2,189,188	9,508,242	1,054,622	12,752,052
Professional services	-	161,010	-	161,010
Total deductions	2,189,188	9,669,252	1,054,622	12,913,062
Change in net position	4,953,721	17,345,178	1,964,249	24,263,148
Net position, beginning	37,804,428	101,230,528	19,627,946	158,662,902
Net position, ending	$ 42,758,149	$ 118,575,706	$ 21,592,195	$ 182,926,050

City of Hallandale Beach, Florida

Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
Year Ended September 30, 2013

	Payroll Trust Fund	General Trust Fund	Total Agency Funds
Assets			
Cash and cash equivalents	$ 797,132	$ 392,721	$ 1,189,853
Accounts receivable	5,969	-	5,969
	$ 803,101	$ 392,721	$ 1,195,822
Liabilities			
Due to others	$ 803,101	$ 392,721	$ 1,195,822

City of Hallandale Beach, Florida

Schedule of Changes in Assets and Liabilities
Payroll Trust Fund
Year Ended September 30, 2013

	Beginning Balance	Additions	Deductions	Ending Balance
Assets				
Cash and cash equivalents	$ 711,782	$ 85,350	$ -	$ 797,132
Accounts receivable	6,429	-	(460)	5,969
	$ 718,211	$ 85,350	$ (460)	$ 803,101
Liabilities				
Due to others	$ 718,211	$ 85,350	$ (460)	$ 803,101
	$ 718,211	$ 85,350	$ (460)	$ 803,101

City of Hallandale Beach, Florida

Schedule of Changes in Assets and Liabilities
General Trust Fund
Year Ended September 30, 2013

	Beginning Balance	Additions	Deductions	Ending Balance
Assets				
Cash and cash equivalents	$ 381,094	$ 11,627	$ -	$ 392,721
Liabilities				
Due to others	$ 381,094	$ 11,627	$ -	$ 392,721

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.

Contents

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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.	123

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

City of Hallandale Beach, Florida

Schedule 1
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

	2004	2005	2006	2007
Governmental activities:				
Net investment in capital assets	$ 31,730	$ 34,511	$ 39,855	$ 41,876
Restricted	4,351	3,106	3,461	13,123
Unrestricted	28,986	39,288	36,252	31,793
Total governmental activities net position	$ 65,067	$ 76,905	$ 79,568	$ 86,792
Business-type activities:				
Net investment in capital assets	$ 9,762	$ 11,475	$ 18,783	$ 25,470
Restricted	-	137	-	-
Unrestricted	23,742	24,532	20,841	16,983
Total business-type activities net position	$ 33,504	$ 36,144	$ 39,624	$ 42,453
Primary government:				
Net investment in capital assets	$ 41,492	$ 45,986	$ 58,638	$ 67,346
Restricted	4,351	3,243	3,461	13,123
Unrestricted	52,728	63,820	57,093	48,776
Total primary government net position	$ 98,571	$ 113,049	$ 119,192	$ 129,245

Note: Terminology was revised for all years presented with the implementation of GASB statement no. 63.

2008	2009	2010	2011	2012	2013
$ 37,148	$ 39,425	$ 45,621	$ 45,545	$ 48,484	$ 42,885
18,832	22,576	24,788	28,498	25,446	20,408
37,555	36,920	33,243	31,454	25,314	34,225
$ 93,535	$ 98,921	$ 103,652	$ 105,497	$ 99,244	$ 97,518

$ 27,519	$ 26,859	$ 28,347	$ 27,910	$ 24,702	$ 28,361
-	-	-	-	-	-
16,381	23,438	26,158	30,937	34,028	38,672
$ 43,900	$ 50,297	$ 54,505	$ 58,847	$ 58,730	$ 67,033

$ 64,667	$ 66,284	$ 73,968	$ 73,455	$ 73,186	$ 71,246
18,832	22,576	24,788	28,498	25,446	20,408
53,936	60,358	59,401	62,391	59,342	72,897
$ 137,435	$ 149,218	$ 158,157	$ 164,344	$ 157,974	$ 164,551

City of Hallandale Beach, Florida

Schedule 2
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

	2004	2005	2006	2007
Expenses:				
Governmental activities:				
General government	$ 7,251	$ 8,448	$ 13,030	$ 13,069
Public safety	20,948	22,460	25,531	29,825
Physical environment	3,516	3,674	3,465	3,693
Transportation	1,041	893	1,324	1,641
Economic environment	-	37	1,542	2,363
Culture/Recreation	2,315	2,414	2,583	2,685
Human services	904	1,009	1,379	1,154
Interest on long-term debt	70	66	57	125
Total governmental activities expenses	36,045	39,001	48,911	54,555
Business-type activities:				
Nonmajor	95	86	95	89
Sanitation	4,562	4,538	4,661	5,117
Sewer	5,783	6,418	7,528	7,416
Stormwater drainage	1,068	1,308	1,346	1,359
Water	5,397	5,601	5,289	6,352
Total business-type activities expenses	16,905	17,951	18,919	20,333
Total primary government expenses	$ 52,950	$ 56,952	$ 67,830	$ 74,888
Program Revenues:				
Governmental activities:				
Charges for services:				
General government	$ 5,502	$ 4,312	$ 4,018	$ 5,029
Public safety	3,114	5,886	3,392	4,276
Physical environment	-	-	-	-
Transportation	313	232	160	134
Economic environment	-	-	-	-
Culture/Recreation	153	117	132	125
Human services	-	-	-	-
Operating grants and contributions	785	911	4,247	1,823
Capital grants and contributions	2,485	3,316	392	620
Total governmental activities program revenues	12,352	14,774	12,341	12,007
Business-type activities				
Charges for services:				
Nonmajor	69	227	105	124
Sanitation	4,407	4,481	4,951	5,228
Sewer	6,987	6,985	7,233	7,340
Stormwater drainage	1,012	1,112	1,299	1,302
Water	6,895	7,062	7,473	7,310
Capital grants and contributions	577	102	-	371
Total business-type activities program revenues	19,947	19,969	21,061	21,675
Total primary government program revenues	$ 32,299	$ 34,743	$ 33,402	$ 33,682

Note: Terminology was revised for all years presented with the implementation of GASB statement no. 63.

2008	2009	2010	2011	2012	2013
$ 11,986	$ 11,990	$ 9,633	$ 11,684	$ 11,530	$ 9,302
30,601	31,654	32,167	33,038	34,941	36,091
3,841	2,839	2,037	2,411	2,507	2,312
1,574	1,571	1,295	1,127	1,221	1,943
4,946	3,227	6,479	3,659	6,820	4,798
2,467	2,445	2,438	2,417	2,622	2,005
1,141	1,139	931	1,014	1,215	2,684
1,272	1,220	1,056	1,110	1,068	1,078
57,828	56,085	56,036	56,460	61,924	60,213
104	134	333	231	253	277
5,274	5,213	4,943	4,724	4,775	5,267
9,602	8,683	11,214	10,368	12,641	11,937
1,382	1,425	1,932	1,873	1,678	1,768
7,896	8,640	8,049	8,484	8,640	9,351
24,258	24,095	26,471	25,680	27,987	28,600
$ 82,086	$ 80,180	$ 82,507	$ 82,140	$ 89,911	$ 88,813
$ 4,659	$ 5,564	$ 4,456	$ 4,409	$ 1,627	$ 1,757
7,178	3,966	5,512	4,735	4,022	6,591
-	39	40	-	1,881	3,560
131	156	197	240	292	465
-	-	20	-	941	236
99	101	79	50	25	218
-	-	-	-	60	398
1,893	1,267	5,384	1,811	1,589	901
839	1,615	1,061	566	1,697	2,999
14,799	12,708	16,749	11,811	12,134	17,125
105	342	353	210	226	229
5,474	5,636	5,435	4,920	4,971	4,955
8,310	10,304	10,158	10,222	10,297	11,659
1,347	1,420	1,429	1,542	1,979	1,958
9,055	11,392	11,347	11,852	11,656	11,985
28	644	9	32	11	933
24,319	29,738	28,731	28,778	29,140	31,719
$ 39,118	$ 42,446	$ 45,480	$ 40,589	$ 41,274	$ 48,844

(Continued)

City of Hallandale Beach, Florida

Schedule 2 (Continued)
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Amounts Expressed in Thousands)

	2004	2005	2006	2007
Net (expense)/revenue				
Governmental activities	$ (23,693)	$ (24,227)	$ (36,570)	$ (42,548)
Business-type activities	3,042	2,018	2,142	1,342
Total primary government net expenses	$ (20,651)	$ (22,209)	$ (34,428)	$ (41,206)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	$ 15,353	$ 17,945	$ 19,605	$ 25,151
Franchise and utility taxes	6,378	6,852	7,404	7,656
Sales taxes	2,005	2,116	2,279	2,228
Motor fuel taxes	611	745	668	658
Alcoholic beverage taxes	25	21	24	22
Fire assessments			2,476	2,510
Intergovernmental revenue	3,671	3,575	4,316	6,075
Investment earnings	339	1,094	1,989	2,729
Slot machine proceeds	-	-	-	1,746
Other revenue	1,104	3,349	358	1,146
Gain on the sale of capital assets	-	23	19	-
Transfers	-	-	95	(150)
Total governmental activities	29,486	35,720	39,233	49,771
Business-type activities:				
Franchise and utility taxes	32	34	67	178
Investment earnings	315	855	1,341	1,133
Other revenue	-	1	21	10
Gain on the sale of capital assets	-	77	4	16
Transfers	-	-	(95)	150
Total business-type activities	347	967	1,338	1,487
Total primary government	$ 29,833	$ 36,687	$ 40,571	$ 51,258
Change in Net Position				
Governmental activities	$ 5,793	$ 11,493	$ 2,663	$ 7,223
Business-type activities	3,389	2,985	3,480	2,829
Total primary government	$ 9,182	$ 14,478	$ 6,143	$ 10,052

Note: Terminology was revised for all years presented with the implementation of GASB statement no. 63.

2008	2009	2010	2011	2012	2013
$ (43,029)	$ (43,377)	$ (39,287)	$ (44,649)	$ (49,790)	$ (43,088)
61	5,643	2,260	3,098	1,153	3,119
$ (42,968)	$ (37,734)	$ (37,027)	$ (41,551)	$ (48,637)	$ (39,969)
$ 24,287	$ 23,369	$ 24,340	$ 20,972	$ 20,600	$ 20,579
8,148	8,486	8,338	8,231	8,326	8,220
2,107	1,976	2,112	2,029	2,084	2,223
649	673	718	653	639	642
21	18	28	30	22	23
3,266	3,686	4,502	4,591	4,702	5,621
7,221	5,842	4,092	3,818	3,774	4,204
2,188	1,788	911	535	439	291
1,985	1,749	1,707	1,922	1,818	1,719
-	1,130	1,893	1,672	1,942	2,665
-	8	11	29	105	-
(100)	37	(929)	(638)	(914)	(4,722)
49,772	48,762	47,723	43,844	43,537	41,465
214	237	335	240	213	220
783	445	227	285	373	193
288	53	456	60	46	932
-	57	1	22	12	-
100	(37)	929	638	914	4,722
1,385	755	1,948	1,245	1,558	6,067
$ 51,157	$ 49,517	$ 49,671	$ 45,089	$ 45,095	$ 47,532
$ 6,743	$ 5,385	$ 8,436	$ (805)	$ (6,253)	$ (1,623)
1,446	6,398	4,208	4,343	2,711	9,186
$ 8,189	$ 11,783	$ 12,644	$ 3,538	$ (3,542)	$ 7,563

City of Hallandale Beach, Florida

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

	2004	2005	2006
General Fund			
Reserved	$ 695	$ 156	$ 95
Unreserved	21,037	24,508	24,302
Non-spendable:			
Inventories	-	-	-
Prepaid items	-	-	-
Assigned to:			
Vehicles and equipment	-	-	-
Subsequent year's expenditures	-	-	-
Unassigned	-	-	-
Total general fund	$ 21,732	$ 24,664	$ 24,397
All Other Governmental Funds			
Reserved	$ 6,609	$ 6,579	$ 5,460
Unreserved, reported in:			
Special revenue funds	2,279	3,143	3,445
Capital projects funds	2,552	3,144	2,373
Non-spendable:			
Prepaid items	-	-	-
Restricted for:			
Assets held for resale	-	-	-
Long-term receivable	-	-	-
Community redevelopment	-	-	-
Debt service	-	-	-
Developer agreements	-	-	-
Law enforcement	-	-	-
Transportation	-	-	-
Safe neighborhood districts	-	-	-
Assigned to:			
Computer equipment	-	-	-
Police outside services	-	-	-
Special revenue funds	-	-	-
Capital projects funds	-	-	-
Subsequent year's expenditures	-	-	-
Unassigned	-	-	-
Total all other governmental funds	$ 11,440	$ 12,866	$ 11,278

(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.

2007	2008	2009	2010	2011 (1)	2012	2013
$ 133	$ 624	$ 356	$ 179	$ -	$ -	$ -
23,065	20,133	22,187	26,840	-	-	-
				-	-	-
-	-	-	-	224	203	189
-	-	-	-	14	16	31
-	-	-	-	2,221	2,449	2,553
-	-	-	-	5,673	6,455	4,356
-	-	-	-	18,399	15,104	18,721
$ 23,198	$ 20,757	$ 22,543	$ 27,019	$ 26,531	$ 24,227	$ 25,850

$ 11,508	$ 14,623	$ 2,419	$ 3,820	$ -	$ -	$ -
5,768	7,009	22,832	23,516	-	-	-
8,333	8,704	8,448	7,433	-	-	-
-	-	-	-	-	-	141
-	-	-	-	5,552	3,145	1,177
-	-	-	-	2,327	1,805	1,214
-	-	-	-	-	-	-
-	-	-	-	910	955	1,000
-	-	-	-	2,623	1,628	502
-	-	-	-	2,638	1,727	1,141
-	-	-	-	2,764	2,919	2,639
-	-	-	-	1,209	1,080	952
-	-	-	-	22	22	22
-	-	-	-	79	118	140
-	-	-	-	14,243	13,230	7,672
-	-	-	-	5,207	4,991	4,054
-	-	-	-	-	-	4,054
-	-	-	-	-	-	(901)
$ 25,609	$ 30,336	$ 33,699	$ 34,769	$ 37,574	$ 31,620	$ 23,807

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)

	2004	2005	2006	2007
Revenues				
Taxes	$ 21,731	$ 24,075	$ 27,241	$ 32,784
Licenses, fees and permits	2,246	3,733	1,378	1,632
Fines and forfeitures	596	465	419	580
Charges for services	4,386	4,853	4,706	5,940
Intergovernmental	9,581	8,239	11,907	10,908
Investment earnings	339	958	1,706	2,314
Slot machine proceeds	-	-	-	1,746
Other revenues	2,860	3,731	3,179	4,197
Total revenues	41,739	46,054	50,536	60,101
Expenditures				
General government	6,363	8,109	10,235	10,271
Public safety	20,412	21,529	24,332	28,860
Physical environment	2,543	2,600	2,920	3,383
Transportation	905	996	1,161	1,437
Economic development	-	37	1,542	2,406
Human services	873	954	1,318	1,101
Culture and recreation	1,986	2,035	2,138	2,308
Capital outlay	3,886	4,720	7,549	22,943
Debt service:				
Principal	878	878	689	500
Interest	70	57	61	52
Bond issuance costs	-	-	-	34
Total expenditures	37,916	41,915	51,945	73,295
Excess of revenues over (under) expenditures	3,823	4,139	(1,409)	(13,194)
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	64	43	40	-
Transfers in	1,976	2,553	3,265	4,855
Transfers out	(1,764)	(2,377)	(3,750)	(5,585)
Issuance of long-term debt	-	-	-	24,615
Total other financing sources (uses)	276	219	(445)	23,885
Net change in fund balances	$ 4,099	$ 4,358	$ (1,854)	$ 10,691
Debt service as a percentage of noncapital expenditures	2.8%	2.5%	1.7%	1.1%

2008	2009	2010	2011	2012	2013
$ 32,665	$ 31,854	$ 33,114	$ 29,194	$ 28,923	$ 28,799
1,756	1,543	1,857	1,630	1,299	2,329
3,769	823	1,925	1,099	938	1,076
5,045	5,759	6,831	6,389	7,206	10,018
11,890	11,079	11,901	9,443	10,376	9,711
1,895	1,528	896	513	385	246
1,985	1,749	1,707	1,922	1,818	1,719
4,616	4,851	6,385	6,262	6,648	7,800
63,621	59,186	64,616	56,452	57,593	61,698
10,596	9,501	9,632	9,236	9,463	9,244
29,760	30,749	31,428	32,702	34,379	35,620
3,366	2,355	1,984	2,358	2,443	2,252
1,390	1,416	1,137	937	1,031	1,637
4,923	2,728	6,376	3,578	6,736	4,680
1,087	1,098	859	944	1,140	2,698
2,118	2,120	2,067	2,081	2,290	1,563
2,476	4,415	2,557	2,319	7,007	7,022
1,180	891	830	865	910	955
1,318	1,189	1,153	1,117	1,075	1,031
-	-	-	-	-	
58,214	56,462	58,023	56,137	66,474	66,702
5,407	2,724	6,593	315	(8,881)	(5,004)
-	14	13	32	35	272
7,444	9,636	8,540	5,734	2,512	2,452
(8,124)	(7,225)	(9,601)	(6,414)	(2,833)	(3,518)
-	-	-	-	-	-
(680)	2,425	(1,048)	(648)	(286)	(794)
$ 4,727	$ 5,149	$ 5,545	$ (333)	$ (9,167)	$ (5,798)
4.5%	4.0%	3.6%	3.7%	3.3%	3.3%

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
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
2012	20,600	2,581	3,948	1,794	2,048
2013	20,579	2,519	4,123	1,578	2,223
Change 2004-2013	34.0%	18.8%	46.7%	6.7%	10.9%

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
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
639	22	31,632
641	23	31,686
4.9%	-8.0%	29.8%

City of Hallandale Beach, Florida

Schedule 6
Property Tax Rates – Direct and Overlapping Property Taxes Rates
Last Ten Fiscal Years

		Direct	Overlapping Rates							
		City Rate (1)	Broward County BOCC			School Board of Broward County				
Tax roll year	Fiscal Year	City of Hallandale Beach	Operating Millage	Debt Service Millage	Total Broward County	Operating Millage	Debt Service Millage	Total School District	So Florida Water Management District	Florida Inland Navigation District
2003	2004	6.7480	-	-	7.1880	-	-	8.4176	0.6970	0.0385
2004	2005	6.5456	6.4831	0.5399	7.0230	8.0140	0.2555	8.2695	0.6970	0.0385
2005	2006	6.2838	6.2942	0.4888	6.7830	7.8410	0.2213	8.0623	0.6970	0.0385
2006	2007	5.9696	5.6433	0.4228	6.0661	7.6790	0.1897	7.8687	0.6970	0.0385
2007	2008	4.9818	4.8889	0.3979	5.2868	7.4770	0.1714	7.6484	0.6240	0.0345
2008	2009	4.9818	4.8889	0.4256	5.3145	7.4170	-	7.4170	0.6240	0.0345
2009	2010	5.9000	4.8889	0.5000	5.3889	7.4310	-	7.4310	0.6240	0.0345
2010	2011	5.9000	5.1021	0.4509	5.5530	7.6310	-	7.6310	0.6240	0.0345
2011	2012	5.9000	5.1860	0.3670	5.5530	7.4180	-	7.4180	0.4363	0.0345
2012	2013	5.6833	5.4400	0.2830	5.7230	7.4800	-	7.4800	0.4110	0.0345

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.

Children's Services Council	South Broward Hospital District	Total Direct & Overlapping Rates	Golden Isles Safe Neighborhood District (2)	Three Islands Safe Neighborhood District (2)
0.3920	1.7336	25.2147	1.2900	1.1170
0.4231	1.5761	24.5728	1.2900	1.1170
0.4231	1.4500	23.7377	1.2900	1.0000
0.4073	1.3300	22.3772	1.2900	0.8000
0.3572	1.1643	20.0970	1.0934	0.6897
0.3754	1.1913	19.9385	1.0934	0.6600
0.4243	1.2732	21.0759	1.0934	0.6600
0.4696	1.2732	21.4853	1.0934	0.6600
0.4789	0.7500	20.5707	1.0934	0.6600
0.4882	0.4000	20.2200	1.0934	0.6600

City of Hallandale Beach, Florida

Schedule 7
Principal Property Taxpayers
Current and Nine Years Ago
(Amounts Expressed in Thousands)

	2013			2004		
Taxpayer	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	$ 198,331,252	1	5.639%	$ 26,209,913	3	1.339%
17070 Collins Ave. Shopping Ctr	36,132,600	2	1.027%	16,992,840	7	0.868%
Three Islands Associates Residential	25,030,123	3	0.712%	22,192,793	4	1.134%
Hollywood Greyhound Track	21,636,403	4	0.615%	17,618,440	6	0.900%
Village at Gulfstream LLC\CCD	16,167,387	5	0.460%			
Hallandale Group Limited Partnership	14,509,394	6	0.413%			
Wal-Mart Stores	14,077,563	7	0.400%	10,716,497	10	0.547%
Diplomat Properties Ltd. Partnership	13,686,618	8	0.389%	30,131,350	2	1.539%
2500 Hallandale Beach LLC	13,179,222	9	0.375%			
600 Hallandale LLC	13,179,222	10	0.375%			
Omnipoint Communications				42,902,755	1	2.191%
Southern Bell Telephone Co.				16,275,905	8	0.831%
Oceanfront LLC				14,564,125	9	0.744%
Florida Power & Light Co.			0.000%	19,381,764	5	0.990%
Total	$ 365,929,785		10.404%	$ 216,986,382		11.083%

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	
2004	$ 15,859	$ 15,811	99.69%	$ 27	$ 15,838	99.86%	
2005	17,738	17,670	99.62%	43	17,713	99.86%	
2006	20,426	20,329	99.52%	72	20,401	99.88%	
2007	25,750	25,656	99.64%	123	25,779	100.11%	(3)
2008	25,226	25,097	99.49%	126	25,223	99.99%	
2009	24,950	23,891	95.76%	869	24,760	99.24%	
2010	24,832	24,187	97.40%	377	24,564	98.92%	
2011	21,343	21,061	98.68%	1	21,062	98.69%	
2012	21,237	21,161	99.64%	-	21,161	99.64%	
2013	21,116	21,093	99.89%	-	21,093	99.89%	

Source: Broward County Revenue Collection Division

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

(2) Amounts include Golden Isles, Three Islands Safe Neighborhood Districts, and the Hallandale Beach Community Redevelopment Agency 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 Eight Fiscal Years
(Amounts Expressed In Thousands)

Fiscal Year	Real Property: Residential Property	Real Property: Commercial Property	Real Property: Other Property	Personal Property	Less: Tax Exempt Property	Total Taxable Assessed Value
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
2012	3,314,833	729,340	188,369	114,532	797,854	3,549,220
2013	3,421,664	712,733	191,941	108,570	803,365	3,631,543

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%
5.9000	4,347,074	81.6%
5.8833	4,434,908	81.9%

City of Hallandale Beach, Florida

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

	Governmental Activities				Business-Type Activities					
Fiscal year	Pledged Revenue Note	Revenue Note Series 2002	Bonds Series 2007A	Revenue Note Series 2012	Revenue Bonds Series 2001A	Revenue Bonds Series 2005A	Revenue Note Series 2012	Total Primary Government	Percentage Of Personal Income	Per Capita
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	847.68
2012	-	-	20,535,000		-	6,480,000	2,770,000	29,785,000	N/A	789.38
2013			19,580,000	5,050,000	-	6,100,000	2,770,000	33,500,000	N/A	872.60

City of Hallandale Beach, Florida

Schedule 11
Direct and Overlapping Governmental Activities Debt
As of September 30, 2013

Jurisdiction	Net debt Outstanding	Percentage applicable to City of Hallandale Beach (1)	Amount applicable to City of Hallandale Beach
City of Hallandale Beach	$ 19,580,000	100.000%	$ 19,580,000
Broward County	326,817,000	2.868%	9,373,302
Broward School District	-	0.000%	-
Total direct and overlapping debt	$ 346,397,000		$ 28,953,302

(1) 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

	Utility Revenue Bonds, Series 2001A, 2005A and Series 2012 Revenue Note					
				Debt Service		
Fiscal year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
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
2012	23,932,305	22,512,735	1,419,570	370,000	306,465	2.10
2013	25,602,349	22,725,740	2,876,609	380,000	292,378	4.28

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

(1) In 2012, the Series 2001A Bonds were refunded with the issuance of the Series 2012 Revenue Note.

Revenue Note Series 2002 and Bonds 2007A						Pledged Revenue Note			
	Debt Service		Debt Service				Debt Service		
Pledged Revenue	Principal	Interest	Principal	Interest	Coverage	Franchise Fees	Principal	Interest	Coverage
$ 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	-	-	-	-
36,203,914	-	-	865,000	1,117,215	18.26	-	-	-	-
37,801,983	-	-	910,000	1,055,925	18.93	-	-	-	-
44,239,028	-	-	955,000	1,012,750	22.48	-	-	-	-

City of Hallandale Beach, Florida

Schedule 13
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal year	Population (1)	Personal Income (2)	Broward County Per capita Personal Income (2)	Median Age(6)	Unemployment Rate Broward County	Unemployment Rate Hallandale Beach		Public School Enrollment (5)
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	1,543,918,732	41,596	50.9	10.60%	12.10%	(4)	2,933
2011	37,113	1,594,374,480	42,960	46.7	9.00%	10.40%	(4)	2,850
2012	37,732	1,676,395,028	44,429	46.7	7.20%	8.90%	(4)	2,777
2013	38,391	*	*	46.7	6.10%	7.10%	(4)	3,299

(1) Source: University of Florida, Bureau of Economic Research for Hallandale Beach(as of 4/1/2013).
(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: U.S. Department of Labor, Bureau of Labor Statistics
(5) Source: Broward School District for City of Hallandale Beach, Florida.
(6) 2010 U. S. Census.

* Data not available.

Schedule 14
Principal Employers
Current and Six Years Ago

	2013			2007 (3)		
Employer	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	672	2	3.668%	717	2	4.291%
City of Hallandale Beach	457	3	2.494%	451	3	2.699%
Wal-Mart Stores, Inc.	268	4	1.463%	260	6	1.556%
School Board of Broward County	256	5	1.397%	440	4	2.633%
Publix Supermarket	215	6	1.174%	285	5	1.706%
Winn Dixie Supermarkets	198	7	1.081%	185	8	1.107%
Diplomat Country Club	192	8	1.048%	239	7	1.430%
Burlington Coat Factory	93	9	0.508%	104	9	0.622%
Cantina Laredo	88	10	0.480%	-		0.491%
	3,889		21.227%	3,758		22.983%

(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

Function/Program	2004	2005	2006
General government			
Management	6.5	7.0	8.0
General Services	4.0	4.0	4.0
City Attorney	3.0	3.0	3.0
Finance	9.0	8.5	9.5
Information Technology	3.5	5.0	5.0
Personnel	5.0	5.0	5.75
City Clerk	3.0	3.0	3.0
Development Services	27.50	29.00	29.0
Other	4.0	2.0	2.0
Police			
Officers	101.0	102.0	101.0
Civilians	55.0	49.25	37.00
Fire			
Paramedics, firefighters, officers	74.0	76.0	77.0
Civilians	2.0	2.0	3.0
Public Works			
Administration	5.0	8.75	7.75
Equipment Maintenance	9.0	9.0	9.0
Grounds Maintenance	14.0	16.0	17.25
Building Maintenance	13.5	12.5	14.25
Human Services	12.2	12.2	12.2
Parks and Recreation	37.50	37.5	32.8
Transportation			
Streets	7.20	6.75	6.75
Minibus	-	-	-
Sanitation	21.75	21.00	21.0
Cemetery	-	-	-
Water	45.0	44.0	43.0
Stormwater	5.0	2.0	2.0
Sewer	12.0	12.0	12.0
Total	479.65	477.45	465.25

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.

2007	2008	2009	2010	2011	2012	2013
8.0	8.0	8.0	7.00	7.00	7.00	7.00
4.0	4.0	4.0	4.00	4.00	4.00	4.00
4.0	4.0	4.0	3.00	3.00	3.00	3.00
9.75	9.75	9.75	9.75	9.77	11.77	12.00
5.0	5.0	5.0	5.00	5.00	5.00	5.00
5.75	5.50	5.00	5.00	5.92	5.20	5.00
3.0	3.0	3.0	2.00	3.00	3.00	3.00
30.75	30.75	28.75	22.62	24.00	21.00	21.00
2.0	2.0	2.0	3.50	1.00	2.00	1.00
103.0	101.00	101.00	98.00	95.00	99.00	99.00
40.0	40.00	41.00	40.52	38.54	37.00	37.00
80.0	77.0	78.0	75.00	75.00	75.00	75.00
3.0	3.0	3.0	2.00	3.00	3.00	4.00
7.75	7.75	5.76	3.00	5.00	5.00	4.00
9.0	9.5	10.75	9.75	8.77	8.77	8.77
17.00	16.00	16.54	14.76	13.77	15.81	15.81
13.50	12.50	11.28	9.52	11.31	10.29	9.00
13.2	13.2	10.1	10.15	10.31	9.80	9.00
36.30	32.30	31.12	29.04	27.40	29.67	43.46
6.75	5.75	4.25	3.27	3.27	4.77	10.77
-	-	-	-	-	-	
17.0	23.0	22.29	24.00	23.93	22.54	24.41
-	-	-	1.76	1.77	1.77	1.77
43.0	42.5	40.5	45.03	44.31	43.56	40.27
2.0	4.0	5.53	7.52	6.54	2.00	2.00
12.0	12.0	16.0	15.00	14.00	12.00	12.00
475.75	471.50	466.62	450.19	444.61	441.95	457.26

City of Hallandale Beach, Florida

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

	2004	2005	2006
Function/Program			
Development Services			
Building permits issued	2,956	3,526	3,702
Building inspections conducted	23,173	42,010	32,134
Police			
Physical arrests	1,063	1,063	977
Parking violations	3,434	3,434	2,983
Traffic violations	15,096	13,850	12,680
Fire			
EMS responses	5,870	5,859	5,781
Other emergency responses	1,358	1,798	2,362
Fires	122	161	218
Inspections	1,648	2,411	2,097
Refuse Collection			
Refuse collected (tons per year)	27,500	27,601	26,775
Other Public Works			
Street resurfacing (miles)	2.85	1.27	2.75
Number of streets repaired	557	585	468
Asphalt used (tons)	213	352	334
Parks and recreation			
Summer camp participants	*	95	100
Athletic teams	41	38	37
Water			
New/Replacement connections	70	66	74
Average daily consumption (1000's of gallons)	5,880	5,990	5,830
Peak daily consumption (1000's of gallons)	6,850	7,290	6,880
Wastewater			
Average daily sewage transmitted (1000's of gallons)	5,400	6,330	6,690
Transit			
Total route miles per year	45,209	45,209	64,584
Passengers per year	41,234	44,287	91,700

* Data not available

2007	2008	2009	2010	2011	2012	2013
2,917	2,558	2,704	3,390	3,261	3,403	3,377
32,134	13,994	9,138	10,387	9,556	8,934	9,624
1,211	1,168	1,655	1,524	1,610	1,222	1,383
1,995	2,674	5,763	3,093	2,382	2,090	2,263
12,259	13,498	9,254	10,434	10,085	9,127	12,001
5,617	5,505	5,277	5,192	4,719	5,690	5,938
2,343	1,734	2,285	2,466	2,025	2,413	2,622
156	149	129	122	108	117	113
2,665	2,170	2,451	1,467	1,713	2,294	2,438
27,934	27,650	25,882	26,611	22,766	24,315	26,652
6.67	5.18	-	5.69	3.98	-	-
439	641	455	685	673	796	667
312	405	87	125	334	258	217
637	609	593	194	63	70	66
50	66	77	76	84	78	76
62	32	80	86	47	7	48
5,520	5,462	5,167	5,516	5,313	5,493	5,801
6,780	7,280	7,500	6,890	6,570	6,400	7,738
6,952	6,841	6,650	6,906	6,483	7,286	6,936
81,102	107,215	103,109	99,505	99,505	99,505	152,047
118,266	156,160	145,200	163,370	178,461	211,298	264,577

City of Hallandale Beach, Florida

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

Function/Program	2004	2005	2006	2007	2008
Police Stations	1	1	1	1	1
Fire Stations	3	3	3	3	3
Refuse Collection					
Collection Trucks	*	*	18	18	18
Other Public Works					
Streets (miles)	67	67	67	67	67
Sidewalks (miles)	39	39	39	39	39
Streetlights	*	*	1,391	1,391	1,391
Traffic signals	42	42	42	42	42
Parks and recreation					
Playgrounds	8	8	8	7	7
Baseball/softball diamonds	4	4	4	4	4
Outdoor pavilions	5	5	5	5	5
Community centers	5	5	5	5	5
Pool	1	1	1	1	1
Tennis courts	14	14	14	14	14
Water					
Water mains (miles)	77	77	77	77	78
Fire hydrants	545	545	545	554	554
Storage capacity (millions of gallons)	4.9	4.9	4.9	4.9	4.9
Wastewater					
Sanitary sewers (miles)	72	72	72	72	72
Storm sewers (miles)	32	35	35	35	38
Transmission capacity (millions of gallons per day)	*	6.65	6.65	6.65	6.65

* Data not available

2009	2010	2011	2012	2013
1	1	1	1	1
3	3	3	3	3
18	20	20	20	20
67	74	74	74	74
41	42	42	43	43
1,391	1,391	1391	1391	1391
42	42	42	42	42
10	10	10	10	11
4	4	4	4	4
7	7	7	7	7
5	5	5	5	5
1	1	1	1	1
14	14	14	14	14
79	79	80	80	80
554	554	554	572	572
4.9	4.9	4.9	4.9	4.9
73	73	73	73	73
38	39	40	40	40
6.65	6.65	6.65	6.65	6.65