

Comprehensive Annual Financial Report City of Belle Glade Florida



Fiscal Year Ended September 30, 2018

CITY OF BELLE GLADE, FLORIDA
COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FISCAL YEAR ENDED
SEPTEMBER 30, 2018



PREPARED BY THE FINANCE DEPARTMENT

LARRY TIBBS
DIRECTOR OF FINANCE

DIANA L. HUGHES
ASSISTANT DIRECTOR OF FINANCE

CITY OF BELLE GLADE, FLORIDA

SEPTEMBER 30, 2018

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INTRODUCTORY SECTION



City of Belle Glade

Department of Finance

A Municipal Corporation since
September 11, 1945

April 2, 2019

To the Citizens, City Commission, and City Manager

Tel: 561-996-0100
Fax: 561-992-2215

www.bellegladegov.com

Commissioners

Steve B. Wilson
Mayor

Mary Ross Wilkerson
Vice Mayor

Michael C. Martin
Treasurer

Johnny Burroughs, Jr.
Larry Underwood

Lomax Harrelle
City Manager

INTRODUCTION

The City of Belle Glade follows a policy of preparing a complete set of financial statements in conformity with generally accepted accounting principles at the end of each fiscal year. These financial statements are audited by a licensed certified public accounting firm. The financial statement audit has been completed, and we hereby issue the Comprehensive Annual Financial Report of the City of Belle Glade for fiscal year ending September 30, 2018.

This report consists of management's representations concerning the finances for the City of Belle Glade. Management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Belle Glade has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to communicate sufficiently reliable information for the City of Belle Glade's financial statements in conformity with generally accepted accounting principles. The City of Belle Glade's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. However, there are inherent limitations and risk since the cost of a control should not exceed the benefits to be derived. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Belle Glade's financial statements have been audited by Nowlen, Holt, & Miner, P.A., a licensed certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Belle Glade for the fiscal year ending September 30, 2018, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting amounts and disclosures in the financial statements; assessing the accounting principles used and the significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Belle Glade's financial statements for the fiscal year ended September 30, 2018, are fairly presented in conformity with generally

accepted accounting principles. The independent auditor's report is located at the front of the Financial Section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

The City's webpage (www.bellegladegov.com) provides information on the natural resources and recreational amenities available in the Belle Glade area, as well as provides citizens with up to date information on City activities, events and contracts.

PROFILE OF THE CITY AND ITS OPERATIONS

The City of Belle Glade is located in western Palm Beach County on the southeastern shore of Lake Okeechobee, the second largest freshwater lake within the contiguous United States of America. Palm Beach County has been recognized as one of the fastest growing counties in both the state and the nation. The City is a rural community, centrally located between the east and west coasts of Florida about 42 miles west of West Palm Beach and is approximately 6 square miles in size.

The population of 17,290 is primarily employed in various agricultural business and related industries within the greater Belle Glade area. The City issues an average of 1,000 business tax receipts annually for a wide range of businesses doing business within the corporate limits.

The City has a commissioner/manager form of government, with the five Commissioners elected at large for staggered three-year terms. Elections are held on the second Tuesday in March each election year. The City employs a full-time City Manager who is the chief executive officer of the City.

The City provides a various range of municipal services to its citizenry. These services include culture-recreation, highways and streets, sanitation and recycling, park facilities, planning, zoning and general administrative services. Police services are currently being provided by the Palm Beach County Sheriff's Department under contract. Fire and emergency medical services are being provided by the Palm Beach County Fire-Rescue Department. Along with general governmental activities, the Mayor and Commission appoint members to the governing bodies of the General Employees' Pension and the Retired Public Safety Officers' Trust Boards. Additionally, the legislative body appoints the Belle Glade Housing Authority (BGHA) board members. However, pursuant to Statement 61 of the Governmental Accounting Standards Board, the BGHA does not qualify as a component unit of the City and thus their financial information is excluded from this report.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered in relationship to the City's specific environment and the City's plans for the future.

Local Economy

About 34% of the City's total revenue applicable to its governmental-type activities is derived from tax revenues. Tax revenues included five major sources: ad valorem property tax, local option gas tax, utility taxes, sales taxes and franchise fees. The ad valorem property tax rate for fiscal year 2018 was 6.5419 mills.

Major Initiatives

- The City is continuing to pursue an aggressive approach to economic development. In conjunction with Palm Beach County and many other agencies, the City is actively promoting the Belle Glade area as an attractive business location for new as well as expanding or relocating businesses. During fiscal year 2018, site plans were approved to build an Auto Zone store on south Main Street. This \$645,000 project is scheduled to be a 6,815 square foot structure and expected to create a dozen or more new jobs.
- The City recognizes the need to pursue quality affordable housing to support business and economic expansion. During fiscal year 2018, construction was completed on 30 apartment units located on Canal Street, 114 apartment units located at Calusa Estates, 30 multi-family units and 18 townhomes located at Amelia Estates, along with the renovations of 144 apartment units located at Covenant Village.
- The City continues to work with the Community Redevelopment Agency within the downtown area of the City. The CRA is designed to assist in the elimination of slum and blight conditions in that section of the City and will continue working with Palm Beach County's Economic Development Office for the development of a "downtown core" to increase economic activity.
- In an effort to reduce crime while simultaneously beautifying the City, Belle Glade has been aggressively pursuing a program of eliminating dilapidated structures throughout the City. The City received a grant from Solid Waste Authority (SWA) of Palm Beach County to demolish the old cart barn located on the front nine of the Belle Glade Municipal Golf Club. The City has applied for additional grant funds from SWA to demolish deteriorated structures located at the City's old shooting range that are no longer being used and removal of a boardwalk located at Torry Island that has become a safety hazard.
- The City continues its aggressive campaign to beautify and cleanup the City through stricter code enforcement. The campaign is aimed at improving overall aesthetics of the City through education and assistance to residents as well as businesses. This campaign has enticed various businesses on the City's Main Street to renovate the exteriors of their buildings.
- The City has a Youth Empowerment Program in partnership with the Palm Beach County Youth Services Department. Under the program, the City has established a Youth Empowerment Center that provides activities and services to youth ages 13-18, including after-school programs and activities, tutoring/mentoring, job training for in school and out of school youth, gang prevention outreach, parenting classes, employment services, safe school programs and information on resources.
- City leadership is pursuing several avenues in order to acquire funding for infrastructure improvements. The City Commission, City Manager and staff continue to solicit state and federal elected officials for assistance with road funding. The City received State grant funds in fiscal year 2018 in the amount

\$928,638 for resurfacing of six roadways and \$620,000 for resurfacing of nineteen roadways. These projects are projected to be completed in 2019. State funded grant in the amount of \$695,486 previously awarded for SW Avenue J is projected to be completed in 2019. The construction of a new roadway in the amount of \$506,000 that was previously awarded was changed to reconstruction of Orange Avenue Circle. This project is projected to be completed in 2019. The City approved in fiscal year 2018 to use \$80,576 of funds reserved for capital improvements to resurface three roadways located in Abidjan Estates.

- The City's storm drainage system is another project that the City is diligently working to improve. The City received from the Florida Department of Environment Protection (DEP) a grant in the amount of \$350,000 for a storm drainage system improvements project located at NW/SW 3rd Street corridor. This project is projected to be completed in fiscal year 2019.
- The City of Belle Glade's Municipal Airport has received several grants from the Florida Department of Transportation (FDOT) to fund needed improvements at the City's Airport. In fiscal year 2018 the City received from FDOT \$150,000 for drainage master plan, \$400,000 for obstruction relocation at the airport, and \$92,000 for airport taxiway that will be completed in 2019.
- The City has taken an aggressive approach in rehabilitating the City's parks. The City has approved to use an addition \$124,540 of the City's Infrastructure Surtax revenue to fund the purchase of new playground equipment. The City is continuing to research and to apply for grants to help in the rehabilitation of City parks.
- The City is continuing to improve the Marina campground amenities. In fiscal year 2018 the observation tower at the Marina was completed. New security gate system was installed at the campground. Grant funds from Florida Inland Navigation District (FIND) along with City approved Infrastructure Surtax revenue has been allocated to fund sewer extension, electrical and water improvements at the Marina campground with construction projected to be completed in 2019.
- On October 1, 2017, the City resumed operation of the municipal golf course. The golf course was in deplorable condition and play was down to a bare minimum. A local business donated several pieces of golf course equipment to the City valued at \$104,400. Major renovations to the pro shop, club room and cart barn were done along with replacement of the irrigation system on the back nine holes at the golf course.
- The City has a neighborhood transit system known as the Belle Glade Express that provides low-cost transportation to our transit-dependent citizens. This is the ninth year the transit system has provided service. The Belle Glade Express will be phased out in 2019 for a flex system operated by Palm Beach County.
- The City Commission approved a Revolving Loan Fund (RLF) program used to assist eligible first-time homebuyers who meet low and moderate income guidelines. The City is continuing to promote the program in anticipation of assisting other first-time homebuyers. To date, three homes have been built through this program with two more slated for construction in 2019.

- Water and sewer is being provided to the City by Palm Beach County Water Utilities and they have pledged to spend a total of \$80 million over a 8-10 year period to replace and/or repair water and sewer infrastructure in the Glades area. Though many improvements to the City's water infrastructure have already been made, we still have much more to do.

GENERAL FINANCIAL INFORMATION

Financial Policies

The City of Belle Glade's financial policies provide the framework for the overall fiscal management of the City. The policies cover a broad range of topics including, but not limited to, accounting, auditing, internal controls, operating and capital budgeting, cash and investment management, asset management, and financial reporting. Pursuant to Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Type Fund Definitions, the City adopted a fund balance policy including classifications and fund balance reserves within each category. The fund balances reported in the financial statements are shown pursuant to Statement 54.

Internal Controls

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

Budgetary Controls

The City maintains budgetary controls over revenues and expenditures. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Commission. Activities of the General, Special Revenue, Capital Projects, Expendable Trust and Proprietary Funds are included in the annual appropriated budget. The level of budgetary control is established by object classification (personal services, operating expenses, capital outlay, and debt service) within each department. Budgetary reports are issued and reviewed monthly. The City also maintains an encumbrance accounting system as a budgetary control technique. All encumbered amounts lapse at year-end. Budget to actual comparisons are provided in the report for each governmental fund for which an appropriated annual budget has been adopted.


ACKNOWLEDGEMENTS


The preparation of the Comprehensive Annual Financial Report was made possible by the dedicated efforts of the Finance Department's staff. Each member of the department has my sincere appreciation for the contributions made in the preparation of this report. I would also like to thank the City Manager and City Commission for their

interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

In conclusion, this report reflects the sound financial position and progressive manner in which the City continues to provide necessary services to the citizens of Belle Glade.

Respectfully submitted,


Larry Tibbs
Director of Finance


Diana L. Hughes
Assistant Director of Finance



Government Finance Officers Association

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Achievement
for Excellence
in Financial
Reporting**

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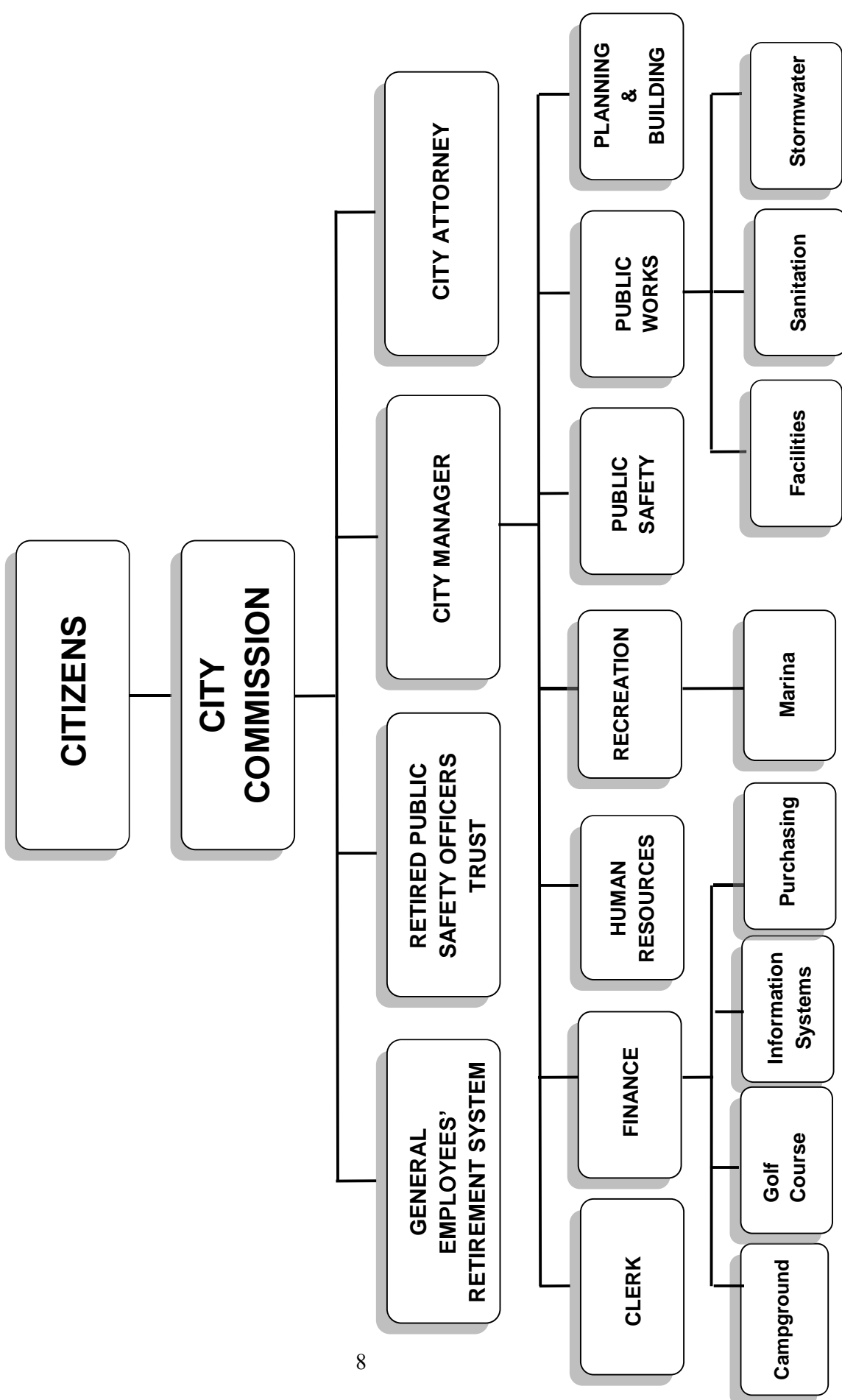
**City of Belle Glade
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2017

Christopher P. Morrell

Executive Director/CEO



CITY COMMISSION – September 30, 2018

STEVE B. WILSON
MARY ROSS WILKERSON
JOHNNY BURROUGHS, JR.
MICHAEL C. MARTIN
LARRY UNDERWOOD

MAYOR
VICE-MAYOR
COMMISSIONER
COMMISSIONER
COMMISSIONER

City Officials

Lomax Harrelle
Beverly J. Scott
Larry Tibbs
Diana L. Hughes
Debra R. Buff, MMC
Vivian L. Hunter
Johnny Gooden
Annette J. Parchment

Kacy Young

City Manager
Deputy City Manager
Director of Finance
Assistant Director of Finance
City Clerk
Director of Human Resources
Director of Public Works
Director of Planning & Community
 Redevelopment Services
Director of Recreation

City Attorney

Torcivia, Donlon, Goddeau & Ansay, P.A.

Independent Certified Public Accountants

Nowlen, Holt & Miner, P.A

FINANCIAL SECTION



NOWLEN, HOLT & MINER, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

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NORTHBRIDGE CENTRE
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EDWARD T. HOLT, CPA
WILLIAM B. MINER, RETIRED
ROBERT W. HENDRIX, JR., CPA
JANET R. BARICEVICH, RETIRED, CPA
TERRY L. MORTON, JR., CPA
N. RONALD BENNETT, CVA, ABV, CFF, CPA
ALEXIA G. VARGA, CFE, CPA
EDWARD T. HOLT, JR., PFS, CPA
BRIAN J. BRESCHIA, CFP®, CPA

MARK J. BYMASTER, CFE, CPA
RYAN M. SHORE, CFP®, CPA
WEI PAN, CPA
WILLIAM C. KISKER, CPA
RICHARD E. BOTTS, CPA

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the City Commission
City of Belle Glade, 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 Belle Glade, Florida as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City of Belle Glade, Florida's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Belle Glade, Florida, as of September 30, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principal

As discussed in Note 15 to the financial statements, the City of Belle Glade, Florida implemented Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, during the fiscal year ended September 30, 2018. The beginning net position of the governmental activities, the business-type activities, the Garbage and Solid Waste Fund, the Marina Fund, and the Stormwater Fund as of October 1, 2017 have been restated. Our opinions are 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 13 through 23, budgetary comparison information on pages 81 through 85, and the pension and other postemployment benefit trend information on pages 86 through 90 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Belle Glade, Florida's basic financial statements. The introductory section, combining fund financial statements, other supplemental information, and statistical data listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by Chapter 10.550, Rules of the Auditor General and is also not a required part of the basic financial statements.

The combining fund financial statements, other supplemental information and the schedule of expenditures of state financial assistance 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 fund financial statements, other supplemental information and the schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April XX, 2019, on our consideration of the City of Belle Glade, Florida's internal control over financial reporting and 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 the 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 of Belle Glade, Florida's internal control over financial reporting and compliance.

Nowlen, Holt & Mimer, P.A.

Belle Glade, Florida
April 2, 2019

City of Belle Glade, Florida Management's Discussion and Analysis

The City of Belle Glade's (the "City") discussion and analysis is designed to:

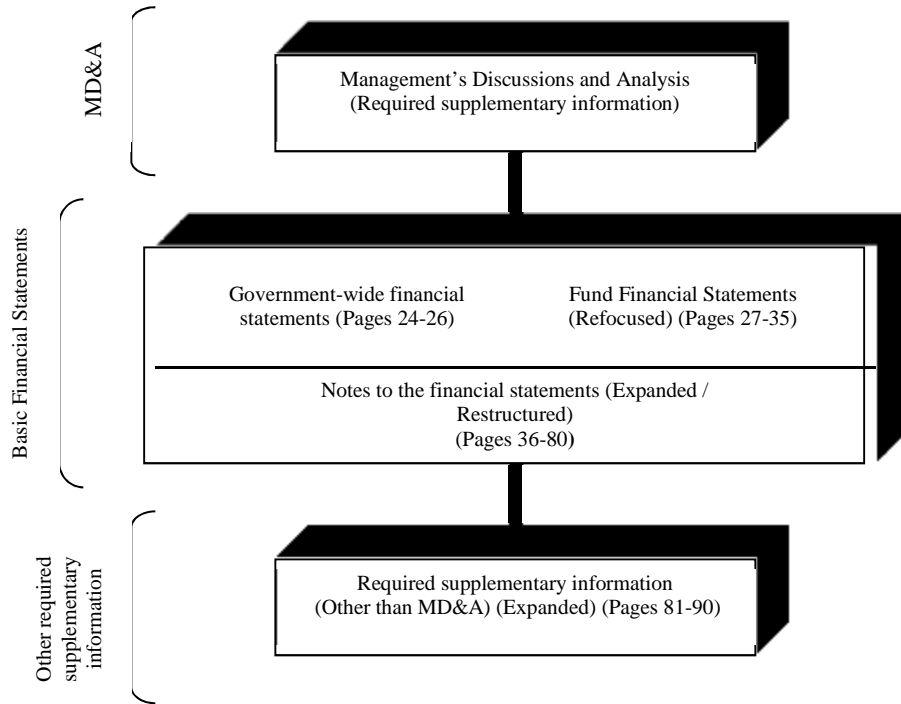
- A. Assist the reader in focusing on significant financial issues
- B. Provide an overview of the City's financial activity
- C. Identify changes in the City's financial position
- D. Identify any material deviations from the financial plan (the approved budget)
- E. Identify individual fund issues or concerns

FINANCIAL HIGHLIGHTS

- The assets of the City of Belle Glade exceeded its liabilities at the close of the most recent fiscal year by \$50,374,142 (net position). Of this amount, \$11,190,818 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The total government activities revenues decreased by \$4,072,143. This total decrease was primarily due to: (1) a decrease in capital grants in the amount of \$4,594,844 (transportation grants decreased \$4,542,019 and culture/recreation grants decreased \$52,825); (2) a decrease in charges for services in the amount of \$134,035 (public safety decreased \$130,941) (3) a decrease in operating grants and contributions in the amount of \$63,546; (4) an increase intergovernmental shared revenues in the amount of \$553,956, primarily one cent infrastructure surtax; (7) an increase in property taxes in the amount of \$70,877; (8) an increase in other taxes in the amount of \$47,587 along with an increase in miscellaneous revenue in the amount of \$47,862.
- The business-type activities revenues showed a net increase of 552,103 primarily due to an increase in charges for services of \$306,580, an increase in operating grants and contributions of \$97,542, and an increase of capital contributions of \$155,653.
- The total cost of all City programs was \$16,111,971 during fiscal year 2018, an increase of \$2,296,297 from prior year. This increase was due to increases in governmental type activities in public safety expenses and transportation. Business type activities increased in the garbage and solid waste and marina expenses.
- At the end of the current fiscal year, the total fund balance for the general fund was \$11,303,948. Of this amount, nonspendable was \$880,894, restricted was \$490,456, committed was \$2,074,509, assigned was \$1,905,739 and unassigned was \$5,952,350.
- The City's total long-term liability increased by \$135,529 during the current fiscal year. The increase in the City's long-term liability was primarily due to the increase in compensated absences in the amount of \$173,185 and OPEB in the amount of \$9,150. The City's capital lease liability decreased in fiscal year 2018 by \$46,806.

City of Belle Glade, Florida Management’s Discussion and Analysis

USING THIS REPORT



The financial statement’s focus is on both the City as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year-to-year or government-to-government) and enhance the City’s accountability.

Management’s Discussion and Analysis

The Management’s Discussion and Analysis (MD&A) is designed to focus on the current years’ activities, resulting changes and currently known facts. Thus, please read it in conjunction with the Transmittal Letter at the front of this report and the City’s financial statements, which follow this section.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City of Belle Glade’s finances, in a manner similar to a private-sector business. The Statement of Net Position includes all of the government’s assets, deferred outflows of resources, deferred inflows of resources and liabilities. All of the current year’s revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

City of Belle Glade, Florida Management's Discussion and Analysis

The two government-wide statements report the City's net position and how they have changed. Net position – the difference between the City's assets, deferred outflows of resources, deferred inflows of resources and liabilities is one way to measure the City's financial health or financial position. Over time, increases or decreases in the City's net position is one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the City's property tax base and the condition of the City's roads, to assess the overall health of the City.

In the Statement of Net Position and the Statement of Activities, we divide the City into two kinds of activities:

- Government activities – Most of the City's basic services are reported here, including public safety, public works, parks and recreation, and general administration. Property taxes, franchise fees, and state shared revenue finance most of these activities.
- Business-type activities – The City charges a fee to customers to help it cover all or most of the cost of certain services it provides.

Fund Financial Statements

Our analysis of the City's major funds begins on page 27. The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Funds are devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

- Governmental funds – Most of the City's basic services are included in governmental funds, which focus on (1) how cash and other financial assets can be readily converted to cash flow and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs.
- Proprietary funds – Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long and short-term financial information.
- In fact, the City's enterprise funds (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.
- Fiduciary Funds – The City is the trustee, or fiduciary, for its employees' pension plans. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. We exclude these activities from the City's government-wide financial statements because the City cannot use these assets to finance its operations.

Notes to the Financial Statements

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

City of Belle Glade, Florida

Management's Discussion and Analysis

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information about the City's financial information in connection with major governmental fund budgets well as pension and other postemployment benefit trend information.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Position

- The City's combined net position for fiscal year 2018 is reported at \$50,374,142. Net position of the City's governmental activities for fiscal year 2018 is \$32,740,091. The net position of our business-type activities is reported at \$17,634,051 for fiscal year 2018. Overall the net position of the total primary government has increased by \$399,027.

*City of Belle Glade
Statement of Net Position
as of September 30, 2018*

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>
Current and other assets	\$ 18,899,121	\$ 20,341,655	\$ 5,881,004	\$ 5,608,524	\$ 24,780,125	\$ 25,950,179
Capital assets	16,266,243	15,210,707	12,287,469	12,642,940	28,553,712	27,853,647
TOTAL ASSETS	35,165,364	35,552,362	18,168,473	18,251,464	53,333,837	53,803,826
DEFERRED OUTFLOWS OF RESOURCES	202,611	26,310	53,925	7,129	256,536	33,439
Current and other liabilities	956,640	537,184	107,024	243,193	1,063,664	780,377
Non-current liabilities	1,208,633	1,327,090	144,060	161,132	1,352,693	1,488,222
TOTAL LIABILITIES	2,165,273	1,864,274	251,084	404,325	2,416,357	2,268,599
DEFERRED INFLOWS OF RESOURCES	969,042	974,307	229,859	220,217	1,198,901	1,194,524
Net investment in capital assets	15,970,409	14,954,582	12,291,315	12,491,314	28,261,724	27,445,896
Restricted	9,625,566	10,890,550	688,126	846,878	10,313,692	11,737,428
Unrestricted	6,637,685	6,894,959	4,762,014	4,295,859	11,399,699	11,190,818
TOTAL NET POSITION	\$ 32,233,660	\$ 32,740,091	\$ 17,741,455	\$ 17,634,051	\$ 49,975,115	\$ 50,374,142

2017 amounts have been restated above for GASB 75.

City of Belle Glade, Florida Management's Discussion and Analysis

Changes in Net Position

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some that will only result in cash flows in the future fiscal periods (i.e., uncollected taxes and earned but unused vacation leave).

- The increase in net position for governmental activities was \$506,431. The increase in net position was due to an excess of revenues over expenses of \$737,429 and net transfers out of \$230,998.
- The net position decrease for business-type activities was \$107,404. The net position decrease was due to an excess of expenses over revenue of \$338,402 and net transfers in of \$230,998.

City of Belle Glade, Florida Management's Discussion and Analysis

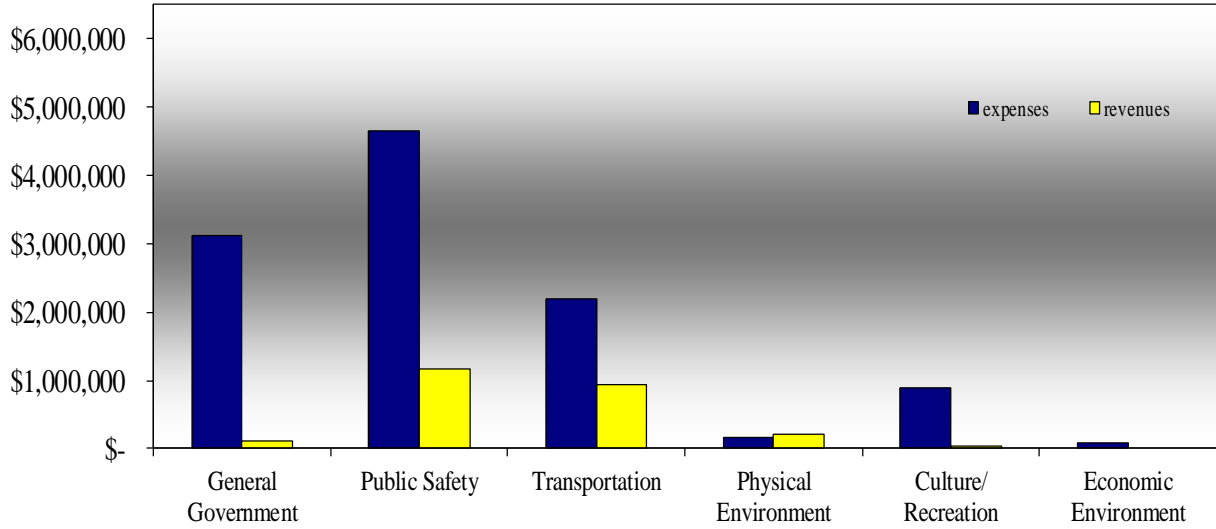
City of Belle Glade's Changes in Net Position as of September 30, 2018

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>
Revenues:						
<i>Program Revenues:</i>						
Charges for services	\$ 1,151,735	\$ 1,017,700	\$ 4,073,161	\$ 4,379,741	\$ 5,224,896	\$ 5,397,441
Operating grants and contributions	1,051,116	987,570	-	97,542	1,051,116	1,085,112
Capital contributions	5,031,339	436,495	32,297	187,950	5,063,636	624,445
<i>General Revenues:</i>						
Property taxes	2,000,324	2,071,201	-	-	2,000,324	2,071,201
Other taxes	3,381,250	3,428,837	-	-	3,381,250	3,428,837
Intergovernmental	3,223,947	3,777,903	-	-	3,223,947	3,777,903
Other	77,040	124,902	8,829	1,157	85,869	126,059
TO TAL REVENUES	<u>15,916,751</u>	<u>11,844,608</u>	<u>4,114,287</u>	<u>4,666,390</u>	<u>20,031,038</u>	<u>16,510,998</u>
Expenses:						
<i>Primary Government:</i>						
General government	3,089,664	3,116,774	-	-	3,089,664	3,116,774
Public safety	3,518,142	4,643,031	-	-	3,518,142	4,643,031
Transportation	2,061,438	2,204,092	-	-	2,061,438	2,204,092
Physical environment	227,398	157,286	-	-	227,398	157,286
Culture/recreation	1,021,234	896,135	-	-	1,021,234	896,135
Economic environment	179,665	81,784	-	-	179,665	81,784
Interest on long-term debt	9,500	8,077	-	-	9,500	8,077
<i>Business-type Activities:</i>						
Water and sewer	-	-	-	-	-	-
Garbage and solid waste	-	-	2,064,446	2,796,161	2,064,446	2,796,161
Marina	-	-	1,051,097	1,578,037	1,051,097	1,578,037
Stormwater utility	-	-	593,090	630,594	593,090	630,594
TO TAL EXPENSES	<u>10,107,041</u>	<u>11,107,179</u>	<u>3,708,633</u>	<u>5,004,792</u>	<u>13,815,674</u>	<u>16,111,971</u>
Excess (deficiency) before transfers	5,809,710	737,429	405,654	(338,402)	6,215,364	399,027
Transfers	433,825	(230,998)	(433,825)	230,998	-	-
Increase (decrease) in net position	6,243,535	506,431	(28,171)	(107,404)	6,215,364	399,027
Net Position - beginning, as restated	25,990,125	32,233,660	17,769,626	17,741,455	43,759,751	49,975,115
Net Position - ending	<u>\$ 32,233,660</u>	<u>\$ 32,740,091</u>	<u>\$ 17,741,455</u>	<u>\$ 17,634,051</u>	<u>\$ 49,975,115</u>	<u>\$ 50,374,142</u>

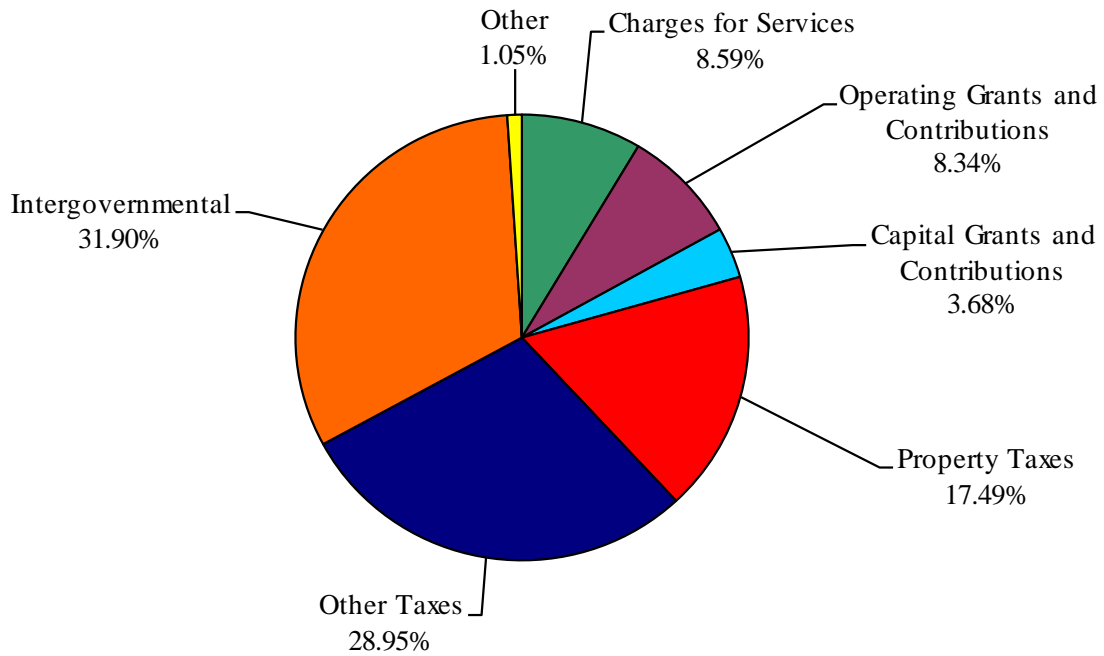
2017 amounts have been restated above for GASB 75.

City of Belle Glade, Florida Management's Discussion and Analysis

Expenses and Program Revenues - Governmental Activities

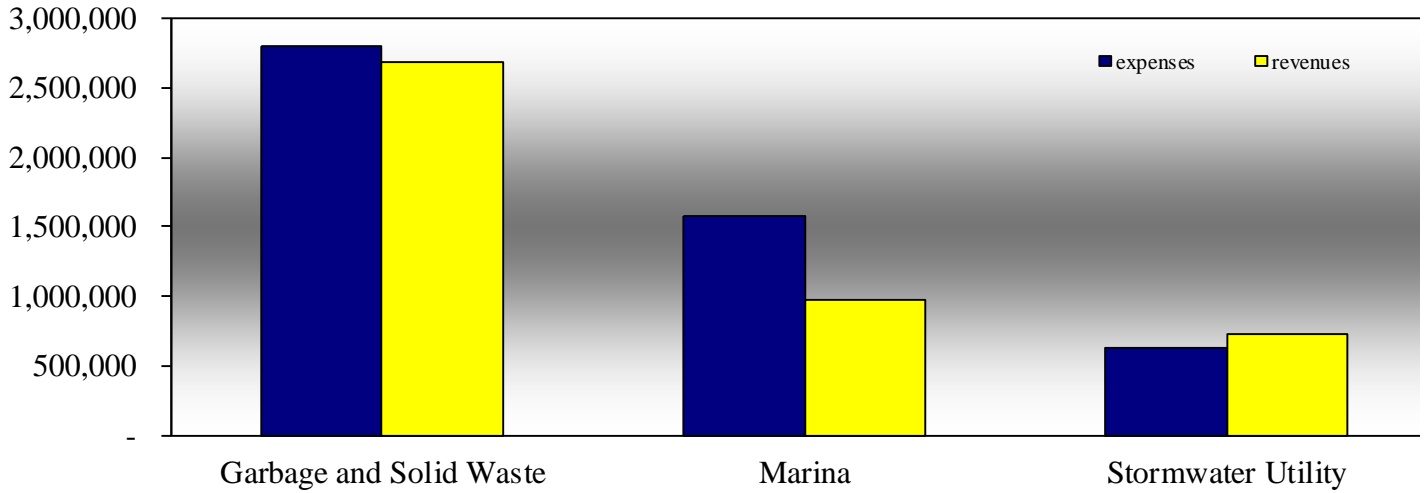


Revenues by Source - Governmental Activities

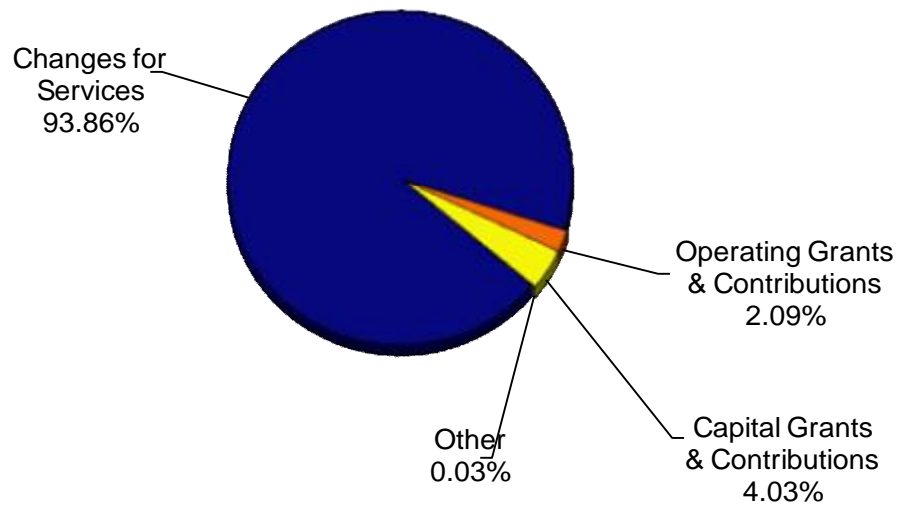


City of Belle Glade, Florida Management's Discussion and Analysis

Expenses and Program Revenues - Business-Type Activities



Revenues by Source - Business-Type Activities



City of Belle Glade, Florida Management's Discussion and Analysis

Financial Analysis of the Major Governmental Fund

At the end of the current fiscal year, the City of Belle Glade's governmental funds reflected combined ending fund balances of \$15,044,185, an increase of \$1,755,426 compared to the prior year. Of the total combined fund balances, nonspendable was \$880,894, restricted was \$4,103,131, committed was \$2,074,509, assigned was \$2,033,301 and unassigned was \$5,952,350.

The General Fund is the primary operating fund of the City of Belle Glade. At the end of the current fiscal year, the fund balance of the General Fund was \$11,303,948. Of this amount, nonspendable was \$880,894, restricted was \$490,456, committed was \$2,074,509, assigned was \$1,905,739 and unassigned was \$5,952,350.

During the current fiscal year, the fund balance of the City of Belle Glade's general fund increased by \$518,862. This was due to an excess of revenues over expenditures of \$374,615 and net transfers in of \$144,247.

The Infrastructure Surtax Fund is a major governmental fund which is utilized to account for a one cent sales tax designed for infrastructure improvements. At the end of the current fiscal year, fund balance in the Infrastructure Surtax Fund was \$1,823,497. All of the \$1,823,497 is restricted.

The City's Revolving Loan Fund is another major governmental fund which is utilized to account for funds used to assist eligible first-time homebuyers who meet low and moderate income guidelines in purchasing and/or constructing their first home. At the end of the current fiscal year, fund balance in the Revolving Loan Fund was \$1,281,718. All of the \$1,281,718 is restricted.

Financial Analysis of the Major Proprietary Funds

Unrestricted net position of the Garbage/Solid Waste Fund at the end of the year was \$2,484,429, a decrease of \$568,633 from the previous year. This is primarily due to Hurricane Irma debris removal expenses, pending FEMA reimbursement.

Unrestricted net position of the Marina Fund decreased \$151,328 from (\$116,585) to (\$267,913) due primarily to an increase in liabilities.

Unrestricted net position of the Stormwater Fund increased from \$1,825,537 to \$2,079,343 due primarily to accumulated depreciation.

General Fund Budgetary Highlights

Over the course of the year, the City Commission revised the City budget several times. These budget changes were primarily due to either amended budgets for grants or revised departmental needs.

City of Belle Glade, Florida Management's Discussion and Analysis

After these amendments, actual expenditures were \$932,263 less than the final budget amounts. This was due by reducing spending in the operating departments and capital purchases not being purchased or completed by the end of the fiscal year. Revenues were \$414,871 more than the final budget amounts and were primarily due to actual collection of franchise fees, utility taxes, permits, state revenue sharing and charges for fees exceeding budget projections.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2018, the City had invested \$27,853,647 (net of depreciation) in a broad range of capital assets including buildings, parks and recreation facilities, roads, and bridges. Additional information concerning capital assets can be found in Note 5 of the financial statements.

**City of Belle Glade's Capital Assets
(net of depreciation)
as of September 30, 2018**

	Governmental Activities		Business-Type Activities		TOTAL	
	2017	2018	2017	2018	2017	2018
Land	\$ 2,321,166	\$ 2,251,928	\$ 2,597,250	\$ 2,654,250	\$ 4,918,416	\$ 4,906,178
Buildings and improvements	3,948,867	3,506,418	5,323,926	5,264,948	9,272,793	8,771,366
Equipment	476,147	472,774	599,981	912,018	1,076,128	1,384,792
Infrastructure	7,914,115	7,273,757	3,691,605	3,495,795	11,605,720	10,769,552
Construction in progress	1,605,948	1,705,830	74,707	315,929	1,680,655	2,021,759
TOTALS	\$ 16,266,243	\$ 15,210,707	\$ 12,287,469	\$ 12,642,940	\$ 28,553,712	\$ 27,853,647

The \$1,705,830 in construction in progress in the City of Belle Glade's governmental activities was primarily for the design and engineering services for the boat lock project, construction of the sanitation extension at the Marina campground, engineering and construction for various transportation projects. The \$315,929 in construction in progress in the City of Belle Glade's business-type activities was for stormwater and marina improvements.

Long-Term Liabilities

At September 30, 2018, the City had a capital lease for \$256,125 and \$1,064,255 in compensated absences and other post-employment benefits (OPEB) as shown in the following table. Additional information can be found in Note 6 of the notes to the financial statements.

City of Belle Glade, Florida Management's Discussion and Analysis

City of Belle Glade's Outstanding Debt as of September 30, 2018

	Governmental				TOTAL	
	Activities		Business-Type Activities			
	2017	2018	2017	2018	2017	2018
Capital Lease	\$ 302,931	\$ 256,125	\$ -	\$ -	\$ 302,931	\$ 256,125
OPEB	125,098	132,311	33,591	35,528	158,689	167,839
Compensated absences	780,604	938,654	110,469	125,604	891,073	1,064,258
TOTALS	\$ 1,208,633	\$ 1,327,090	\$ 144,060	\$ 161,132	\$ 1,352,693	\$ 1,488,222

GASB 75 was implemented in 2018, OPEB beginning balance for 2017 was restated

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

For the 2019 fiscal year, General Fund revenue projections were generally conservative as has been our practice in previous years.

- There is a budgeted transfer from committed for budget stabilization in the amount of \$925,000 in the General Fund.
- No rate increases in sanitation fees were implemented in fiscal year 2019.
- Increase in Stormwater assessment rate from \$150 to \$165.
- No rate increase in campground fees at Torry Island Campground.
- The millage rate is 6.5419 mills, which is 4.25% over the rolled back rate and the same millage rate as the previous year.

All of these factors were considered in preparing the City of Belle Glade's budget for the 2019 fiscal year.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Director of Finance, City of Belle Glade, 110 Dr. Martin Luther King, Jr. Blvd., West, Belle Glade, FL 33430.

BASIC FINANCIAL STATEMENTS

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CITY OF BELLE GLADE, FLORIDA
Statement of Net Position
September 30, 2018

	Primary Government		Total
	Governmental Activities	Business-type Activities	
Assets			
Cash and cash equivalents	\$ 13,257,149	\$ 4,531,885	\$ 17,789,034
Receivables			
Accounts, net	340,121	563,060	903,181
Due from other governments	775,329	97,071	872,400
Loans receivable	498,135		498,135
Internal balances	432,910	(432,910)	
Supplies inventory	16,681		16,681
Prepaid expenses	308,420	2,540	310,960
Net pension asset	4,712,910	846,878	5,559,788
Capital assets			
Non-depreciable	3,957,758	2,970,179	6,927,937
Depreciable (net of depreciation)	11,252,949	9,672,761	20,925,710
Total assets	<u>35,552,362</u>	<u>18,251,464</u>	<u>53,803,826</u>
Deferred outflows of resources			
Pension related items	26,310	7,129	33,439
Liabilities			
Accounts payable	161,589	73,385	234,974
Construction payable		151,626	151,626
Deposits	2,075		2,075
Accrued liabilities	232,846		232,846
Accrued interest payable	3,427		3,427
Due to other governments	132,567	4,639	137,206
Unearned revenue	4,680	13,543	18,223
Non-current liabilities			
Due within one year	235,952	31,504	267,456
Due in more than one year	1,091,138	129,628	1,220,766
Total liabilities	<u>1,864,274</u>	<u>404,325</u>	<u>2,268,599</u>
Deferred inflows of resources			
OPEB related items	5,396	1,449	6,845
Pension related items	869,384	218,768	1,088,152
Deferred revenue	99,527		99,527
Total deferred inflows of resources	<u>974,307</u>	<u>220,217</u>	<u>1,194,524</u>
Net Position			
Net investment in capital assets	14,954,582	12,491,314	27,445,896
Restricted for:			
Pension benefits	4,712,910	846,878	5,559,788
Economic environment	1,414,907		1,414,907
Landscaping	82,319		82,319
Infrastructure	1,823,497		1,823,497
Transportation	719,961		719,961
Other purposes	62,447		62,447
Stabilization	2,074,509		2,074,509
Unrestricted	6,894,959	4,295,859	11,190,818
Total net position	<u>\$ 32,740,091</u>	<u>\$ 17,634,051</u>	<u>\$ 50,374,142</u>

See notes to the financial statements

CITY OF BELLE GLADE, FLORIDA
Statement of Activities
For the Fiscal Year Ended September 30, 2018

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>
Primary Government		
Governmental activities		
General government	\$ 3,116,774	\$ 104,190
Public safety	4,643,031	753,439
Transportation	2,204,092	9,991
Physical environment	157,286	149,448
Culture/recreation	896,135	632
Economic environment	81,784	
Interest on long term debt	8,077	
Total governmental activities	<u>11,107,179</u>	<u>1,017,700</u>
Business-type activities		
Garbage and solid waste	2,796,161	2,684,937
Marina	1,578,037	967,014
Stormwater utility	630,594	727,790
Total business-type activities	<u>5,004,792</u>	<u>4,379,741</u>
Total primary government	<u>\$ 16,111,971</u>	<u>\$ 5,397,441</u>

Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Primary Government		
		Governmental Activities	Business-type Activities	Total
Operating Grants and Contributions	Capital Grants and Contributions			
\$ 15,461	\$	\$ (2,997,123)	\$	\$ (2,997,123)
400,670		(3,488,922)		(3,488,922)
481,209	436,495	(1,276,397)		(1,276,397)
69,230		61,392		61,392
21,000		(874,503)		(874,503)
		(81,784)		(81,784)
		(8,077)		(8,077)
<u>987,570</u>	<u>436,495</u>	<u>(8,665,414)</u>		<u>(8,665,414)</u>
97,542			(13,682)	(13,682)
	154,400		(456,623)	(456,623)
	33,550		130,746	130,746
<u>97,542</u>	<u>187,950</u>		<u>(339,559)</u>	<u>(339,559)</u>
<u>\$ 1,085,112</u>	<u>\$ 624,445</u>	<u>(8,665,414)</u>	<u>(339,559)</u>	<u>(9,004,973)</u>
General revenues				
Ad valorem taxes		2,071,201		2,071,201
Local option sales tax		1,267,395		1,267,395
Local option gas taxes		499,052		499,052
Franchise taxes		1,383,017		1,383,017
Utility taxes		1,546,768		1,546,768
Unrestricted intergovernmental shared revenues		2,510,508		2,510,508
Unrestricted investment earnings		23,975	1,157	25,132
Miscellaneous revenues		100,927		100,927
Transfers		(230,998)	230,998	
Total general revenues and transfers		<u>9,171,845</u>	<u>232,155</u>	<u>9,404,000</u>
Change in net position		506,431	(107,404)	399,027
Net position - beginning, as restated		32,233,660	17,741,455	49,975,115
Net position - ending		<u>\$ 32,740,091</u>	<u>\$ 17,634,051</u>	<u>\$ 50,374,142</u>

See notes to the financial statements

CITY OF BELLE GLADE, FLORIDA
Balance Sheet
Governmental Funds
September 30, 2018

	General	Capital Projects Fund	Infrastructure Surtax Fund	Revolving Loan Fund	Community Redevelopment Agency Trust Fund	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 10,143,162	\$ 461,433	\$ 1,723,128	\$ 796,237	\$ 133,189	\$ 13,257,149
Receivables						
Accounts, net	340,121					340,121
Due from other funds						
Due from other governments	594,747	68,498	112,084			775,329
Loans receivable				498,135		498,135
Supplies inventory	16,681					16,681
Prepaid expenditures	431,303					431,303
Advance to other funds	432,910					432,910
Total assets	<u>\$ 11,958,924</u>	<u>\$ 529,931</u>	<u>\$ 1,835,212</u>	<u>\$ 1,294,372</u>	<u>\$ 133,189</u>	<u>\$ 15,751,628</u>
Liabilities, deferred inflows of resources, and fund balances						
Liabilities						
Accounts payable	\$ 120,726	\$ 28,098	\$ 11,715	\$ 1,050	\$	\$ 161,589
Deposits	2,075					2,075
Accrued liabilities	226,171			6,675		232,846
Due to other governments	132,567					132,567
Unearned revenue	4,680					4,680
Total liabilities	<u>486,219</u>	<u>28,098</u>	<u>11,715</u>	<u>7,725</u>		<u>533,757</u>
Deferred inflows or resources						
Unavailable revenue	69,230			4,929		74,159
Deferred revenue	99,527					99,527
	<u>168,757</u>			<u>4,929</u>		<u>173,686</u>
Fund balances						
Nonspendable						
Inventory and prepaids	447,984					447,984
Advance	432,910					432,910
Restricted						
Police education	24,092					24,092
Landscaping	82,319					82,319
Infrastructure			1,823,497			1,823,497
Other restrictions	31,405	6,950				38,355
Transportation	352,640	367,321				719,961
Economic environment				1,281,718	133,189	1,414,907
Committed						
Stabilization	2,074,509					2,074,509
Assigned						
Emergencies	527,564					527,564
Capital projects	1,378,175	127,562				1,505,737
Unassigned	5,952,350					5,952,350
Total fund balances	<u>11,303,948</u>	<u>501,833</u>	<u>1,823,497</u>	<u>1,281,718</u>	<u>133,189</u>	<u>15,044,185</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 11,958,924</u>	<u>\$ 529,931</u>	<u>\$ 1,835,212</u>	<u>\$ 1,294,372</u>	<u>\$ 133,189</u>	<u>\$ 15,751,628</u>

See notes to the financial statements

CITY OF BELLE GLADE, FLORIDA
Reconciliation of the Balance Sheet – Governmental Funds
to the Statement of Net Position
Governmental Activities
9/30/2018

Fund balances total governmental funds \$ 15,044,185

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

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

Governmental capital assets	\$ 37,452,985	
Less accumulated depreciation	<u>(22,242,278)</u>	15,210,707

The net pension asset related to defined benefit pension plans does not represent available spendable resources and is not reported in the governmental funds. 4,712,910

The prepaid pension contribution is included in the net pension asset. (122,883)

Deferred outflows and inflows of resources related to defined benefit pension or OPEB plans are applicable to future periods and are not reported in the governmental funds:

OPEB related deferred outflows	(5,396)	
Pension related deferred outflows	26,310	
Pension related deferred inflows	<u>(869,384)</u>	(848,470)

Revenue is recognized when earned in the government-wide statements, regardless of activity. Governmental funds report based on modified accrual, i.e., both measurable and available.

Intergovernmental revenues		74,159
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.

Accrued interest payable	(3,427)	
Other postemployment benefits	(132,311)	
Compensated absences	(938,654)	
Capital lease	<u>(256,125)</u>	<u>(1,330,517)</u>

Net position of governmental activities \$ 32,740,091

See notes to the financial statements

CITY OF BELLE GLADE, FLORIDA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended September 30, 2018

	General	Capital Projects Fund	Infrastructure Surtax Fund	Revolving Loan Fund	Community Redevelopment Agency Trust Fund	Total Governmental Funds
Revenues						
Taxes	\$ 5,342,104	\$ 157,934		\$	\$	\$ 5,500,038
Licenses and permits	449,465					449,465
Intergovernmental revenues	3,505,315	394,477	1,267,395		21,139	5,188,326
Charges for services	367,616					367,616
Fines and forfeitures	53,167					53,167
Miscellaneous revenues	532,115	20,956	377	19,805	30	573,283
Total revenues	<u>10,249,782</u>	<u>573,367</u>	<u>1,267,772</u>	<u>19,805</u>	<u>21,169</u>	<u>12,131,895</u>
Expenditures						
Current						
General government	3,450,712					3,450,712
Public safety	4,115,537					4,115,537
Transportation	1,133,698					1,133,698
Physical environment	171,944					171,944
Culture/recreation	748,160					748,160
Economic environment	5,147			47,724	841	53,712
Capital outlay	194,423	421,849	204,781			821,053
Debt service						
Principal	46,806					46,806
Interest	8,740					8,740
Total expenditures	<u>9,875,167</u>	<u>421,849</u>	<u>204,781</u>	<u>47,724</u>	<u>841</u>	<u>10,550,362</u>
Excess of revenues over (under) expenditures	<u>374,615</u>	<u>151,518</u>	<u>1,062,991</u>	<u>(27,919)</u>	<u>20,328</u>	<u>1,581,533</u>
Other financing sources (uses)						
Transfers in	400,000				29,646	429,646
Transfers (out)	(255,753)					(255,753)
Total other financing sources (uses)	<u>144,247</u>				<u>29,646</u>	<u>173,893</u>
Net change in fund balances	518,862	151,518	1,062,991	(27,919)	49,974	1,755,426
Fund balances - beginning	<u>10,785,086</u>	<u>350,315</u>	<u>760,506</u>	<u>1,309,637</u>	<u>83,215</u>	<u>13,288,759</u>
Fund balances - ending	<u>\$ 11,303,948</u>	<u>\$ 501,833</u>	<u>\$ 1,823,497</u>	<u>\$ 1,281,718</u>	<u>\$ 133,189</u>	<u>\$ 15,044,185</u>

See notes to the financial statements

CITY OF BELLE GLADE, FLORIDA
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
Governmental Activities
For the Fiscal Year Ended September 30, 2018

Net change in fund balances - total governmental funds \$ 1,755,426

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

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those assets is depreciated over their estimated useful life.

Expenditures for capital assets	\$ 540,073	
Expenditures for Marina capital assets	184,681	
Less current year depreciation	<u>(1,349,565)</u>	(624,811)

Donations and disposals of capital assets affect net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.

Net book value of asset disposals or sales		(25,834)
Asset transfers to marina fund		(404,891)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Capital lease payments		46,806
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Governmental funds report revenues when earned and available. However, in the Statement of Activities, revenues are recognized when earned, regardless of availability.

Miscellaneous revenues		70,595
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.

Changes in accrued interest payable	663	
Change in net pension asset and related deferred amounts	(140,864)	
Change in OPEB liability and related deferred amounts	(12,609)	
Change in long-term compensated absences	<u>(158,050)</u>	<u>(310,860)</u>

Change in net position of governmental activities		<u><u>\$ 506,431</u></u>
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See notes to the financial statements.

CITY OF BELLE GLADE, FLORIDA
Statement of Net Position
Proprietary Funds
September 30, 2018

	Garbage and Solid Waste	Marina	Stormwater	Totals
Assets				
Current assets				
Cash and cash equivalents	\$ 2,110,579	\$ 257,598	\$ 2,163,708	\$ 4,531,885
Receivables				
Accounts, net	559,192		3,868	563,060
Due from other governments	97,071			97,071
Prepaid expenses		2,540		2,540
Total current assets	<u>2,766,842</u>	<u>260,138</u>	<u>2,167,576</u>	<u>5,194,556</u>
Non-current assets				
Net pension asset	565,645	176,764	104,469	846,878
Capital assets				
Property, plant, and equipment	2,104,619	14,243,738	5,693,393	22,041,750
Less accumulated depreciation	<u>(1,630,721)</u>	<u>(5,841,306)</u>	<u>(1,926,783)</u>	<u>(9,398,810)</u>
Total non-current assets	<u>1,039,543</u>	<u>8,579,196</u>	<u>3,871,079</u>	<u>13,489,818</u>
Total assets	<u>3,806,385</u>	<u>8,839,334</u>	<u>6,038,655</u>	<u>18,684,374</u>
Deferred outflows of resources				
Pension related items	<u>4,762</u>	<u>1,488</u>	<u>879</u>	<u>7,129</u>
Liabilities				
Current liabilities				
Accounts payable	37,938	21,466	13,981	73,385
Construction payable		57,700	93,926	151,626
Due to other governments		4,639		4,639
Compensated absences	21,679	1,609	8,216	31,504
Unearned revenue		13,543		13,543
Total current liabilities	<u>59,617</u>	<u>98,957</u>	<u>116,123</u>	<u>274,697</u>
Non-current liabilities				
Advance from other funds		432,910		432,910
Compensated absences	58,612	2,626	32,862	94,100
Other postemployment benefits	21,933	6,806	6,789	35,528
Total non-current liabilities	<u>80,545</u>	<u>442,342</u>	<u>39,651</u>	<u>562,538</u>
Total liabilities	<u>140,162</u>	<u>541,299</u>	<u>155,774</u>	<u>837,235</u>
Deferred inflows of resources				
OPEB related items	894	278	277	1,449
Pension related items	146,119	45,662	26,987	218,768
Total deferred inflows of resources	<u>147,013</u>	<u>45,940</u>	<u>27,264</u>	<u>220,217</u>
Net Position				
Net investment in capital assets	473,898	8,344,732	3,672,684	12,491,314
Restricted for:				
Pension benefits	565,645	176,764	104,469	846,878
Unrestricted	2,484,429	(267,913)	2,079,343	4,295,859
Total net position	<u>\$ 3,523,972</u>	<u>\$ 8,253,583</u>	<u>\$ 5,856,496</u>	<u>\$ 17,634,051</u>

See notes to the financial statements

CITY OF BELLE GLADE, FLORIDA
Statement of Revenues, Expenses, and Changes
in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended September 30, 2018

	Garbage and Solid Waste	Marina	Stormwater	Total
Operating revenue				
Charges for services	\$ 2,684,937	\$ 967,014	\$ 727,790	\$ 4,379,741
Operating expenses				
Personal services	768,695	362,204	217,395	1,348,294
Professional services	465	13,024	65,159	78,648
Insurance	78,000	75,005	16,662	169,667
Chemicals	1,768	25,196		26,964
Disposal fees	461,912			461,912
Heat, light and power	12,146	210,545		222,691
Depreciation	142,188	578,945	220,166	941,299
Repairs and maintenance	214,571	139,482	7,965	362,018
Administrative	279,550		70,677	350,227
Other	836,866	154,487	32,570	1,023,923
Total operating expenses	2,796,161	1,558,888	630,594	4,985,643
Operating income (loss)	(111,224)	(591,874)	97,196	(605,902)
Nonoperating revenues (expenses)				
Disposal of surplus equipment		(19,149)		(19,149)
Intergovernmental	97,542			97,542
Miscellaneous revenue	500	158	499	1,157
Total nonoperating revenues (expenses)	98,042	(18,991)	499	79,550
Income (loss) before contributions	(13,182)	(610,865)	97,695	(526,352)
Capital contributions		154,400	33,550	187,950
Transfers				
Transfers in	4,500	625,498	1,000	630,998
Transfers (out)	(400,000)			(400,000)
Total transfers	(395,500)	625,498	1,000	230,998
Change in net position	(408,682)	169,033	132,245	(107,404)
Net position - beginning, as restated	3,932,654	8,084,550	5,724,251	17,741,455
Net position - ending	\$ 3,523,972	\$ 8,253,583	\$ 5,856,496	\$ 17,634,051

See notes to the financial statements

CITY OF BELLE GLADE, FLORIDA
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended September 30, 2018

	Garbage and Solid Waste	Marina	Stormwater	Totals
Cash flows from operating activities:				
Receipts from customers and users	\$ 2,657,759	\$ 967,014	\$ 727,677	\$ 4,352,450
Payments to suppliers	(1,606,253)	(611,928)	(50,422)	(2,268,603)
Payments to employees	(817,478)	(409,859)	(225,483)	(1,452,820)
Internal activity - payments to other funds	(279,550)		(70,677)	(350,227)
Other receipts	471			471
Net cash provided (used) by operating activities	<u>(45,051)</u>	<u>(54,773)</u>	<u>381,095</u>	<u>281,271</u>
Cash flows from non-capital financing activities:				
Transfers in	4,500	220,607	1,000	226,107
Transfers out	(400,000)			(400,000)
Net cash (used) by non-capital financing activities	<u>(395,500)</u>	<u>220,607</u>	<u>1,000</u>	<u>(173,893)</u>
Cash flows from capital and related financing activities:				
Contributed capital		50,000	33,550	83,550
Acquisition and construction of capital assets	(228,985)	(353,766)	(175,099)	(757,850)
Proceeds from the sale of capital assets		8,922		8,922
Principal paid on bonds and notes payable				
Interest paid on bonds and notes payable				
Net cash (used) by capital and related financing activities	<u>(228,985)</u>	<u>(294,844)</u>	<u>(141,549)</u>	<u>(665,378)</u>
Cash flows from investing activities:				
Interest and dividends on investments	500	158	499	1,157
Net cash provided by investing activities	<u>500</u>	<u>158</u>	<u>499</u>	<u>1,157</u>
Net increase (decrease) in cash and cash equivalents	(669,036)	(128,852)	241,045	(556,843)
Cash and cash equivalents at beginning of year	2,779,615	386,450	1,922,663	5,088,728
Cash and cash equivalents at end of year	<u>\$ 2,110,579</u>	<u>\$ 257,598</u>	<u>\$ 2,163,708</u>	<u>\$ 4,531,885</u>
Cash flows from operating activities:				
Operating income (loss)	<u>\$ (111,224)</u>	<u>\$ (591,874)</u>	<u>\$ 97,196</u>	<u>\$ (605,902)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	142,188	578,945	220,166	941,299
Operating grants	97,542			97,542
Change in net OPEB liability and related deferred amounts	2,090	649	647	3,386
Change in net pension asset and related deferred amounts	(60,978)	(48,768)	(13,301)	(123,047)
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	(27,178)		(113)	(27,291)
(Increase) decrease in due from other governments	(97,071)			(97,071)
(Increase) decrease in prepaid expenses		(1,249)		(1,249)
Increase (decrease) in accounts payable	(525)	17,254	71,934	88,663
Increase (decrease) in due to other governments		2,854		2,854
Increase (decrease) in deferred revenue		(13,048)		(13,048)
Increase (decrease) in compensated absences	10,105	464	4,566	15,135
Total adjustments	<u>66,173</u>	<u>537,101</u>	<u>283,899</u>	<u>887,173</u>
Net cash provided (used) by operating activities	<u>\$ (45,051)</u>	<u>\$ (54,773)</u>	<u>\$ 381,095</u>	<u>\$ 281,271</u>
Noncash Investing, Capital and Financing Activities				
Net book value of equipment disposals	<u>\$</u>	<u>\$ 28,071</u>	<u>\$ 6,811</u>	<u>\$ 34,882</u>
Capital assets transferred from Governmental Activities	<u>\$</u>	<u>\$ 404,891</u>	<u>\$</u>	<u>\$ 404,891</u>
Donated capital assets	<u>\$</u>	<u>\$ 104,400</u>	<u>\$</u>	<u>\$ 104,400</u>

See notes to financial statements

CITY OF BELLE GLADE, FLORIDA
Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2018

	<u>Pension Trust Funds</u>
Assets	
Cash and cash equivalents	\$ 23,330
Investments	
Money market mutual funds	115,500
U.S. government and agencies securities	1,061,397
Corporate bonds	1,083,470
Fixed income exchange traded funds	557,982
Fixed income mutual funds	5,480,850
Domestic equity mutual funds	7,730,635
Foreign equity mutual funds	1,548,318
Corporate stock	7,749,367
Receivables	
Accounts	22,657
Accounts, broker dealers	186,780
Due from participants	18,938
Accrued dividends and interest	25,878
Prepaid pension benefit	<u>67,370</u>
Total assets	<u><u>25,672,472</u></u>
Liabilities	
Accounts payable, broker dealers	190,362
Prepaid pension contribution	<u>163,137</u>
Total liabilities	<u><u>353,499</u></u>
Net Position	
Restricted for pension benefits	<u><u>\$ 25,318,973</u></u>

See notes to the financial statements

CITY OF BELLE GLADE, FLORIDA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended September 30, 2018

	<u>Pension Trust Funds</u>
Additions	
Contributions	
Employer	\$ 155,546
Plan members	130,509
Total contributions	<u>286,055</u>
Investment income	
Net increase in fair value of investments	1,580,562
Investment earnings	643,227
Total investment income	<u>2,223,789</u>
Investment expenses	<u>(104,600)</u>
Total net investment income	<u>2,119,189</u>
Total additions	<u>2,405,244</u>
Deductions	
Retirement benefits	792,620
Refunds of contributions	32,046
Administrative expense	53,953
Total deductions	<u>878,619</u>
Net increase	1,526,625
Net position restricted for pension benefits	
Net position - beginning	<u>23,792,348</u>
Net position - ending	<u><u>\$ 25,318,973</u></u>

See notes to the financial statements

CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Belle Glade, Florida (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. Reporting Entity

The City of Belle Glade, Florida is a municipal corporation organized under Chapter 61 - 1880 Laws of Florida, a special act 1980 as amended. The City provides the full range of municipal services contemplated by statute or charter. The services provided include: public safety, streets and roads, culture and recreation, public improvements, planning and zoning, marina, trash removal, and general administrative services. Police services are provided by the Palm Beach County Sheriff's Office by contract. Palm Beach County Fire-Rescue provides fire and rescue services through a Municipal Service Taxing Unit (MSTU).

As required by generally accepted accounting principles, these financial statements include the City (the primary government) and its component units. Component units are legally separate entities 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 benefits to or impose specific financial burdens on the City or;
- the organization is fiscally dependent on the City and (1) there is a potential for the organization to provide specific financial benefits to the City or (2) impose specific financial burdens on the City.

Organizations for which the City is not financially accountable are also included when doing so is necessary in order to prevent the City's financial statements from being misleading.

Based upon application of the above criteria, the City of Belle Glade has determined that there are three legally separate entities to consider as potential component units. The City of Belle Glade General Employees' Retirement System and the City of Belle Glade Public Safety Officers' Retirement System are both component units as they are fiscally dependent on and impose a specific financial burden on the City. They are reported in the City's financial statements as pension trust funds in the fiduciary funds financial statements.

The Community Redevelopment Agency Trust Fund (CRA) is reported as a blended governmental fund component unit into the primary government. Although, the CRA is legally separate from the City, the City Commission serves as the CRA Board, is able to impose its will on the CRA, and the CRA provides specific financial benefits to the City.

CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-wide and Fund Financial Statements

The basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely on fees and charges for support.

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses recorded when a liability is incurred, regardless of the timing of related cash flows. The City does not accrue property tax revenues since the collection of these taxes coincides with the fiscal year in which levied, and since the City consistently has no material uncollected property taxes at year end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property tax revenues are considered to be available if they are collected within 60 days of the end of the current fiscal period. A four month availability period is used for all other governmental fund revenues. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures relating to compensated absences and claims and judgments, are recorded only when payment is due.

Fines and permit revenues are not susceptible to accrual because generally they are not measurable until received in cash. Property taxes, franchise taxes, licenses, interest revenue, intergovernmental revenues, and charges for services associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The City has three major special revenue funds, the Revolving Loan Fund which is funded from a one time grant from the State of Florida for the rehabilitation, replacement and construction of low cost housing in the City; the Infrastructure Surtax Fund, which is from surtax proceeds which are restricted to, among other things, the financing, planning and construction of infrastructure; and the Community Redevelopment Agency Trust Fund, which is used to account for the activity of redevelopment projects within the City and is funded from incremental tax revenues within the designated CRA area.

Capital Projects Funds account for the acquisition of capital assets or construction of major capital projects not being financed by proprietary funds. The City has one capital project fund, the General Capital Outlay Fund.

CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The City reports the following major proprietary funds:

The Garbage and Solid Waste Fund accounts for refuse and recycling services to the residents of the City.

The Marina Fund accounts for the operation of the City's marina, golf course and campground.

The Stormwater Utility Fund accounts for the stormwater drainage system.

Fiduciary Funds

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. The pension trust funds are held under the terms of a formal trust agreement. The City has two pension trust funds: the General Employees' and the Public Safety Officers' Trust Funds.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's refuse and recycling function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses report on the costs to maintain the proprietary systems, the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity

Cash and Cash Equivalents

Cash and cash equivalents consist of petty cash, deposits in checking accounts, and money market mutual funds. All money market mutual funds are registered as a 2a-7 fund with the SEC and reported at amortized cost.

For purposes of determining cash equivalents, the City has defined its policy concerning the treatment of short-term investments to include investments with a maturity of three months or less when purchased, as cash equivalents if management does not plan to reinvest the proceeds. Short-term investments that management intends to rollover into similar investments are considered part of the investment portfolio and are classified as investments.

Investments

Investments are reported at fair value as required by generally accepted accounting principles. The fair value of an investment is the amount that the City could reasonably expect to receive for it in a current sale between a willing buyer and a willing seller, other than in a forced or liquidation sale. The City categorizes its investments according to the fair value hierarchy established by GASB Statement No. 72. The hierarchy is based on observable and unobservable inputs used in establishing the fair value of a financial asset or liability. Purchases and sales of investments are recorded on a trade date basis.

Accounts Receivable

Accounts receivable of the General Fund and Garbage and Solid Waste Fund consists of billed and unbilled receivables.

Loans Receivable

Mortgage loans originated by the City in the Revolving Loan Fund are carried at the unpaid principal balance outstanding, net of allowances for possible loan losses. At September 30, 2018 all loans are considered collectable.

Inventory

Inventory is valued at cost, which approximates market, using the first in/first out (FIFO) method. The costs of governmental fund type inventory are recorded as expenditures when consumed rather than when purchased.

Prepays

Payments made to vendors for services that will benefit future periods are reported as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting an expenditure in the year in which the services are consumed.

CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (Continued)

Interfund Transactions

Following is a description of the basic types of interfund transactions made during the year and the related accounting policy:

Transactions for services rendered or facilities provided: These transactions are recorded as revenue in the receiving fund and expenditures in the disbursing fund.

Transactions to transfer revenue or contributions from the fund budgeted to receive them to the fund budgeted to expend them: These transactions are recorded as operating transfers in and out.

Capital Assets

Capital assets, which include plant, property, equipment, and infrastructure assets (e.g. roads, bridges, and sidewalks) are reported in the applicable governmental or business-type activities columns in the governmental-wide financial statements. Capital assets are defined by the government as assets with an original cost of greater than or equal to \$5,000 including ancillary cost and with a useful life of one year or more. Such assets are recorded at cost or the fair market value of the assets at the time of purchase. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value. Depreciation has been provided over the useful lives using the straight line method. The estimated useful lives are as follows:

Buildings	25-50 years
Infrastructure	15-50 years
Building improvements	15-25 years
Land improvements	5-15 years
Equipment	5-10 years

Interest Capitalization

Interest is capitalized on costs for all assets that are constructed for an enterprise's use. The amount of interest to be capitalized is that portion of the interest incurred during the asset's acquisition period, which theoretically could have been avoided if expenditures for the asset had not been made.

Deferred Outflow of Resources

The statement of net position includes a separate section for deferred outflows of resources. This represents the usage of net position applicable to future periods and will not be recognized as expenditures until the future period to which it applies. The City reports deferred pension items in connection with its two Retirement Systems. These deferred pension charges are either (a) recognized in the subsequent period as a reduction of the net pension liability or (b) amortized in a systematic and rational method as pension expense in future periods.

CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity
(Continued)

Deferred Inflows of Resources

The statement of net position also includes a separate section, listed below total liabilities, for deferred inflows of resources. This represents the acquisition of net position applicable to future periods and will not be recognized as revenue until the future period to which it applies. The City currently has three types of deferred inflows. The first is local business tax revenues received prior to the period for which the taxes are levied, these are recognized as income in the period for which they are levied. The second is receivables that are received after 90 days of the end of the fiscal year, these are recognized in the period they meet the availability criterion of the modified accrual basis of accounting and are reported as deferred inflows only on the governmental funds balance sheet. The third is deferred items in connection with its two Retirement Systems and OPEB plan. These items are amortized in a systemic and rational method and recognized as a reduction of pension or health care expense in future periods.

Unearned Revenue

The City reports unearned revenue on its statements of net position and governmental funds balance sheet. Unearned revenue arises when resources are obtained prior to revenue recognition. In subsequent periods, when revenue recognition criteria are met the unearned revenue is removed and revenue is recognized.

Unavailable Revenue

The City reports unavailable revenue on its governmental funds balance sheet for resource inflows that do not qualify for recognition as revenue in a governmental fund because they are not yet considered available.

Compensated Absences

Compensated absences are absences for which employees will be paid, such as vacation and sick leave. A liability for compensated absences that is attributable to services already rendered and that is not contingent on a specific event that is outside the control of the government and its employees is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the government and its employees are accounted for in the period in which such services are rendered or such events take place.

All vacation and sick leave is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity
(Continued)

Fund Balance

In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balance is reported under the following categories:

1. Nonspendable fund balances – Includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. It also includes the long-term amount of loans and notes receivable, as well as property acquired for resale. However, if the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned, then they should be included in the appropriate fund balance classification (restricted, committed, or assigned), rather than the nonspendable fund balance. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact.
2. Restricted fund balance – Includes amounts that are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
3. Committed fund balance – Includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the City Commission, the City’s highest level of decision making authority, an ordinance. Those committed amounts cannot be used for any other purpose unless the City removes or changes the specified use by taking the same type of action employed to previously commit those amounts.
4. Assigned fund balance – Includes amounts intended to be used by the City for specific purposes but are neither restricted or committed. In accordance with the City’s fund balance policy, assignments can be made by the City Commission or the City Manager.

CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity
(Continued)

Fund Balance (Continued)

5. Unassigned fund balance – Includes the residual classification for the general fund. This classification 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. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it may be necessary to report a negative unassigned fund balance if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

The City Commission has established committed fund balance by ordinance to maintain a stabilization reserve of 20% of the General Fund operating budget less transfers and contingency. The operating reserve is in addition to any contingency in the General Fund budget. Any excess of revenues over expenditures shall be placed in the stabilization reserve until 20% of the General Fund operating budget less transfers and contingency is reached then additional amounts shall flow to unassigned fund balance. The stabilization reserve is set up for unexpected revenue shortfalls and potential natural disasters (hurricanes) that could affect the area. The purpose of this reserve is to provide budgetary stabilization and not serve as an alternative funding source for new programs.

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it is the City's policy to reduce restricted amounts first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the City's policy to reduce committed amounts first, followed by assigned amounts, and then unassigned amounts.

Net Position

Equity in the government-wide and enterprise fund statements are classified as net position and displayed in following three components:

1. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
2. Restricted net position – Consists of net position with constraints placed on the use either by: 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions of enabling legislation.

CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity
(Continued)

Net Position (Continued)

3. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

Use of Estimates

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

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Data

Formal budgetary integration is employed as a management control device during the year for the General Fund, the Special Revenue Funds and the Enterprise Funds. All budgets are legally enacted.

Annual appropriated budgets for the General Fund and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles. Except for not budgeting for depreciation, the annual appropriated budgets for the enterprise funds are adopted on a basis consistent with generally accepted accounting principles. For budgeting purposes, current year encumbrances are not treated as expenditures.

CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

A. Budgetary Data (Continued)

The City follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to August 1st, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing the following October 1st. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to October 1st, the budget is legally enacted through passage of a resolution.
4. The City Manager is authorized to approve transferring funds within object classifications (personal services, operating expenses, capital outlay and debt service) within any budgeted cost center; however, any revisions that alter the total expenditures of any object classification within any budgeted cost center must be approved by the City Commission. Any revisions that alter the bottom line of a fund must be approved by the City Commission, by resolution.
5. Appropriations along with encumbrances lapse on September 30th.

Budgeted amounts are as originally adopted, or as amended by appropriate action. During the year several supplemental appropriations were necessary.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g. purchase orders or contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. The General Fund did not have any outstanding encumbrances at year-end.

B. Property Taxes

Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the State regulating tax assessment are also designed to assure a consistent property valuation method statewide. State Statutes permit municipalities to levy property taxes at a rate of up to 10 mills for operating purposes. The tax rate for the Palm Beach County Fire/Rescue Municipal Service Taxing Unit (MSTU) is included in the 10 mills.

**CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

B. Property Taxes (Continued)

The tax levy of the City is established by the City Commission prior to October 1st of each year and the Palm Beach County Property Appraiser incorporates the City's millages into the total tax levy, which includes Palm Beach County and Palm Beach County School Board tax requirements. The millage rate assessed by the City for the year ended September 30, 2018, was 6.5419 (\$6.5419 for each \$1,000 of assessed valuation), which does not include the MSTU millage rate of 3.4581 mills

All property is reassessed according to its fair market value on January 1st of each year, which is also the lien date. Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the rolls meet all the appropriate requirements of State statutes.

All taxes are due and payable on November 1st of each year or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All unpaid taxes become delinquent on April 1st following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January and 1% in the month of February. The taxes paid in March are without discount.

Delinquent taxes on real property bear interest of 18% per year. On or prior to June 1st following the tax year, certificates are sold for all delinquent taxes on real property. After sale, tax certificates bear interest of 18% per year or any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years.

Delinquent taxes on personal property bear interest of 18% per year until the tax is satisfied either by seizure and sale of the property or by the five year statute of limitations.

NOTE 3 – DEPOSITS AND INVESTMENTS

Deposits with Financial Institutions

In addition to insurance provided by the Federal Depository Insurance Corporation, deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, Florida Security for Public Deposits Act, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or other banking institution eligible collateral. In the event of failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

**CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

The City’s deposits at year end are considered insured for custodial credit risk purposes.

At year end, the carrying amounts of the City's deposits were 17,810,864 and the bank balances were \$17,912,651. The City also had \$1,500 in petty cash.

The following is a summary of deposits and investments as shown on the statement of net position and statement of fiduciary net position for the City.

	<u>Cash and Cash Equivalents</u>		<u>Investments</u>
	<u>Unrestricted</u>	<u>Restricted</u>	
Governmental activities	\$ 13,257,149	\$	\$
Business type activities	<u>4,531,885</u>	<u> </u>	<u> </u>
Statement of net position	17,789,034		
Fiduciary	<u>23,330</u>	<u> </u>	<u>25,327,519</u>
 Total deposits and investments	 <u>\$17,812,364</u>	 <u>\$</u>	 <u>\$ 25,327,519</u>

Investments

Authorized Investments

The City’s investment policy authorizes the City to invest in the Local Government Surplus Funds Trust Fund administered by the State Treasurer, negotiable direct obligations unconditionally guaranteed by the U.S. Government, interest bearing time deposits in financial institutions located in Florida and organized under Federal or Florida laws, obligations of the Federal Farm Credit Banks, the Federal Home Loan Mortgage Corporation, the Federal Home Loan Bank or its direct banks, obligations guaranteed by the Government National Mortgage Association and obligations of the Federal National Mortgage Association. In addition, funds held by outside custodians on behalf of the Retirement Funds are invested by the outside custodians pursuant to the applicable trust or escrow agreement.

**CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Authorized Investments (Continued)

Investments of the Pension Funds are limited to:

1. Time, savings, and money market deposit accounts of a national bank, a state bank or a savings and loan institution, insured by the Federal Deposit Insurance Corporation, provided the amount deposited does not exceed the insured amount.
2. Obligations issued by the United States Government or obligations guaranteed as to principal and interest by the United States Government or by an agency of the United States Government.
3. Stocks, commingled funds administered by national or state banks, mutual funds and bonds or other evidences of indebtedness, issued or guaranteed by a corporation organized under the laws of the United States, any state or organized territory of the United States or the District of Columbia, provided:
 - a. The securities meet the following ranking criteria when purchased:
 - i. Fixed Income: Standards & Poor's AAA, AA, A or Moody's Aaa, Aa, or A
 - ii. Equities: Value line ranking for safety 1, 2, or 3, except that 15% of the fund assets may be invested in securities not meeting this requirement
 - iii. Money Market Standard & Poor's A1 or Moody's P1
4. Commingled stock, bond or money market funds whose investments are restricted to securities meeting the above criteria.
5. Foreign Securities.

Limitations:

1. Investments in corporate common stock and convertible bonds shall not exceed 75% of the fund assets at market value.
2. Foreign securities shall not exceed 15% of the value at cost of the fund.

CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

In 2016, the City implemented GASB *Statement No. 72, Fair Value Measurement and Application* issued in February 2015. The City categorizes its investments according to the fair value hierarchy established by this Statement. The hierarchy is based on valuation inputs used to measure the fair value of the asset as follows: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs to include quoted prices for similar assets in active and non-active markets; Level 3 inputs are significant unobservable inputs.

The money market mutual funds consist of investments with financial institutions in open end, institutional, money market funds complying with Securities and Exchange Commission (SEC) Rule 2a7. Rule 2a7 allows SEC registered mutual funds to use amortized cost rather than fair value to report net assets used to compute share prices if certain conditions are met. Those conditions include restrictions on the types of investments held, restrictions on the term-to-maturity of individual investments and the dollar-weighted average of the portfolio, requirements for portfolio diversification, and requirements for divestiture considerations in the event of security downgrades and defaults, and required actions if the fair value of the portfolio deviates from amortized cost by a specified amount. Money market mutual funds are exempt from the GASB 72 fair value hierarchy disclosures.

Equity securities, exchange traded funds (ETF), and mutual funds classified in Level 1 of the fair value hierarchy are valued based on prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing values securities based on the securities relationship to benchmark quoted prices.

CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

As of September 30, 2018, the City held the following investments:

	Weighted Average Maturity	Fair Value	Fair Value Measurement	
			Level 1	Level 2
<i>Fiduciary Funds</i>				
U.S. Government and Agencies	13.67 Years	\$ 1,061,397	\$	\$ 1,061,397
Corporate Bonds	3.32 Years	1,083,470		1,083,470
Fixed Income ETF	N/A	557,982	557,982	
Fixed Income Mutual Funds	N/A	5,480,850	5,480,850	
Domestic Equity Mutual Funds	N/A	7,730,635	7,730,635	
Foreign Equity Mutual Funds	N/A	1,548,318	1,548,318	
Domestic Common Equity Securities	N/A	7,749,367	7,749,367	
		25,212,019	\$ 23,067,152	\$ 2,144,867
Investments Reported at Amortized Cost:				
<i>Fiduciary Funds</i>				
Money Market Mutual Funds	N/A	115,500		
Total Investments		\$ 25,327,519		

Credit Risk

Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. The City's investment policies limit the investments to high quality investments to control credit risk. The Standard & Poor's rating for the investments in debt securities at September 30, 2018, are summarized as follows:

<i>Fiduciary Funds</i>	S&P Rating	Amount
U.S. Government and Agencies	AA+	\$ 988,498
U.S. Government and Agencies	AA	72,899
Corporate Bonds	AA-	54,746
Corporate Bonds	A+	51,049
Corporate Bonds	A	277,129
Corporate Bonds	A-	309,196
Corporate Bonds	BBB+	336,368
Corporate Bonds	BBB	54,982

**CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the time to maturity, the greater the exposure to interest rate risks. The City does not have a formal investment policy that limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. The table below summarizes the scheduled maturities of debt investments at September 30, 2018:

	Fair Value of Investment Maturities				
	Fair Value	Less Than One year	One to Five Years	Six To Ten Years	More Than Ten Years
Fiduciary funds:					
U.S. Government and Agencies	\$ 1,061,397	\$	\$ 217,617	\$ 269,118	\$ 574,662
Corporate bonds	1,083,470	160,427	702,828	220,215	
Total	\$ 2,144,867	\$ 160,427	\$ 920,445	\$ 489,333	\$ 574,662

Custodial Credit Risk

For an investment, custodial credit 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 that are in the possession of an outside party. At September 30, 2018, all investments were insured or collateralized, except the City's two pension funds. The Pension Funds' investments are held by a third-party custodian, not in the name of the City. Investments are held in book entry form at the Federal Reserve by Depository Trust Company (DTC) via the custodian. The custodian further segregates the City's investments in their trust accounting system. The investments in mutual funds are considered unclassified pursuant to the custodial credit risk categories of GASB Statement No. 3, because they are not evidenced by securities that exist in physical or book-entry form.

Concentration of Credit Risk

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of an investment in a single user. The City places no limit on the amount they may invest in any one issuer, except those in the City's two pension funds. Not more than 5% of the fund's assets shall be invested in the common stock or capital stock of any one issuing company, nor shall the aggregate investment in any one issuing company exceed 5% of the outstanding capital stock of the company. Also, the value of bonds issued by any single corporation shall not exceed 10% of the total fund.

**CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Foreign Currency Risk

Investing in foreign markets may involve special risks and considerations not typically associated with investing in companies in the United States of America. These risks include revaluation of currencies, high rates of inflation, repatriation restrictions on income and capital, and future adverse political, social, and economic developments. Moreover, securities of foreign governments may be less liquid, subject to delayed settlements, taxation on realized or unrealized gains, and their prices are more volatile than those of comparable securities in U.S. companies.

NOTE 4 – ACCOUNTS RECEIVABLE

Accounts receivable at September 30, 2018, are comprised of the following:

	<u>General Fund</u>	<u>Garbage and Solid Waste Fund</u>
Billed	\$ 400,409	\$ 808,681
Unbilled	<u>17,441</u>	<u>115,973</u>
Total	417,850	924,654
Less allowance	<u>(77,729)</u>	<u>(365,462)</u>
	<u>\$ 340,121</u>	<u>\$ 559,192</u>

The Stormwater and Marina funds do not have an allowance for uncollectable accounts as of September 30, 2018.

**CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2018, was as follows:

Primary Government

Governmental Activities:	Beginning Balance	Additions	Deletions (1)	Ending Balance
Capital assets not being depreciated:				
Land	\$ 2,321,166	\$	\$ (69,238)	\$ 2,251,928
Construction in progress	1,605,948	120,733	(20,851)	1,705,830
Capital assets being depreciated:				
Land improvements	5,435,563	32,759	(140,017)	5,328,305
Buildings	3,283,974		(338,222)	2,945,752
Building improvements	1,252,256	58,438	(75,887)	1,234,807
Machinery and equipment	2,114,279	17,889	(26,040)	2,106,128
Vehicles	781,632	97,640	(6,500)	872,772
Infrastructure	20,773,998	233,465		21,007,463
Total at historical cost:	<u>37,568,816</u>	<u>560,924</u>	<u>(676,755)</u>	<u>37,452,985</u>
Less accumulated depreciation for:				
Land improvements	(3,306,700)	(234,235)	130,172	(3,410,763)
Buildings	(2,161,150)	(64,312)	203,213	(2,022,249)
Building improvements	(555,076)	(58,292)	43,934	(569,434)
Machinery and equipment	(1,763,297)	(73,560)	26,041	(1,810,816)
Vehicles	(656,467)	(45,343)	6,500	(695,310)
Infrastructure	(12,859,883)	(873,823)		(13,733,706)
Total accumulated depreciation	<u>(21,302,573)</u>	<u>(1,349,565)</u>	<u>409,860</u>	<u>(22,242,278)</u>
Governmental activities capital assets, net	<u>\$ 16,266,243</u>	<u>\$ (788,641)</u>	<u>\$ (266,895)</u>	<u>\$ 15,210,707</u>

(1) Includes the transfer of the Golf Course operations from the Governmental Activities to the Marina Fund as follows.

Cost of transferred assets	\$ 515,294
Accumulated depreciation	<u>295,084</u>
Net book value	<u>\$ 220,210</u>

CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 5 – CAPITAL ASSETS (Continued)

Business-type activities:	Beginning Balance	Additions(1)	Deletions	Ending Balance
Capital assets not being depreciated:				
Land	\$ 2,597,250	\$ 57,000	\$	\$ 2,654,250
Construction in progress	74,707	241,222		315,929
Capital assets being depreciated:				
Land improvements	7,765,345	373,455	(45,120)	8,093,680
Buildings	2,199,423	329,503		2,528,926
Building improvements	306,936	68,171		375,107
Machinery and equipment	502,552	321,589	(13,346)	810,795
Vehicles	1,958,957	228,985	(173,956)	2,013,986
Infrastructure	5,249,077			5,249,077
Total at historical cost:	<u>20,654,247</u>	<u>1,619,925</u>	<u>(232,422)</u>	<u>22,041,750</u>
Less accumulated depreciation for:				
Land improvements	(4,237,614)	(504,220)	25,067	(4,716,767)
Buildings	(661,216)	(255,066)		(916,282)
Building improvements	(48,948)	(50,768)		(99,716)
Machinery and equipment	(389,547)	(67,355)	5,328	(451,574)
Vehicles	(1,471,981)	(163,164)	173,956	(1,461,189)
Infrastructure	(1,557,472)	(195,810)		(1,753,282)
Total accumulated depreciation	<u>(8,366,778)</u>	<u>(1,236,383)</u>	<u>204,351</u>	<u>(9,398,810)</u>
Business-type activities capital assets, net	<u>\$ 12,287,469</u>	<u>\$ 383,542</u>	<u>\$ (28,071)</u>	<u>\$ 12,642,940</u>

**CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 5 – CAPITAL ASSETS (Continued)

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

Governmental activities:

General government	\$ 109,733
Public safety	28,326
Transportation	979,523
Physical environment	12,340
Culture/recreation	191,571
Economic environment	28,072

Total depreciation expense governmental activities	<u><u>\$ 1,349,565</u></u>
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Business-type activities

Garbage and solid waste	\$ 142,188
Marina	578,945
Stormwater utility	220,166

Total depreciation expense business-type activities	<u><u>\$ 941,299</u></u>
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Construction Commitments

Contracts awarded but not yet completed were as follows:

<u>Project Description</u>	<u>Estimated Costs</u>
Drawbridge Café improvements	\$ 35,700
Resurfacing of roadways	113,900
Stormwater improvements	286,400
Campground sanitation extension	1,579,900

NOTE 6 – LONG-TERM LIABILITIES

Capital Lease

The City entered into a lease agreement for financing the acquisition of energy efficient equipment with a purchase price of \$476,820 in April 2013. The lease qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date. There are 20 semi-annual payments required of \$27,773 beginning October 18, 2013. At September 30, 2018, the net book value of the equipment was \$259,185.

CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 6 – LONG-TERM LIABILITIES (Continued)

The future minimum lease obligations as of September 30, 2018, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2019	\$ 48,221	\$ 7,324	\$ 55,545
2020	49,678	5,867	55,545
2021	51,179	4,366	55,545
2022	52,727	2,818	55,545
2023	54,320	1,225	55,545
	<u>\$ 256,125</u>	<u>\$ 21,600</u>	<u>\$ 277,725</u>

Changes in long-term liabilities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Capital lease	\$ 302,931	\$	\$ (46,806)	\$ 256,125	\$ 48,221
OPEB (1)	125,098	7,213		132,311	
Compensated absences	780,604	341,813	(183,763)	938,654	187,731
Governmental activities					
Long-term liabilities	<u>\$ 1,208,633</u>	<u>\$ 349,026</u>	<u>\$ (230,569)</u>	<u>\$ 1,327,090</u>	<u>\$ 235,952</u>
Business-type activities:					
OPEB (1)	\$ 33,591	\$ 1,937	\$	\$ 35,528	\$
Compensated absences	110,469	62,332	(47,197)	125,604	31,504
Business-type activities					
Long-term liabilities	<u>\$ 144,060</u>	<u>\$ 64,269</u>	<u>\$ (47,197)</u>	<u>\$ 161,132</u>	<u>\$ 31,504</u>

(1) As restated, see Notes 14 and 15

For governmental activities, compensated absences and other postemployment benefit obligations are liquidated from the City's General Fund.

Interest Expense

Total interest costs incurred and paid on all City debt for the year ended September 30, 2018, were \$8,077 and \$8,740, respectively.

**CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 7 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Advances to/from other funds

The composition of interfund advances for the year ended September 30, 2018, are as follows:

<u>Receivable Fund:</u>	<u>Payable Fund:</u>	<u>Amount</u>
General	Marina	<u>\$ 432,910</u>

The advance between funds results from the General Fund repaying grant funds in a previous year on behalf of the Marina Fund.

Transfers to/from other funds

The composition of interfund transfers for the year ended September 30, 2018, are as follows:

<u>Transfer Out:</u>	<u>Transfer In:</u>	<u>Amount</u>
Governmental Activities	Marina	\$ 404,891
General	Marina	220,607
General	CRA	29,646
General	Garbage & Solid Saste	4,500
General	Stormwater	1,000
Garbage & Solid Saste	General	<u>400,000</u>
		<u>\$ 1,060,644</u>

The transfers to the CRA fund were to move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

The transfers into the Stormwater and Garbage & Solid Waste Funds were to fund employee bonuses.

The transfers into the Marina Fund from the General Fund were for employee bonuses (\$1,000) and to fund operations.

The transfers into the Marina Fund from the Governmental Activities were to transfer capital assets for the Golf Course (\$220,210) and assets purchased in the Infrastructure Surtax Fund (\$184,681).

The transfers into the General Fund were used to balance the budget.

CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS

The City maintains two separate single-employer, defined benefit pension plans - General Employees' Retirement System (GERS) and Public Safety Officers' Retirement System (PSORS) for the general employees, retired police officers, and retired firefighters.

The plans are established by the City and administered by a separate board of trustees for each plan. Both plans are reported as Pension Trust Funds and are included as part of the City's reporting entity. The plans do not issue stand-alone financial reports.

Each plan has its own board that acts as plan administrator and trustee: The General Employees' Retirement Board consists of five (5) members; three (3) members shall be City Commissioners appointed annually by the City Commission by resolutions, and two (2) members shall be full-time employees elected by vote of the members of the General Employees' Pension Fund. The Public Safety Officer' Retirement System Board consists of five (6) members; one (1) legal resident of the City, appointed by the other four members of the Board; two (2) retirees elected by a majority of the retired members of the Plan; the City Finance Director; the City Clerk, and one (1) City Commissioner selected by the other City Commissioners.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

All Retirement Systems

Basis of Accounting. The retirement systems are reported on the accrual basis of accounting. Plan members and state contributions are recognized as revenues in the period that the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. For the pension expense and net pension liability calculations unearned contributions are included as an asset in fiduciary net position. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. The plans' fiduciary net position have been determined on the same basis used by the pension plans.

Method Used to Value Investments. Investments are reported at fair value.

**CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS (Continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

All Retirement Systems (Continued)

PLAN DESCRIPTION AND CONTRIBUTION INFORMATION

The following schedule is provided for general information purposes only and is derived from the respective actuarial reports and City information for the two retirement plans. Plan participants should refer to the appropriate source documents for more complete information on the plans.

	<u>General Employees'</u>	<u>Public Safety Officers'</u>
Plan Description:		
Authority	City Ordinance	City Ordinance/State
Asset Valuation:		
Reporting	Fair Value	Fair Value
Legal Reserves	None	None
Long-Term Receivable	None	None
Internal/Participant Loans	None	None

Members of each plan consisted of the following at October 1, 2017:

	<u>GERS</u>	<u>PSORS</u>
Inactive Plan Members or Beneficiaries		
currently receiving benefits	51	11
Inactive Plan Members entitled to but		
not yet receiving benefits	53	4
Active Plan Members	<u>82</u>	
Total	<u>186</u>	<u>15</u>

CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS (Continued)

General Employees' Retirement System

Plan Description. The plan provides retirement benefits as well as death and disability benefits. All benefits vest after ten years of credited service. General employees hired after April 9, 1990, become members of the system on the date of their employment as a condition of employment. Cost of living adjustments (COLA) are provided annually to reflect changes in CPI (subject to maximum increases of 3% per year). Authority to establish and amend the benefit provisions of the plan rests with the City Commission.

Employees become eligible for normal retirement benefits after attaining the age of 62 and completing ten years of credited service, attaining the age of 65, or completing 30 years of credited service. The normal retirement benefit consists of a life annuity, options available, (subject to cost of living adjustments not to exceed 3% a year), of 2% of final average earnings times the years of credited service. Early retirement benefits can be received at any date preceding the normal retirement date by not more than ten years. The benefit is determined as for normal retirement and actuarially reduced. Disability benefits can be received for total and permanent disabilities as determined by the Board of Trustees of the applicable pension trust (medical proof required). The benefits are paid following a six month waiting period, for life or recovery and are determined as if for a normal retirement on the date of disability.

If an active member dies, his beneficiary receives a refund of member contributions plus 3% interest. The benefit received upon death following retirement is dependent upon the optional form of benefit selected. If an employee terminates his employment, he is entitled to the following:

- With less than ten years of credited service, a refund of member contributions plus 3% interest.
- With ten or more years of credited service, a refund of member contributions, the accrued benefit payable at normal retirement date, or a reduced benefit paid at an otherwise early retirement date.

"Final average earnings" is the average of the five highest consecutive calendar years during the final ten years of service.

"Credited service" consists of years and completed months of uninterrupted service with the City. Any service during which the employee elected to waive participation or withdraw member contributions is excluded.

**CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS (Continued)

General Employees' Retirement System (Continued)

Contributions. General employees are required to contribute 4% of their basic compensation to the plan. The City is required to contribute the remaining amount to fund the plan using the Aggregate Actuarial Cost Method. Contribution requirements of plan members and the City are established and may be amended by the City Commission.

Asset Allocation. The plan's adopted asset allocation policy as of September 30, 2018, is as follows:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic equity	55%
International equity	10
Broad Market Fixed Income	<u>35</u>
Total	<u>100%</u>

Investments Concentrations. The plan did not hold investments in any one organization that represents 5 percent or more of the Pension Plan's fiduciary net position.

Rate of Return. For the year ended September 30, 2018, the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 9.53 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Public Safety Officers' Retirement System

Plan Description. The plan provides retirement benefits as well as survivor benefits to retired members from the City's former Police and Fire Departments. This plan was created due to the election of certain inactive members in the City of Belle Glade Police Officers' Retirement Plan and the City of Belle Glade Firefighters' Retirement Plan electing to continue receiving their current monthly benefits upon termination of their respective plans. The plan is closed to active members. Cost of living adjustments (COLA) of 3% are provided annually. Authority to establish and amend the benefit provisions of the plan rests with the City Commission.

**CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Safety Officers' Retirement System (Continued)

Contributions. The City is required to contribute the remaining amount to fund the plan using the Aggregate Actuarial Cost Method.

Asset Allocation. The plan's adopted asset allocation policy as of September 30, 2018, is as follows:

Asset Class	Target Allocation
Domestic equity	45%
Broad Market Fixed Income	45
TIPS	5
Cash	5
Total	100%

Investments Concentrations. The plan did not hold investments in any one organization that represents 5 percent or more of the Pension Plan's fiduciary net position.

Rate of Return. For the year ended September 30, 2018, the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 7.38 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

All Retirement Plans

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of October 1, 2017 updated to September 30, 2018 using the following actuarial assumptions.

	General Employees'	Public Safety Officers'
Inflation	2.50%	2.50%
Salary increases	5.0% to 3.5% based on years of service	N/A
Investment rate of return	7.0%	5.0%
Mortality Rate	Female RP2000 Generational, 100% Annuitant White Collar, Scale BB	Female RP2000 Generational, 100% Annuitant White Collar, Scale BB
Healthy Lives	Male RP2000 Generational, 50% Annuitant White Collar/50% Annuitant Blue Collar, Scale BB	Male RP2000 Generational, 10% Annuitant White Collar/90% Annuitant Blue Collar, Scale BB

**CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS (Continued)

All Retirement Plans (Continued)

Actuarial Assumptions (Continued)

	<u>General Employees'</u>	<u>Public Safety Officers'</u>
Mortality Rate	RP2000 without projection with the following adjustments: Female 100% Disabled Female with two year set forward, Male 100% Disabled Male with four year setback	Female: 60% RP2000 Disabled Female set forward two years/40% Annuitant White Collar with no setback. Male: 60% RP2000 Disabled Male set forward two years/40% Annuitant White Collar with no setback
Disabled Lives		

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included the pension plan's target asset allocation as of September 30, 2018, are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	
	<u>General Employees'</u>	<u>Public Safety Officers'</u>
Domestic equity	7.50%	7.50%
International equity	8.50%	N/A
Broad Market Fixed Income	2.50%	2.50%
TIPS	N/A	2.50%

Discount Rate. The discount rate used to measure the total pension liability was 7.0 percent for the General Employees' Retirement System and 5.0 percent for the Public Safety Officers' Retirement System. The projection of cash flows used to determine the discount rates assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS (Continued)

General Employees' Retirement System

The components of the net pension liability of the City at September 30, 2018, were as follows:

Description	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at September 30, 2017	\$ 14,671,799	\$ 17,945,462	\$ (3,273,663)
Changes due to:			
Service cost	478,843		478,843
Interest	1,150,083		1,150,083
Differences between expected and actual experience	(446,340)		(446,340)
Change of Assumptions	66,878		66,878
Employer contributions		163,137	(163,137)
Employee contributions		130,509	(130,509)
Benefit payments and refunds	(621,733)	(621,733)	
Net investment income		1,686,508	(1,686,508)
Administrative expenses		(32,130)	32,130
Total changes	<u>627,731</u>	<u>1,326,291</u>	<u>(698,560)</u>
Balances at September 30, 2018	<u>\$ 15,299,530</u>	<u>\$ 19,271,753</u>	<u>\$ (3,972,223)</u>

The Plan fiduciary net position was 125.96% of the total pension liability as of September 30, 2018.

The change of assumptions was the investment return was lowered from 7.75% to 7.00%; the salary assumption was modified from a flat 6% per year to a service-based table, and the retirement, withdrawal, and disability rates were updated based on historical experience.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the City, calculated using the discount rates of 7.0%, as well as what the City's net pension liabilities would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate.

	1% Decrease 6.0%	Current Discount Rate 7.0%	1% Increase 8.0%
City's net pension liability	<u>\$ (2,183,715)</u>	<u>\$(3,972,223)</u>	<u>\$(5,461,280)</u>

**CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Safety Officers' Retirement System

The components of the net pension liability of the City at September 30, 2018, were as follows:

Description	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at September 30, 2017	\$ 3,903,817	\$ 6,002,431	\$ (2,098,614)
Changes due to:			
Interest	246,568		246,568
Change in benefit terms	140,943		140,943
Differences between expected and actual experience	118,174		118,174
Change of assumptions	416,222		416,222
Benefit payments and refunds	(202,932)	(202,932)	
Net investment income		432,680	(432,680)
Administrative expenses		(21,822)	21,822
Total changes	<u>718,975</u>	<u>207,926</u>	<u>511,049</u>
Balances at September 30, 2018	<u>\$ 4,622,792</u>	<u>\$ 6,210,357</u>	<u>\$ (1,587,565)</u>

The Plan fiduciary net position was 134.34% of the total pension liability as of September 30, 2018.

The change in benefit terms resulted from the annual cost-of-living adjustment changing from a 2.5% assumption to a fixed 3.0%.

The change of assumptions resulted from lowering the investment rate of return from 6.25% to 5.0%.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the City, calculated using the discount rates of 5.0%, as well as what the City's net pension liabilities would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate.

	1% Decrease 4.0%	Current Discount Rate 5.0%	1% Increase 6.0%
City's net pension liability	<u>\$(1,170,076)</u>	<u>\$(1,587,565)</u>	<u>\$(1,898,127)</u>

CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS (Continued)

General Employees' Retirement System

Pension expense and deferred outflows and inflows of resources

For the fiscal year ended September 30, 2018, the City recognized a negative pension expense of \$379,739. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$	\$ 388,722
Change of assumptions	33,439	238,542
Net difference between projected and actual earnings on plan investments		398,852
Total	<u>\$ 33,439</u>	<u>\$ 1,026,116</u>

The amounts reported as deferred outflows of resources and deferred inflows of resources related to the plan will be recognized in pension expense as follows:

<u>Year ended September 30:</u>	<u>Amount</u>
2019	\$ (519,836)
2020	(196,370)
2021	(214,532)
2022	(61,939)
2023	
Thereafter	<u>\$ (992,677)</u>

**CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Safety Officers' Retirement System

Pension expense and deferred outflows and inflows of resources

For the fiscal year ended September 30, 2018, the City recognized pension expense of \$560,693. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on plan investments	<u>\$</u>	<u>\$ 62,036</u>

The amounts reported as deferred outflows of resources and deferred inflows of resources related to the plan will be recognized in pension expense as follows:

<u>Year ended September 30:</u>	<u>Amount</u>
2019	\$ 31,759
2020	(33,164)
2021	(47,461)
2022	(13,170)
2023	
Thereafter	<u>\$ (62,036)</u>

**CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS (Continued)

All Retirement Plans

Summarized information

The City’s total pension liability, plan fiduciary net position, net pension liability, pension related deferred outflows and inflows, and pension expense for the fiscal year ended September 30, 2018, are as follows:

	<u>General Employees’</u>	<u>Public Safety Officers’</u>	<u>Total</u>
Total pension liability	\$ 15,299,530	\$ 4,622,792	19,922,322
Plan fiduciary net position	19,271,753	6,210,357	25,482,110
Net pension liability (asset)	(3,972,223)	(1,587,565)	(5,559,788)
Deferred outflows of resources	33,439		33,439
Deferred inflows of resources	1,026,116	62,036	1,088,152
Pension expense	(379,739)	560,693	180,954

At September 30, 2018, the City reported payables in the amounts of \$22,657 to the General Employees’ and \$-0- to the Public Safety Officers’ plans for outstanding contributions.

CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 9 – PENSION PLAN FINANCIAL INFORMATION

Generally accepted accounting principles (GAAP) requires that financial statements for individual pension plans be presented in the notes to the financial statements of the primary government if separate, GAAP financial reports have not been issued. The individual pension funds of the City of Belle Glade, Florida do not have separate GAAP reports issued and the financial information for these is presented below.

Statement of Fiduciary Net Position
September 30, 2018

	General Employees'	Public Safety Officers'	Total Employee Retirement Funds
Assets			
Cash and cash equivalents	\$ 2,199	\$ 21,131	\$ 23,330
Investments at fair value			
Money market mutual funds	47,500	68,000	115,500
U.S. government and agencies securities		1,061,397	1,061,397
Corporate bonds		1,083,470	1,083,470
Fixed income exchange traded funds		557,982	557,982
Fixed income mutual funds	5,480,850		5,480,850
Domestic equity mutual funds	5,999,486	1,731,149	7,730,635
Foreign equity mutual funds	1,548,318		1,548,318
Corporate stock	6,114,249	1,635,118	7,749,367
Receivables			
Accounts	22,657		22,657
Accounts, broker dealers	149,572	37,208	186,780
Due from participants		18,938	18,938
Accrued dividends and interest	8,870	17,008	25,878
Prepaid pension benefit	50,347	17,023	67,370
Total assets	19,424,048	6,248,424	25,672,472
Liabilities			
Accounts payable, broker dealers	152,295	38,067	190,362
Prepaid pension contribution	163,137		163,137
Total liabilities	315,432	38,067	353,499
Net Position			
Restricted for pension benefits	\$ 19,108,616	\$ 6,210,357	\$ 25,318,973

CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 9 – PENSION PLAN FINANCIAL INFORMATION (Continued)

Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended September 30, 2018

	General Employees'	Public Safety Officers'	Total Employee Retirement Funds
Additions			
Contributions			
Employer	\$ 155,546	\$	\$ 155,546
Plan members	130,509		130,509
Total contributions	<u>286,055</u>		<u>286,055</u>
Investment income			
Net increase (decrease) in fair value of investments	1,258,011	322,551	1,580,562
Investment earnings	497,513	145,714	643,227
Total investment income	<u>1,755,524</u>	<u>468,265</u>	<u>2,223,789</u>
Investment expenses	(69,016)	(35,584)	(104,600)
Total net investment income	<u>1,686,508</u>	<u>432,681</u>	<u>2,119,189</u>
Total additions	<u>1,972,563</u>	<u>432,681</u>	<u>2,405,244</u>
Deductions			
Retirement benefits	589,687	202,933	792,620
Refunds of contributions	32,046		32,046
Administrative expense	32,131	21,822	53,953
Total deductions	<u>653,864</u>	<u>224,755</u>	<u>878,619</u>
Net increase (decrease)	1,318,699	207,926	1,526,625
Net position restricted for pension benefits			
Net position – beginning	17,789,917	6,002,431	23,792,348
Net position – ending	<u>\$ 19,108,616</u>	<u>\$ 6,210,357</u>	<u>\$ 25,318,973</u>

**CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 10 – DEFERRED COMPENSATION PLAN

Employees of the City of Belle Glade may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments).

The deferred compensation plan is available to all employees of the City. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

Because the City has little administrative involvement and does not perform the investing function for funds in the Plan, the City's activities do not meet the criteria for inclusion in the fiduciary funds of a government. Consequently, the Plan is not included in the City's financial statements.

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS

General Information about the OPEB Plan

Effective October 1, 2016, the City implemented Governmental Accounting Standards Board Statement 75 (GASB 75), *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, see Note 15. Retirees of the City pay an amount equal to the actual premium for health insurance charged by the carrier. The premium charged includes an implied subsidy, as the amount charged for all participants (active employee or retiree) is the same, regardless of age. Under GASB 75, an implied subsidy is considered other post-employment benefits (OPEB).

The following describes the City's OPEB Provisions:

Plan Description

The City provides a single employer defined benefit health care plan to all of its employees and the plan is administered by the City. The plan has no assets and does not issue a separate financial report.

Benefits Provided

The plan allows its employees and their beneficiaries, to continue to obtain health and dental benefits upon retirement. The normal retirement age is 65, age 62 with 10 years of service, or 30 years of service regardless of age. Participants may retire early at age 55, age 52 with 10 years of service, or with 20 years of service regardless of age. The benefits of the plan are in accordance with Florida Statutes, which are the legal authority for the plan.

**CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

General Information about the OPEB Plan (Continued)

Employees Covered by Benefit Terms

At September 30, 2018, the following employees were covered by benefit terms:

Participants	
Active employees	102
Inactive employees currently receiving benefits	1
Inactive employees entitled to but not receiving benefits	<u>-</u>
Total	<u>103</u>

Contribution Requirements: The City does not make direct contributions to the plan on behalf of retirees. Retirees and their beneficiaries pay the same group health rates as active employees. However, the City’s actuaries, in their actuarial valuation, calculate an offset to the cost of these benefits as an employer contribution, based upon an implicit rate subsidy. This offset equals the total annual age-adjusted costs paid by the City, or its active employees, for coverage of the retirees and their dependents net of the retiree’s own payments for the year.

Total OPEB Liability

The City’s total OPEB liability of \$167,839 was measured as of September 30, 2018 and was determined by the actuarial valuation from October 1, 2017 rolled forward to September 30, 2018.

Actuarial Assumptions and Methods

The total OPEB liability was determined using the following actuarial assumptions and other methods:

Valuation Date:	September 30, 2018
Discount Rate:	4.18% per annum
Source	Bond Buyer GO 20-Bond Municipal Index
Salary Increase Rate:	Service based between 3.5% to 5.0% per annum
Health Care Trend Rate:	An initial rate of 8.5% decreasing by 0.5% annually to an ultimate rate of 4.0%.
Inflation Rate:	General 2.5% per annum

**CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Total OPEB Liability (Continued)

Actuarial Assumptions and Methods (Continued)

Census Data:	The census was provided by the City as of October 1, 2017.
Marital Status:	100% assumed married, with male spouses 3 years older than female spouses
Actuarial Cost Method:	Entry Age Cost Method (Level Percentage of Pay).
Plan Participation Percentage:	25% participation assumed, with 50% electing spouse coverage.
Mortality Rates	<i>Active Lives</i> Female: RP2000 Generational, 100% Combined Healthy White Collar, Scale BB Male: RP2000 Generational, 50% Combined Healthy White Collar / 50% Combined Healthy Blue Collar, Scale BB <i>Healthy Inactive Lives</i> Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB Male: RP2000 Generational, 50% Annuitant White Collar / 50% Annuitant Blue Collar, Scale BB <i>Disabled Lives</i> Female: 100% RP2000 Disabled Female set forward two years Male: 100% RP2000 Disabled Male setback four years

Discount Rate

The City does not have a dedicated Trust to pay retiree healthcare benefits. Per GASB 75, the discount rate is a yield or index rate for 20-year, tax-exempt municipal bonds. As a result, the calculation used a rate of 4.18%.

**CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at September 30, 2017, as restated	\$ 158,689
Changes for the Year:	
Service Cost	23,664
Interest Cost	6,424
Changes of Assumptions and Other Inputs	(9,127)
Differences Between Expected and Actual Experience	
Benefit Payments	(11,811)
Net Change in Total OPEB Liability	9,150
Balance at September 30, 2018	\$ 167,839

Changes in Assumptions

The discount rate was 3.64% at October 1, 2017 and 4.18% at September 30, 2018.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.18%) or 1-percentage-point higher (5.18%) than the current discount rate:

	1.0% Decrease (3.18%)	Discount Rate (4.18%)	1.0% Increase (5.18%)
Total OPEB Liability	\$ 185,927	\$ 167,839	\$ 153,339

**CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Changes in the Total OPEB Liability

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Trend Rates

The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using healthcare cost trends that are 1-percentage-point lower or 1-percentage-point higher (then the current healthcare cost trend rates:

	1.0% Decrease (7.5% decreasing to 3%)	Healthcare cost Trend Rates (8.5% decreasing to 4%)	1.0% Increase (9.5% decreasing to 5%)
Total OPEB Liability	\$ 149,749	\$ 167,839	\$ 190,062

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB

For the year ended September 30, 2018, the City recognized OPEB expense of \$33,306. At September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions/Inputs Differences Between Expected and Actual Experience	\$ -	\$ 6,845
Total	\$ -	\$ 6,845

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

Fiscal Year Ending:	
September 30, 2019	\$ (2,282)
September 30, 2020	(2,282)
September 30, 2021	(2,281)
	\$ (6,845)

**CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 12 – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City continues to purchase commercial insurance to cover the various risks. Retention of risks is limited to those risks that are uninsurable, and deductibles ranging from \$100 to \$2,500 per occurrence. There were no settled claims which exceeded insurance coverage during the past three fiscal years.

As a member of Public Risk Management, the responsibility of the City is to pay those premiums charged by the nonassessable pool for workers compensation coverage. The pool is responsible to pay all claims incurred by the City. The City may terminate the membership based on at least one year notice to the pool. All pool policies are on an occurrence basis.

Major uninsurable risks include damages to infrastructure assets. Since the amount of loss cannot be reasonably estimated and the likelihood of occurrence is not determinable, no provision for losses is reflected in the financial statements.

Florida Statutes limit the City's maximum loss for most liability claims to \$200,000 per person and \$300,000 per occurrence under the Doctrine of Sovereign Immunity. However, under certain circumstances, a plaintiff can seek to recover damages in excess of statutory limits by introducing a claims bill to the Florida Legislature.

NOTE 13 – RELATED PARTY TRANSACTIONS

The General Fund provides the other funds with various management services. Administrative costs totaling \$253,000, \$70,677, and \$30,000 were charged to the Garbage and Solid Waste, Stormwater Utility, and Revolving Loan funds, respectively, for 2018.

**CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 14 – COMMITMENTS AND CONTINGENCIES

Contingencies

The City is involved in various litigations and claims arising in the course of operations. It is the opinion of legal counsel that the likelihood of unfavorable outcome and the amounts of potential losses cannot be reasonably determined at this time. Accordingly, no provision for any liability that may result has been made in the accompanying financial statements.

Palm Beach County Sheriff's Office Inter-Local Agreement

The City renewed their agreement with the Palm Beach County Sheriff's Office (PBSO) to provide law enforcement services. The fee is payable in monthly installments and is subject to annual renewals. The City paid \$2,997,424 to PBSO for law enforcement services during the fiscal year ended September 30, 2018. The City has extended the contract and will pay \$3,087,347 for the period October 1, 2018 through September 30, 2019.

Fire Protection and Emergency Medical Services

Pursuant to Palm Beach County Ordinance No. 83-23, as amended, and City of Belle Glade Ordinance No. 05-30, the City has opted into the County's Fire-Rescue Municipal Services Taxing Unit ("MSTU") for the provision of fire rescue, fire protection, and related services from the County commencing on October 1, 2006. The tax for the MSTU is included in the maximum 10 mills the City is legally allowed to assess. On September 30, 2018, the MSTU millage rate was 3.4581 mills.

NOTE 15 – CHANGE IN ACCOUNTING PRINCIPLES

Implementation of GASB Statements: The City implemented the following GASB Statements during the fiscal year ended September 30, 2018:

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset. This standard did not have any impact on the current fiscal year.

**CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

NOTE 15 – CHANGE IN ACCOUNTING PRINCIPLES (Continued)

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement improves accounting and financial reporting by state and local governments for postemployment benefits other than pensions. It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The cumulative effect of applying this statement is required to be reported as a restatement of beginning net position.

A reconciliation of the prior period ending net position to the current period beginning net position is as follows:

	Balance 9/30/17, as previously reported	GASB 75 Adjustment	Balance 9/30/17, as restated
<u>Primary Government</u>			
Governmental Activities	\$ 32,226,563	\$ 7,097	\$ 32,233,660
Business-type Activities	17,737,609	3,846	17,741,455
<u>Major Funds</u>			
Garbage and Solid Waste	3,928,268	4,386	3,932,654
Marina	8,084,720	(170)	8,084,550
Stormwater	5,724,621	(370)	5,724,251

NOTE 16 – NEW ACCOUNTING STANDARDS

Below is a brief description and effective date of new accounting standards that could have a significant impact on the City.

- GASB Statement No. 87, *Leases*. This Statement will increase the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting that is based on the foundational principle that leases are financings of the right to use an underlying asset. This Statement is effective for the fiscal year ending September 30, 2021.

CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 16 – NEW ACCOUNTING STANDARDS (Continued)

- GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement is effective for the fiscal year ending September 30, 2019.

Management is currently evaluating the impact of the adoption of these statements on the City's financial statements.

REQUIRED SUPPLEMENTAL INFORMATION OTHER THAN MD&A

CITY OF BELLE GLADE, FLORIDA
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended September 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 5,215,187	\$ 5,215,187	\$ 5,342,104	\$ 126,917
Licenses and permits	241,500	360,500	449,465	88,965
Intergovernmental revenues	2,982,469	3,467,351	3,505,315	37,964
Charges for services	279,543	279,543	367,616	88,073
Fines and forfeitures	19,400	19,400	53,167	33,767
Miscellaneous revenues	471,930	492,930	532,115	39,185
Total revenues	<u>9,210,029</u>	<u>9,834,911</u>	<u>10,249,782</u>	<u>414,871</u>
Expenditures				
Current				
General government	3,656,293	3,743,095	3,450,712	292,383
Public safety	4,056,937	4,163,669	4,115,537	48,132
Transportation	815,963	1,270,034	1,133,698	136,336
Physical environment	306,776	275,473	171,944	103,529
Culture/recreation	910,724	908,315	748,160	160,155
Economic environment	460	5,460	5,147	313
Capital outlay	103,007	385,838	194,423	191,415
Debt service				
Principal	46,806	46,806	46,806	
Interest	8,740	8,740	8,740	
Total expenditures	<u>9,905,706</u>	<u>10,807,430</u>	<u>9,875,167</u>	<u>932,263</u>
Excess of revenues over (under) expenditures	<u>(695,677)</u>	<u>(972,519)</u>	<u>374,615</u>	<u>1,347,134</u>
Other financing sources (uses)				
Operating transfers in	400,000	400,000	400,000	
Operating transfers (out)	(244,302)	(262,802)	(255,753)	7,049
Total other financing sources (uses)	<u>155,698</u>	<u>137,198</u>	<u>144,247</u>	<u>7,049</u>
Net changes in fund balances	<u>\$ (539,979)</u>	<u>\$ (835,321)</u>	518,862	<u>\$ 1,354,183</u>
Fund balance - Beginning			<u>10,785,086</u>	
Fund balance - Ending			<u>\$ 11,303,948</u>	

CITY OF BELLE GLADE, FLORIDA
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Infrastructure Surtax Fund
For the Fiscal Year Ended September 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 1,050,000	\$ 1,050,000	\$ 1,267,395	\$ 217,395
Miscellaneous revenues			377	377
Total revenues	<u>1,050,000</u>	<u>1,050,000</u>	<u>1,267,772</u>	<u>217,772</u>
Expenditures				
Capital outlay	<u>1,050,000</u>	<u>1,947,950</u>	<u>204,781</u>	<u>1,743,169</u>
Total expenditures	<u>1,050,000</u>	<u>1,947,950</u>	<u>204,781</u>	<u>1,743,169</u>
Net changes in fund balances	<u>\$</u>	<u>\$ (897,950)</u>	<u>1,062,991</u>	<u>\$ 1,960,941</u>
Fund balance - Beginning			<u>760,506</u>	
Fund balance - Ending			<u>\$ 1,823,497</u>	

CITY OF BELLE GLADE, FLORIDA
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Revolving Loan Fund
For the Fiscal Year Ended September 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Miscellaneous revenues	\$ 20,966	\$ 20,966	\$ 19,805	\$ (1,161)
Total revenues	<u>20,966</u>	<u>20,966</u>	<u>19,805</u>	<u>(1,161)</u>
Expenditures				
Economic environment	<u>292,783</u>	<u>292,783</u>	<u>47,724</u>	<u>245,059</u>
Total expenditures	<u>292,783</u>	<u>292,783</u>	<u>47,724</u>	<u>245,059</u>
Net changes in fund balances	<u>\$ (271,817)</u>	<u>\$ (271,817)</u>	<u>(27,919)</u>	<u>\$ 243,898</u>
Fund balance - Beginning			<u>1,309,637</u>	
Fund balance - Ending			<u>\$ 1,281,718</u>	

CITY OF BELLE GLADE, FLORIDA
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Community Redevelopment Agency Fund
For the Fiscal Year Ended September 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 21,764	\$ 21,764	\$ 21,139	\$ (625)
Miscellaneous revenues			30	30
Total revenues	21,764	21,764	21,169	(595)
Expenditures				
Economic environment	1,651	1,651	841	810
Total expenditures	1,651	1,651	841	810
Excess of revenues over (under) expenditures	20,113	20,113	20,328	215
Other financing sources (uses)				
Operating transfers in	29,777	29,777	29,646	(131)
Total other financing sources (uses)	29,777	29,777	29,646	(131)
Net changes in fund balances	\$ 49,890	\$ 49,890	49,974	\$ 84
Fund balance - Beginning			83,215	
Fund balance - Ending			\$ 133,189	

CITY OF BELLE GLADE, FLORIDA
Notes to the Budgetary
Required Supplementary Information (RSI)
September 30, 2018

Note 1 - Basis of Accounting

Generally accepted accounting principles (GAAP) serve as the budgetary basis of accounting.

Note 2 - Excess of expenditures over appropriations

No departments had expenditures in excess of appropriations for the fiscal year ended September 30, 2018.

CITY OF BELLE GLADE, FLORIDA
Required Supplemental Information
September 30, 2018

Schedule of Total OPEB Liability

	2018
Total OPEB liability:	
Service cost	\$ 23,664
Interest	6,424
Change of assumptions	(9,127)
Benefit payments	(11,811)
Net change in OPEB liability	9,150
Total OPEB liability - beginning	158,689
Total OPEB liability - ending	\$ 167,839

NOTE: The City implemented GASB Statement 75 in 2018; information is presented for those years in which information is available.

Change of Assumptions

For 2018 the discount rate was 3.64% at 10/1/17 and 4.18% at 9/30/18.

CITY OF BELLE GLADE, FLORIDA
Required Supplemental Information
September 30, 2018

General Employees Retirement Fund
Schedule of Changes in Net Pension Liability and Related Ratios
Last Ten Fiscal Years

	2014	2015	2016	2017	2018
Total pension liability:					
Service cost	\$ 396,435	\$ 393,663	\$ 384,459	\$ 425,216	\$ 478,843
Interest	972,005	1,037,078	1,073,617	1,161,944	1,150,083
Differences between expected and actual experience		(408,785)	(592,296)	(496,655)	(446,340)
Change of assumptions			769,607	(715,626)	66,878
Benefit payments, including refunds of employee contributions	(500,988)	(551,058)	(531,500)	(541,382)	(621,733)
Net change in total pension liability	867,452	470,898	1,103,887	(166,503)	627,731
Total pension liability - beginning	12,396,065	13,263,517	13,734,415	14,838,302	14,671,799
Total pension liability - ending (a)	<u>\$ 13,263,517</u>	<u>\$ 13,734,415</u>	<u>\$ 14,838,302</u>	<u>\$ 14,671,799</u>	<u>\$ 15,299,530</u>
Plan fiduciary net position					
Contributions - employer	\$ 12,267	\$ 132,427	\$ 286,216	\$ 155,546	\$ 163,137
Contributions - employees	111,520	111,676	117,295	124,437	130,509
Net investment income	1,486,350	(142,391)	1,088,557	2,009,403	1,686,508
Benefit payments, including refunds of employee contributions	(500,988)	(551,058)	(531,500)	(541,382)	(621,733)
Other expenses	(27,474)				
Administrative expenses	(18,135)	(31,368)	(24,119)	(32,672)	(32,130)
Net change in plan fiduciary net position	1,063,540	(480,714)	936,449	1,715,332	1,326,291
Plan fiduciary net position - beginning	14,710,855	15,774,395	15,293,681	16,230,130	17,945,462
Plan fiduciary net position - ending (b)	<u>\$ 15,774,395</u>	<u>\$ 15,293,681</u>	<u>\$ 16,230,130</u>	<u>\$ 17,945,462</u>	<u>\$ 19,271,753</u>
Net pension liability (a) - (b)	<u>\$ (2,510,878)</u>	<u>\$ (1,559,266)</u>	<u>\$ (1,391,828)</u>	<u>\$ (3,273,663)</u>	<u>\$ (3,972,223)</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>118.93%</u>	<u>111.35%</u>	<u>109.38%</u>	<u>122.31%</u>	<u>125.96%</u>
Covered payroll	<u>\$ 2,787,994</u>	<u>\$ 2,770,208</u>	<u>\$ 2,737,346</u>	<u>\$ 3,110,924</u>	<u>\$ 3,262,730</u>
Net pension liability as a percentage of covered payroll	<u>-90.06%</u>	<u>-56.29%</u>	<u>-50.85%</u>	<u>-105.23%</u>	<u>-121.75%</u>

NOTE: The City implemented GASB Statement 67 in 2014; information is presented for those years in which information is available.

Change of Assumptions

For the year ending September 30, 2016, the assumed rates of mortality were changed to the assumptions used by the Florida Retirement System for special risk employees.

For the year ending September 30, 2017, the assumed rates of mortality were changed and the cost of living increase was lowered from 3.0% to 2.5%.

For the year ending September 30, 2018, the investment return was lowered from 7.75% to 7.00%; and based on an Experience Study dated November 12, 2018, the salary assumption was modified from a flat 6% per year to a service-based table, and the retirement, withdrawal, and disability rates were updated based on historical experience.

CITY OF BELLE GLADE, FLORIDA
Required Supplemental Information
September 30, 2018

Public Safety Officers Retirement Fund
Schedule of Changes in Net Pension Liability and Related Ratios
Last Ten Fiscal Years

	2014	2015	2016	2017	2018
Total pension liability:					
Interest	\$ 197,370	\$ 187,913	\$ 251,764	\$ 255,959	\$ 246,568
Change in benefit terms					140,943
Differences between expected and actual experience		46,606	(275,833)	(191,560)	118,174
Change of assumptions			287,927	(155,173)	416,222
Benefit payments, including refunds of employee contributions	(213,861)	(211,765)	(195,862)	(197,908)	(202,932)
Net change in total pension liability	(16,491)	22,754	67,996	(288,682)	718,975
Total pension liability - beginning	4,118,240	4,101,749	4,124,503	4,192,499	3,903,817
Total pension liability - ending (a)	<u>\$ 4,101,749</u>	<u>\$ 4,124,503</u>	<u>\$ 4,192,499</u>	<u>\$ 3,903,817</u>	<u>\$ 4,622,792</u>
Plan fiduciary net position					
Net investment income	\$ 573,783	\$ 31,352	\$ 272,705	\$ 519,406	\$ 432,680
Benefit payments, including refunds of employee contributions	(213,861)	(211,765)	(195,862)	(197,908)	(202,932)
Other expenses	(3,600)				
Administrative expenses	(23,554)	(20,000)	(18,913)	(19,212)	(21,822)
Net change in plan fiduciary net position	332,768	(200,413)	57,930	302,286	207,926
Plan fiduciary net position - beginning	5,509,860	5,842,628	5,642,215	5,700,145	6,002,431
Plan fiduciary net position - ending (b)	<u>\$ 5,842,628</u>	<u>\$ 5,642,215</u>	<u>\$ 5,700,145</u>	<u>\$ 6,002,431</u>	<u>\$ 6,210,357</u>
Net pension liability (a) - (b)	<u>\$ (1,740,879)</u>	<u>\$ (1,517,712)</u>	<u>\$ (1,507,646)</u>	<u>\$ (2,098,614)</u>	<u>\$ (1,587,565)</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>142.44%</u>	<u>136.80%</u>	<u>135.96%</u>	<u>153.76%</u>	<u>134.34%</u>
Covered payroll	N/A	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A

NOTE: The City implemented GASB Statement 67 in 2014; information is presented for those years in which information is available.

Change of Benefit Terms

For the year ending September 30, 2018, the annual cost-of living adjustment changed from a 2.5% assumption to a fixed 3%.

Change of Assumptions

For the year ending September 30, 2016, the assumed rates of mortality were changed to the assumptions used by the Florida Retirement System for special risk employees and the inflation assumption rate was lowered from 3.00% to 2.50%.

For the year ending September 30, 2017, the cost of living increase was lowered from 3.0% to 2.5%.

For the year ending September 30, 2018, the investment rate of return was lowered from 6.25% to 5.00%.

CITY OF BELLE GLADE, FLORIDA
Required Supplemental Information
September 30, 2018

Last Ten Fiscal Years

Schedule of Contributions

Fiscal Year Ending September 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
<u>General Employees Retirement Fund</u>					
2015	\$ -	\$ 132,427	\$ (132,427)	\$ 2,770,208	4.78%
2016	-	286,216	(286,216)	2,737,346	10.46%
2017	-	155,546	(155,546)	3,110,924	5.00%
2018	-	163,137	(163,137)	3,262,730	5.00%
<u>Public Safety Officers Retirement Fund</u>					
2015	\$ -	\$ -	\$ -	\$ -	N/A
2016	-	-	-	-	N/A
2017	-	-	-	-	N/A
2018	-	-	-	-	N/A

Schedule of Investment Returns

Fiscal Year Ending September 30	Annual money weighted rate of return net of investment expense	
	General	Public Safety
	Employees	Officers
2015	-0.91%	0.55%
2016	7.14%	4.95%
2017	12.54%	9.33%
2018	9.53%	7.38%

NOTE: The City implemented GASB Statement 68 in 2015; information is presented for those years in which information is available.

CITY OF BELLE GLADE, FLORIDA
Notes to the Schedule of Contributions
September 30, 2018

Methods and assumptions used in calculations of determined contributions.

The actuarially determined contribution rates are calculated as of October 1, one year prior to the end of the fiscal year in which contributions are reported.

	<u>General Employees Retirement System</u>	<u>Public Safety Officers Retirement System</u>
Actuarial Cost Method	Aggregate Actuarial Cost Method	Aggregate Actuarial Cost Method
Amortization Method	None	None
Remaining Amortization Period	N/A	N/A
Asset Valuation Method	The Actuarial Value of Assets is brought forward using the historical four year geometric average of Market Returns (net of fees).	Fair Market Value
Inflation	2.50%	2.50%
Salary Increases	6.00%	N/A
Cost of Living Adjustments	2.50%	2.50%
Investment Rate of Return	7.75%	6.25%
Mortality	Female RP2000 Generational, 100% Annuitant White Collar, Scale BB Male RP2000 Generational, 50% Annuitant White Collar/50% Annuitant Blue Collar, Scale BB	Female RP2000 Generational, 100% Annuitant White Collar, Scale BB Male RP2000 Generational, 10% Annuitant White Collar/90% Annuitant Blue Collar, Scale BB

COMBINING FINANCIAL STATEMENTS

FIDUCIARY FUNDS

Pension Trust Funds

General Employees Pension Trust Fund

Public Safety Officers Pension Trust Fund

CITY OF BELLE GLADE
Fiduciary Funds
Combining Statement of Fiduciary Net Position
September 30, 2018

	General Employees	Public Safety	Total Pension Trust Funds
Assets			
Cash and cash equivalents	\$ 2,199	\$ 21,131	\$ 23,330
Investments at fair value			
Money market mutual funds	47,500	68,000	115,500
U.S. government and agencies securities		1,061,397	1,061,397
Corporate bonds		1,083,470	1,083,470
Fixed income exchange traded funds		557,982	557,982
Fixed income mutual funds	5,480,850		5,480,850
Domestic equity mutual funds	5,999,486	1,731,149	7,730,635
Foreign equity mutual funds	1,548,318		1,548,318
Corporate stock	6,114,249	1,635,118	7,749,367
Receivables			
Accounts	22,657		22,657
Accounts, broker dealers	149,572	37,208	186,780
Due from participants		18,938	18,938
Accrued dividends and interest	8,870	17,008	25,878
Prepaid pension benefit	50,347	17,023	67,370
Total assets	19,424,048	6,248,424	25,672,472
Liabilities			
Accounts payable, broker dealers	152,295	38,067	190,362
Prepaid pension contribution	163,137		163,137
Total liabilities	315,432	38,067	353,499
Net Position			
Restricted for pension benefits	<u>\$ 19,108,616</u>	<u>\$ 6,210,357</u>	<u>\$ 25,318,973</u>

CITY OF BELLE GLADE, FLORIDA
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended September 30, 2018

	General Employees	Public Safety	Total Pension Trust Funds
Additions			
Contributions			
Employer	\$ 155,546	\$	\$ 155,546
Plan members	130,509		130,509
Total contributions	<u>286,055</u>		<u>286,055</u>
Investment income			
Net increase (decrease) in fair value of investments	1,258,011	322,551	1,580,562
Investment earnings	497,513	145,714	643,227
Total investment income	<u>1,755,524</u>	<u>468,265</u>	<u>2,223,789</u>
Investment expenses	<u>(69,016)</u>	<u>(35,584)</u>	<u>(104,600)</u>
Total net investment income	<u>1,686,508</u>	<u>432,681</u>	<u>2,119,189</u>
Total additions	<u>1,972,563</u>	<u>432,681</u>	<u>2,405,244</u>
Deductions			
Retirement benefits	589,687	202,933	792,620
Refunds of contributions	32,046		32,046
Administrative expense	32,131	21,822	53,953
Total deductions	<u>653,864</u>	<u>224,755</u>	<u>878,619</u>
Net increase (decrease)	1,318,699	207,926	1,526,625
Net position restricted for pension benefits			
Net position - beginning	17,789,917	6,002,431	23,792,348
Net position - ending	<u>\$ 19,108,616</u>	<u>\$ 6,210,357</u>	<u>\$ 25,318,973</u>

OTHER SUPPLEMENTAL INFORMATION

GENERAL FUND

CITY OF BELLE GLADE, FLORIDA
General Fund
Schedule of Revenues - Budget and Actual
For the Fiscal Year Ended September 30, 2018

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Taxes			
Ad valorem taxes	\$ 2,058,834	\$ 2,071,201	\$ 12,367
Local option gas tax	331,000	341,118	10,118
Franchise taxes	1,345,353	1,383,017	37,664
Utility taxes	1,480,000	1,546,768	66,768
Total Taxes	<u>5,215,187</u>	<u>5,342,104</u>	<u>126,917</u>
Licenses and Permits			
Occupational licenses	174,000	183,612	9,612
Building permits	185,000	261,260	76,260
Other permits	1,500	4,593	3,093
Total Licenses and Permits	<u>360,500</u>	<u>449,465</u>	<u>88,965</u>
Intergovernmental Revenue			
Half cent sales tax	1,375,000	1,396,871	21,871
State revenue sharing	996,000	1,062,521	66,521
Palm Beach County grants	195,461	195,461	0
Federal grants	279,276	253,996	(25,280)
State grants	572,414	523,227	(49,187)
County - occupational licenses	26,000	43,262	17,262
Other	23,200	29,977	6,777
Total Intergovernmental Revenue	<u>3,467,351</u>	<u>3,505,315</u>	<u>37,964</u>

(Continued)

CITY OF BELLE GLADE, FLORIDA
General Fund
Schedule of Revenues - Budget and Actual
For the Fiscal Year Ended September 30, 2018

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
(Continued)			
Charges for Services			
Mosquito control	\$ 143,000	\$ 149,448	\$ 6,448
Mass transit	12,000	9,991	(2,009)
Concessions	900	632	(268)
Other charges	<u>123,643</u>	<u>207,545</u>	<u>83,902</u>
Total Charges for Services	<u>279,543</u>	<u>367,616</u>	<u>88,073</u>
Fines and Forfeits			
Court fines	6,700	6,481	(219)
Other	<u>12,700</u>	<u>46,686</u>	<u>33,986</u>
Total Fines and Forfeits	<u>19,400</u>	<u>53,167</u>	<u>33,767</u>
Miscellaneous Revenues			
Reimbursement - stormwater utility	70,677	70,677	
Reimbursement - sanitation	253,000	253,000	
Reimbursement - revolving loan	30,000	30,000	
Interest earnings	200	3,658	3,458
Donations	21,000	21,000	
Rents	102,076	104,190	2,114
Surplus equipment		4,205	4,205
Insurance proceeds		30,004	30,004
Other	<u>15,977</u>	<u>15,381</u>	<u>(596)</u>
Total Miscellaneous Revenues	<u>492,930</u>	<u>532,115</u>	<u>39,185</u>
Total Revenues	<u><u>\$ 9,834,911</u></u>	<u><u>\$ 10,249,782</u></u>	<u><u>\$ 414,871</u></u>

CITY OF BELLE GLADE, FLORIDA
General Fund
Schedule of Departmental Expenditures - Budget and Actual
For the Fiscal Year Ended September 30, 2018

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
General Government			
City Commission			
Personal services	\$ 210,773	\$ 207,687	\$ 3,086
Operating expenses	81,405	69,088	12,317
Total City Commission	292,178	276,775	15,403
City Manager			
Personal services	498,202	494,842	3,360
Operating expenses	44,950	38,768	6,182
Total City Manager	543,152	533,610	9,542
Personnel			
Personnel services	247,443	246,564	879
Operating expenses	34,320	24,864	9,456
Total Personnel	281,763	271,428	10,335
Purchasing			
Personal services	80,552	80,231	321
Operating expenses	12,703	10,816	1,887
Reimbursements	(5,000)	(5,806)	806
Total Purchasing	88,255	85,241	3,014
Counsel and Legal			
Operating expenses	165,000	93,953	71,047
City Hall			
Personal services	35,935	33,031	2,904
Operating expenses	94,214	84,983	9,231
Total City Hall	130,149	118,014	12,135

(Continued)

CITY OF BELLE GLADE, FLORIDA
General Fund
Schedule of Departmental Expenditures - Budget and Actual
For the Fiscal Year Ended September 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
(Continued)			
General Government (Continued)			
Public Relations			
Personal services	\$ 22,981	\$ 22,879	\$ 102
Operating expenses	<u>82,833</u>	<u>82,492</u>	<u>341</u>
Total Public Relations	<u>105,814</u>	<u>105,371</u>	<u>443</u>
Finance			
Personal services	645,821	636,715	9,106
Operating expenses	<u>93,955</u>	<u>72,816</u>	<u>21,139</u>
Total Finance	<u>739,776</u>	<u>709,531</u>	<u>30,245</u>
Information Technology			
Personal services	157,229	154,120	3,109
Operating expenses	<u>65,071</u>	<u>28,287</u>	<u>36,784</u>
Total Information Technology	<u>222,300</u>	<u>182,407</u>	<u>39,893</u>
City Clerk			
Personal services	196,206	178,742	17,464
Operating expenses	<u>77,932</u>	<u>58,910</u>	<u>19,022</u>
Total City Clerk	<u>274,138</u>	<u>237,652</u>	<u>36,486</u>
Civil Service Board			
Personal services	355		355
Operating expenses	<u>4,568</u>		<u>4,568</u>
Total Civil Service Board	<u>4,923</u>		<u>4,923</u>

(Continued)

CITY OF BELLE GLADE, FLORIDA
General Fund
Schedule of Departmental Expenditures - Budget and Actual
For the Fiscal Year Ended September 30, 2018

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
(Continued)			
General Government (Continued)			
Other General Government			
Personal services	\$ 17,343	\$ 17,268	\$ 75
Operating expenses	167,140	164,497	2,643
Total Other General Government	184,483	181,765	2,718
Garage			
Personal services	268,685	241,954	26,731
Operating expenses	272,049	260,376	11,673
Reimbursements	(324,769)	(342,479)	17,710
Total Garage	215,965	159,851	56,114
Buildings and Grounds			
Personal services	378,452	378,165	287
Operating expenses	120,028	119,889	139
Reimbursements	(3,281)	(2,940)	(341)
Total Buildings and Grounds	495,199	495,114	85
Total General Government	3,743,095	3,450,712	292,383
Public Safety			
Police			
Personal services			
Operating expenses	3,002,424	2,997,424	5,000
Total Police	3,002,424	2,997,424	5,000
Youth Empowerment			
Personal services	135,205	135,442	(237)
Operating expenses	92,436	75,172	17,264
Total Youth Empowerment	227,641	210,614	17,027

(Continued)

CITY OF BELLE GLADE, FLORIDA
General Fund
Schedule of Departmental Expenditures - Budget and Actual
For the Fiscal Year Ended September 30, 2018

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
(Continued)			
Public Safety (Continued)			
YEC Summer Apprenticeship			
Personal services	\$ 40,025	\$ 40,014	\$ 11
Operating expenses	924	924	
Total YEC Summer Apprenticeship	<u>40,949</u>	<u>40,938</u>	<u>11</u>
Planning and Building			
Personal services	321,255	319,791	1,464
Operating expenses	263,783	260,320	3,463
Total Planning and Building	<u>585,038</u>	<u>580,111</u>	<u>4,927</u>
Code Enforcement Board			
Personal services	189,965	184,271	5,694
Operating expenses	117,652	102,179	15,473
Total Code Enforcement Board	<u>307,617</u>	<u>286,450</u>	<u>21,167</u>
Total Public Safety	<u>4,163,669</u>	<u>4,115,537</u>	<u>48,132</u>
Transportation			
Traffic Control			
Operating expenses	44,449	25,171	19,278
Total Traffic Control	<u>44,449</u>	<u>25,171</u>	<u>19,278</u>
Streets			
Personal services	239,444	203,984	35,460
Operating expenses	143,014	103,337	39,677
Total Streets	<u>382,458</u>	<u>307,321</u>	<u>75,137</u>

(Continued)

CITY OF BELLE GLADE, FLORIDA
General Fund
Schedule of Departmental Expenditures - Budget and Actual
For the Fiscal Year Ended September 30, 2018

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
(Continued)			
Transportation (Continued)			
Street Lighting			
Operating expenses	\$ 215,940	\$ 215,929	\$ 11
Airport			
Operating expenses	96,791	94,579	2,212
Public transit			
Operating expenses	530,396	490,698	39,698
Total Transportation	1,270,034	1,133,698	136,336
Physical Environment			
Public Works			
Personal services	220,477	126,306	94,171
Operating expenses	28,714	20,694	8,020
Total Public Works	249,191	147,000	102,191
Mosquito Spraying			
Operating expenses	26,282	24,944	1,338
Total Physical Environment	275,473	171,944	103,529
Culture/Recreation			
Recreation			
Personal services	477,419	390,109	87,310
Operating expenses	347,559	286,208	61,351
Total Recreation	824,978	676,317	148,661
Country Club			
Operating expenses	32,960	31,017	1,943

(Continued)

CITY OF BELLE GLADE, FLORIDA
General Fund
Schedule of Departmental Expenditures - Budget and Actual
For the Fiscal Year Ended September 30, 2018

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
(Continued)			
Culture/Recreation (Continued)			
Golf Course			
Operating expenses	\$ 15,461	\$ 10,957	\$ 4,504
Museum board			
Operating expenses	34,916	29,869	5,047
Total Culture/Recreation	908,315	748,160	160,155
Economic Environment			
Business Park			
Operating expenses	460	147	313
Economic Development			
Operating expenses	5,000	5,000	
Total Economic Environment	5,460	5,147	313
Capital Outlay			
City Hall	7,180	7,180	
City Manager	35,431	32,452	2,979
Finance	5,000	5,000	
Information Technology	13,647		13,647
Garage	6,904	6,902	2
Buildings and Grounds	15,500	15,500	
Planning and building	6,000		6,000
Public works	36,678	26,189	10,489
Museum Board	22,586		22,586
Country Club	157,398	77,204	80,194
Recreation	79,514	23,996	55,518
Total Capital Outlay	385,838	194,423	191,415
Debt service			
Principal	46,806	46,806	
Interest	8,740	8,740	
Total debt service	55,546	55,546	
Total Expenditures	\$ 10,807,430	\$ 9,875,167	\$ 932,263

CAPITAL PROJECTS FUND

CITY OF BELLE GLADE, FLORIDA
Capital Projects Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended September 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues			
Taxes	\$ 152,800	\$ 157,934	\$ 5,134
Intergovernmental revenues	3,720,736	394,477	(3,326,259)
Miscellaneous revenues	<u>20,956</u>	<u>20,956</u>	<u>20,956</u>
Total revenues	<u>\$ 3,873,536</u>	<u>\$ 573,367</u>	<u>\$ (3,300,169)</u>
Expenditures			
Capital outlay	<u>\$ 3,824,432</u>	<u>\$ 421,849</u>	<u>\$ 3,402,583</u>
Total expenditures	<u>\$ 3,824,432</u>	<u>\$ 421,849</u>	<u>\$ 3,402,583</u>

STATISTICAL SECTION

STATISTICAL SECTION

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

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These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. These schedules include:

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These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

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

CITY OF BELLE GLADE, FLORIDA

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	2009	2010	2011	2012	2013
Governmental Activities:					
Net investment in capital assets	\$ 11,486,309	\$ 11,071,207	\$ 12,420,933	\$ 12,335,958	\$ 11,932,503
Restricted	1,930,112	1,931,858	2,376,342	2,605,719	3,316,710
Unrestricted	1,372,622	2,158,962	2,348,479	3,502,993	5,633,829
Total governmental activities net position	<u>14,789,043</u>	<u>15,162,027</u>	<u>17,145,754</u>	<u>18,444,670</u>	<u>20,883,042</u>
Business-Type Activities:					
Net investment in capital assets	18,289,766	12,052,123	12,891,636	12,552,016	12,081,848
Restricted	2,990,966	122,231	172,376	121,198	221,032
Unrestricted	2,762,426	5,632,080	5,376,089	5,682,085	3,875,197
Total business-type activities net position	<u>24,043,158</u>	<u>17,806,434</u>	<u>18,440,101</u>	<u>18,355,299</u>	<u>16,178,077</u>
Primary government:					
Net investment in capital assets	29,776,075	23,123,330	25,312,569	24,887,974	24,014,351
Restricted	4,921,078	2,054,089	2,548,718	2,726,917	3,537,742
Unrestricted	4,135,048	7,791,042	7,724,568	9,185,078	9,509,026
Total primary government net position	<u>\$ 38,832,201</u>	<u>\$ 32,968,461</u>	<u>\$ 35,585,855</u>	<u>\$ 36,799,969</u>	<u>\$ 37,061,119</u>

	Fiscal Year				
	2014	2015	2016	2017	2018
Governmental Activities:					
Net investment in capital assets	\$ 12,086,063	\$ 12,282,141	\$ 12,113,856	\$ 15,970,409	\$ 14,954,582
Restricted	3,811,146	4,207,105	6,746,900	9,625,566	10,890,550
Unrestricted	8,740,037	9,190,244	7,129,369	6,637,685	6,894,959
Total governmental activities net position	<u>24,637,246</u>	<u>25,679,490</u>	<u>25,990,125</u>	<u>32,233,660</u>	<u>32,740,091</u>
Business-Type Activities:					
Net investment in capital assets	12,393,038	12,896,407	13,110,373	12,291,315	12,491,314
Restricted	320,740	253,980	645,334	688,126	846,878
Unrestricted	3,882,969	4,211,565	4,013,919	4,762,014	4,295,859
Total business-type activities net position	<u>16,596,747</u>	<u>17,361,952</u>	<u>17,769,626</u>	<u>17,741,455</u>	<u>17,634,051</u>
Primary government:					
Net investment in capital assets	24,479,101	25,178,548	25,224,229	28,261,724	27,445,896
Restricted	4,131,886	4,461,085	7,392,234	10,313,692	11,737,428
Unrestricted	12,623,006	13,401,809	11,143,288	11,399,699	11,190,818
Total primary government net position	<u>\$ 41,233,993</u>	<u>\$ 43,041,442</u>	<u>\$ 43,759,751</u>	<u>\$ 49,975,115</u>	<u>\$ 50,374,142</u>

Note: GASB 68 was implemented in 2015 and the beginning balance for 2014 was restated
 GASB 75 was implemented in 2018 and the beginning balance for 2017 was restated

CITY OF BELLE GLADE, FLORIDA

**Changes in Net Position
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

Fiscal Year Ended 9/30	2009	2010	2011	2012	2013
Expenses					
Governmental activities:					
General government	\$ 2,164,330	\$ 2,722,076	\$ 2,718,993	\$ 2,973,512	\$ 2,761,227
Public safety	4,425,641	3,658,096	3,618,638	3,444,138	3,446,790
Transportation	924,578	1,255,942	1,165,066	1,536,524	1,586,016
Culture/recreation	656,147	674,850	717,509	757,685	830,939
Physical environment	602,432	648,373	662,401	186,462	274,293
Economic environment	148,915	105,775	68,940	88,172	93,557
Interest on long term debt	2,379	410	85,000	-	-
Total Governmental Activities	8,924,422	9,065,522	9,036,547	8,986,493	8,992,822
Business-Type Activities					
Water and sewer	9,095,512	443,498	138,609	168,660	229,378
Garbage and solid waste	2,015,533	1,945,975	2,036,527	2,092,468	1,934,106
Marina	457,839	297,635	387,617	554,230	471,543
Stormwater utility	346,208	406,396	447,913	477,788	457,575
Total Business-Type Activities	11,915,092	3,093,504	3,010,666	3,293,146	3,092,602
Total primary government expenses	\$ 20,839,514	\$ 12,159,026	\$ 12,047,213	\$ 12,279,639	\$ 12,085,424
Program Revenues					
Governmental activities:					
Charges for services					
General government	\$ 98,855	\$ 72,192	\$ 71,823	\$ 71,729	\$ 69,693
Public safety	343,449	487,183	490,829	474,270	382,545
Transportation	-	-	-	12,150	20,177
Physical environment	134,158	133,944	135,281	132,736	133,728
Culture/recreation	731	1,407	2,429	387	-
Operating grants and contributions	390,338	367,381	199,770	1,017,819	875,857
Capital grants and contributions	812,975	779,464	2,421,706	534,051	353,337
Property taxes	2,059,062	2,146,641	1,754,345	1,728,581	1,611,772
Other taxes	2,773,357	3,281,288	3,298,615	3,098,138	3,407,115
Intergovernmental	1,915,425	1,888,233	1,961,627	2,023,228	2,080,379
Other	96,145	110,065	36,945	64,588	50,261
Total Governmental Activities	8,624,495	9,267,798	10,373,370	9,157,677	8,984,864
Business-Type Activities					
Charges for services					
Water and sewer	9,072,936	2,584	-	-	105,329
Garbage and solid waste	2,370,106	2,459,018	2,399,556	2,432,280	2,436,317
Marina	170,033	25,000	24,370	5,000	45,000
Stormwater utility	239,659	516,813	572,405	544,519	548,324
Operating grants and contributions	3,691	10,019	89,155	4,673	-
Capital contributions	814,625	1,659,173	1,167,287	743,648	197,000
Other	83,513	85,989	38,464	605,956	29,740
Total Business-Type Activities	12,754,563	4,758,596	4,291,237	4,336,076	3,361,710
Total primary government program revenues	\$ 21,379,058	\$ 14,026,394	\$ 14,664,607	\$ 13,493,753	\$ 12,346,574
Excess (deficiency) before transfers	\$ (299,927)	\$ 202,276	\$ 1,336,823	\$ 171,184	\$ (7,958)
Governmental activities					
Business-Type Activities	839,471	1,665,092	1,280,571	1,042,930	269,108
Total excess before transfers	539,544	1,867,368	2,617,394	1,214,114	261,150
Transfers					
Governmental activities	405,494	170,708	646,904	1,127,732	2,446,330
Business-Type Activities	(405,494)	(170,708)	(646,904)	(1,127,732)	(2,446,330)
Special Items	-	(7,731,108)	-	-	-
Increase (decrease) in Net Position	539,544	(5,863,740)	2,617,394	1,214,114	261,150
Net Position - Beginning	38,292,657	38,832,201	32,968,461	35,585,855	36,799,969
Net Position - Ending	\$ 38,832,201	\$ 32,968,461	\$ 35,585,855	\$ 36,799,969	\$ 37,061,119

Note: GASB 68 was implemented in 2015 and the beginning balance for 2014 was restated
GASB 75 was implemented in 2018 and the balances for 2017 were restated

	2014	2015	2016	2017	2018
\$	3,075,354	\$ 2,931,318	\$ 3,269,601	\$ 3,089,664	\$ 3,116,774
	3,620,565	3,561,596	3,698,790	3,518,142	4,643,031
	1,471,076	1,547,693	1,779,808	2,061,438	2,204,092
	783,050	848,991	838,349	1,021,234	896,135
	270,643	275,675	208,236	227,398	157,286
	184,946	124,886	120,113	179,665	81,784
	13,717	11,877	10,852	9,500	8,077
	9,419,351	9,302,036	9,925,749	10,107,041	11,107,179
\$	-	\$ -	\$ -	\$ -	\$ -
	2,020,382	1,891,092	2,138,903	2,064,446	2,796,161
	681,016	930,856	1,005,711	1,051,097	1,578,037
	526,178	534,173	668,760	593,090	630,594
	3,227,576	3,356,121	3,813,374	3,708,633	5,004,792
\$	12,646,927	\$ 12,658,157	\$ 13,739,123	\$ 13,815,674	\$ 16,111,971
\$	188,438	\$ 102,960	\$ 104,684	\$ 107,071	\$ 104,190
	426,619	510,937	514,862	884,380	753,439
	15,841	14,787	22,796	10,800	9,991
	145,497	135,163	141,458	148,804	149,448
	610	1,079	1,031	680	632
	826,234	904,934	1,066,186	1,051,116	987,570
	1,142,281	736,513	401,536	5,031,339	436,495
	1,601,442	1,694,542	1,926,100	2,000,324	2,071,201
	3,257,768	3,407,949	3,329,828	3,381,250	3,428,837
	2,250,290	2,451,563	2,353,267	3,223,947	3,777,903
	37,717	108,698	52,244	77,040	124,902
	9,892,737	10,069,125	9,913,992	15,916,751	11,844,608
	-	-	-	-	-
	2,432,663	2,460,253	2,594,583	2,644,327	2,684,937
	50,147	421,910	529,274	700,904	967,014
	605,161	724,603	716,252	727,930	727,790
	-	-	-	-	97,542
	185,977	678,885	667,741	32,297	187,950
	3,967	110,830	35,590	8,829	1,157
	3,277,915	4,396,481	4,543,440	4,114,287	4,666,390
\$	13,170,652	\$ 14,465,606	\$ 14,457,432	\$ 20,031,038	\$ 16,510,998
\$	473,386	\$ 767,089	\$ (11,757)	\$ 5,809,710	\$ 737,429
	50,339	1,040,360	730,066	405,654	(338,402)
	523,725	1,807,449	718,309	6,215,364	399,027
	148,687	275,155	322,392	433,825	230,998
	(148,687)	(275,155)	(322,392)	(433,825)	(230,998)
	-	-	-	-	-
	523,725	1,807,449	718,309	6,215,364	399,027
	40,710,268	41,233,993	43,041,442	43,759,751	49,975,115
\$	41,233,993	\$ 43,041,442	\$ 43,759,751	\$ 49,975,115	\$ 50,374,142

CITY OF BELLE GLADE, FLORIDA
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2009	2010	2011	2012	2013
General Fund					
Reserved	\$ 141,262	\$ 442,408	\$ -	\$ -	\$ -
Unreserved	1,609,840	1,930,239	-	-	-
Undesignated	-	-	-	-	-
Nonspendable					
Inventory and prepaids	-	-	251,276	261,781	753,047
Advance	-	-	-	-	-
Restricted					
Police education	-	-	6,256	16,819	19,366
Landscaping	-	-	82,319	82,319	82,319
Parking	-	-	3,226	3,229	3,229
Museum	-	-	1,368	-	47,406
Civic center	-	-	-	-	-
Transportation	-	-	-	137,631	277,240
Committed					
Stabilization	-	-	455,070	549,566	1,111,515
Assigned					
Emergencies	-	-	427,564	527,564	527,564
Capital projects	-	-	1,602,675	1,602,675	1,602,675
Unassigned	-	-	506,833	1,388,575	3,089,310
Total general fund	<u>\$ 1,751,102</u>	<u>\$ 2,372,647</u>	<u>\$ 3,336,587</u>	<u>\$ 4,570,159</u>	<u>\$ 7,513,671</u>
All other Governmental Funds					
Reserved	\$ 454,962	\$ 356,214	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special revenue funds	1,370,649	1,482,385	-	-	-
Capital projects funds	(190,571)	(23,437)	-	-	-
Nonspendable					
Non-current investment	-	-	26,022	26,852	14,672
Long term portion of mortgage notes	-	-	283,561	208,687	183,170
Delinquent mortgages	-	-	-	67,220	67,220
Restricted					
Infrastructure	-	-	-	-	-
Veteran's Memorial	-	-	-	-	-
Civic center	-	-	-	-	-
Transportation	-	-	-	-	-
Economic Environment	-	-	1,544,542	1,540,248	1,525,245
Assigned					
Emergencies	-	-	-	-	-
Capital projects	-	-	11,663	54,403	53,832
Unassigned	-	-	-	-	-
Total all other governmental funds	<u>\$ 1,635,040</u>	<u>\$ 1,815,162</u>	<u>\$ 1,865,788</u>	<u>\$ 1,897,410</u>	<u>\$ 1,844,139</u>

NOTE: GASB statement 54, *Fund Balance reporting and Government Fund Definitions* was implemented in 2011.

2014	2015	2016	2017	2018
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
277,143	398,415	402,290	434,474	447,984
432,910	553,337	432,910	432,910	432,910
20,939	22,197	22,245	23,210	24,092
82,319	82,319	82,319	82,319	82,319
3,230	3,230	3,230	3,230	3,230
49,781	74,659	21,031	28,702	22,587
1,650	3,188	5,100	5,275	5,588
352,640	352,640	352,640	352,640	352,640
1,618,116	1,995,472	1,995,472	1,995,472	2,074,509
527,564	527,564	527,564	527,564	527,564
1,472,675	1,378,175	1,378,175	1,378,175	1,378,175
3,248,139	3,450,763	4,563,894	5,521,115	5,952,350
<u>\$ 8,087,106</u>	<u>\$ 8,841,959</u>	<u>\$ 9,786,870</u>	<u>\$ 10,785,086</u>	<u>\$ 11,303,948</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
160,430	339,495	-	-	-
98,761	44,864	-	-	-
-	-	-	760,506	1,823,497
-	6,950	6,950	6,950	6,950
-	-	-	-	-
-	151,885	151,885	290,259	367,321
1,423,280	1,137,156	1,505,371	1,392,852	1,414,907
-	-	-	-	-
-	-	33,414	53,106	127,562
(2,433)	89,897	-	-	-
<u>\$ 1,680,038</u>	<u>\$ 1,770,247</u>	<u>\$ 1,697,620</u>	<u>\$ 2,503,673</u>	<u>\$ 3,740,237</u>

CITY OF BELLE GLADE, FLORIDA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	2009	2010	2011	2012	2013
Revenues:					
Taxes	\$ 4,832,419	\$ 5,427,929	\$ 5,052,960	\$ 4,826,719	\$ 5,018,887
Licenses and permits	186,310	261,357	265,905	242,655	191,465
Intergovernmental	3,171,915	2,973,119	3,443,726	3,233,907	3,311,587
Charges for services	211,435	254,089	255,159	250,733	242,866
Fines and forfeitures	45,733	69,681	73,024	91,247	68,534
Miscellaneous	666,363	576,571	532,221	466,028	568,609
Total revenues	<u>9,114,175</u>	<u>9,562,746</u>	<u>9,622,995</u>	<u>9,111,289</u>	<u>9,401,948</u>
Expenditures					
Current					
General government	2,551,997	2,667,432	2,636,558	2,829,669	3,080,444
Public safety	4,368,494	3,622,817	3,575,746	3,508,215	3,392,563
Transportation	571,369	880,049	879,408	1,143,601	1,289,640
Physical environment	595,903	643,133	657,805	676,388	246,275
Culture/recreation	496,894	516,608	524,291	552,315	534,237
Economic environment	110,116	71,733	40,575	33,354	63,125
Grants and aids	-	-	85,000	-	-
Capital outlay	867,749	511,471	855,950	230,285	763,956
Debt service					
Principal	34,680	18,134	-	-	-
Interest	2,379	410	-	-	-
Total expenditures	<u>9,599,581</u>	<u>8,931,787</u>	<u>9,255,333</u>	<u>8,973,827</u>	<u>9,370,240</u>
Excess of revenues over (under) expenditures	<u>(485,406)</u>	<u>630,959</u>	<u>367,662</u>	<u>137,462</u>	<u>31,708</u>
Other financing sources (uses)					
Transfers in	755,727	384,514	784,938	1,180,860	2,438,777
Transfers out	(350,233)	(213,806)	(138,034)	(53,128)	(57,064)
Debt proceeds	-	-	-	-	-
Capital lease proceeds	-	-	-	-	476,820
Total other financing sources (uses)	<u>405,494</u>	<u>170,708</u>	<u>646,904</u>	<u>1,127,732</u>	<u>2,858,533</u>
Net change in fund balances	(79,912)	801,667	1,014,566	1,265,194	2,890,241
Fund Balance - Beginning	-	3,386,142	4,187,809	5,202,375	6,467,569
Fund Balance - Ending	<u>\$ (79,912)</u>	<u>\$ 4,187,809</u>	<u>\$ 5,202,375</u>	<u>\$ 6,467,569</u>	<u>\$ 9,357,810</u>
Debt service as a percentage of noncapital expenditures	0.43%	0.22%	0.00%	0.00%	0.00%

Fiscal Year				
<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 4,859,210	\$ 5,102,491	\$ 5,255,928	\$ 5,381,574	\$ 5,500,038
247,338	234,559	314,226	541,178	449,465
4,210,784	4,017,816	3,890,293	9,297,928	5,188,326
274,349	329,005	312,744	429,841	367,616
44,954	52,459	19,323	35,543	53,167
640,862	736,566	569,954	604,664	573,283
10,277,497	10,472,896	10,362,468	16,290,728	12,131,895
3,126,420	3,175,878	3,211,356	3,521,224	3,450,712
3,495,124	3,578,022	3,707,409	3,857,113	4,115,537
1,153,189	1,117,306	1,254,100	1,140,131	1,133,698
255,874	273,356	190,523	209,563	171,944
555,576	625,249	652,384	810,718	748,160
89,844	96,814	62,795	179,665	53,712
-	-	-	-	-
1,285,278	980,819	678,463	5,146,324	821,053
41,550	42,806	44,100	45,433	46,806
13,995	12,739	11,446	10,113	8,740
10,016,850	9,902,989	9,812,576	14,920,284	10,550,362
260,647	569,907	549,892	1,370,444	1,581,533
442,760	519,389	421,310	687,454	429,646
(294,073)	(244,234)	(98,918)	(253,629)	(255,753)
-	-	-	-	-
-	-	-	-	-
148,687	275,155	322,392	433,825	173,893
409,334	845,062	872,284	1,804,269	1,755,426
9,357,810	9,767,144	10,612,206	11,484,490	13,288,759
\$ 9,767,144	\$ 10,612,206	\$ 11,484,490	\$ 13,288,759	\$ 15,044,185
0.64%	0.63%	0.61%	0.55%	0.56%

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CITY OF BELLE GLADE, FLORIDA
Assessed Value and Actual Value of Taxable Property
LAST TEN FISCAL YEARS

Fiscal Year Ended 9/30	Residential Property	Commercial Property	Industrial Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2009	346,673,535	205,755,434	28,250,884	288,211,062	292,468,791	6.4300
2010	319,457,788	188,176,396	25,856,366	258,782,288	274,708,262	6.5419
2011	242,558,590	167,611,817	20,793,524	200,772,362	230,191,569	6.5419
2012	240,712,338	164,997,423	20,762,382	191,645,423	234,826,720	6.5419
2013	202,746,285	158,975,048	20,492,686	171,717,217	210,496,802	6.5419
2014	186,831,452	165,601,229	21,436,749	169,891,711	203,977,719	6.5419
2015	205,371,309	182,164,489	23,022,595	197,018,186	213,540,207	6.5419
2016	208,020,414	216,742,389	25,171,756	227,590,269	222,344,290	6.5419
2017	223,910,915	237,087,392	27,556,943	256,167,607	232,387,643	6.5419
2018	235,566,367	268,106,868	30,996,406	280,208,679	254,460,962	6.5419

Source: Palm Beach County Property Appraiser's Office.

CITY OF BELLE GLADE, FLORIDA
PROPERTY TAX RATES - DIRECT AND OVERLAPPLING GOVERNMENTS
LAST TEN FISCAL YEARS

Fiscal Year Ended 9/30	City of Belle Glade General Operations	Overlapping Rates				
		Palm Beach County School Board	Palm Beach County Library	Palm Beach County	Palm Beach County Debt	Everglades Construction
2009	6.4300	7.2510	0.5427	3.7811	0.1845	0.0894
2010	6.5419	7.9830	0.5518	4.5614	0.2174	0.0894
2011	6.5419	8.1540	0.6069	4.7500	0.2460	0.0894
2012	6.5419	8.1800	0.6081	4.7815	0.2110	0.0624
2013	6.5419	7.5860	0.6065	4.7815	0.2037	0.0587
2014	6.5419	7.5940	0.6024	4.7815	0.1914	-
2015	6.5419	7.5120	0.5985	4.7815	0.1462	-
2016	6.5419	7.0700	0.5933	4.7815	0.1327	-
2017	6.5419	6.7690	0.5891	4.7815	0.1208	-
2018	6.5419	6.5720	0.5901	4.7815	0.1165	-

Source: Palm Beach County Property Appraiser's Office.

Overlapping Rates

Palm Beach County Health Care District	Palm Beach County Fire Rescue	South Florida Water Management District	Children's Services Council	Florida Inland Navigation District	Total Direct and Overlapping Rates
0.8900	2.7794	0.5346	0.5823	0.0345	23.0995
0.9975	2.9500	0.5346	0.6009	0.0345	25.0624
1.1451	3.4581	0.5346	0.6898	0.0345	26.2503
1.1451	3.4581	0.5346	0.7513	0.0345	26.3085
1.1250	3.4581	0.3739	0.7475	0.0345	25.5173
1.0800	3.4581	0.3523	0.7025	0.0345	25.3386
1.0800	3.4581	0.3842	0.6745	0.0345	25.2114
1.0426	3.4581	0.3551	0.6677	0.0320	24.6749
0.7808	3.4581	0.3100	0.6590	0.0320	24.0422
0.7261	3.4581	0.2936	0.6403	0.0320	23.7521

CITY OF BELLE GLADE, FLORIDA

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2018		2009	
	Taxable Assessed Value	Percentage of Total City Net Taxable Assessed Value	Taxable Assessed Value	Percentage of Total City Net Taxable Assessed Value
Florida Power & Light Co.	\$ 17,766,919	6.98%	Prince of Belle Glade Gardens, LLC	\$ 8,228,309 3.00%
Everglades Farm Equipment Co., Inc.	17,586,204	6.91%	Royals OK Lunch, Inc.	6,469,252 2.35%
Royals OK Lunch, Inc.	7,848,793	3.08%	J & D Rentals, Inc.	4,782,649 1.74%
HTG Covenant Villas, LLC	5,800,000	2.28%	Cypress Cooling, LLC	3,782,635 1.38%
Cypress Cooling, LLC	5,393,299	2.12%	Ray Heritage, LLC	3,624,067 1.32%
Rays Heritage, LLC	5,156,285	2.03%	Burch Roy E TR	2,875,369 1.05%
J & D Rentals, Inc.	5,007,357	1.97%	Glades Plaza Enterprises, LLC	2,768,715 1.01%
Glades Plaza Enterprises, LLC	4,232,675	1.66%	Houston Realty & Inv., Inc.	2,704,005 0.98%
J & D Five, LLC	4,143,779	1.63%	Pioneer Mobile Home Park, Inc.	2,252,500 0.82%
Ytech 384 Units Belle Glade Investment	2,831,915	1.11%	Pine Island Ventures, Inc.	2,066,994 0.75%
Total	\$ 75,767,226	29.77%	Total	\$ 39,554,495 14.40%

Source: Palm Beach County Property Appraiser's Office.

CITY OF BELLE GLADE, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Total Taxes Levied for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2009	2,180,008	2,007,496	92.1%	49,108	2,056,604	94.3%
2010	2,131,883	2,046,269	96.0%	64,289	2,110,558	99.0%
2011	1,819,881	1,732,182	95.2%	16,542	1,748,724	96.1%
2012	1,832,645	1,698,048	92.7%	32,099	1,730,147	94.4%
2013	1,686,536	1,555,453	92.2%	27,417	1,582,870	93.9%
2014	1,658,733	1,562,999	94.2%	24,510	1,587,509	95.7%
2015	1,743,471	1,653,996	94.9%	693	1,654,689	94.9%
2016	1,930,926	1,852,710	95.9%	586	1,853,296	96.0%
2017	2,038,070	1,955,929	96.0%	3,382	1,959,311	96.1%
2018	2,117,952	2,042,555	96.4%	-	2,042,555	96.4%

Source: Palm Beach County Tax Collector Office.

CITY OF BELLE GLADE, FLORIDA

Ratios of Outstanding Debt by Type

LAST TEN FISCAL YEARS

Fiscal Year Ended 9/30	Population ⁽¹⁾	Median Family Income ⁽²⁾	Revenue Bonds ⁽³⁾	Bank Notes ⁽³⁾	Total	Per Capita	Percentage Personal Income
2009	17,107	28,054	-	32,475,551	32,475,551	1,898.38	6.77%
2010	17,467	25,351	-	-	-	-	0.00%
2011	17,667	28,641	-	-	-	-	0.00%
2012	17,794	29,272	-	-	-	-	0.00%
2013	17,722	30,644	-	476,820	476,820	26.91	0.09%
2014	17,722	36,065	-	435,270	435,270	24.56	0.07%
2015	17,424	30,844	-	392,464	392,464	22.52	0.07%
2016	17,448	32,862	-	348,364	348,364	19.97	0.06%
2017	17,274	33,043	-	302,931	302,931	17.54	0.05%
2018	17,290	30,851	-	256,125	256,125	14.81	0.05%

Source: (1) Florida Legislative Office of Economic and Demographic Research and/or Business Development Board of Palm Beach County
(2) Business Development Board of Palm Beach County and/or U.S. Census
(3) 2013 debt is government activities, all prior debt is business-type activities

CITY OF BELLE GLADE, FLORIDA
Direct and Overlapping Governmental Activities Debt
September 30, 2018

Governmental Unit	Net General Obligation Bonded Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Palm Beach School District	\$ 9,853,000	0.22%	\$ 21,677
Palm Beach County	<u>82,850,000</u>	0.22%	<u>182,270</u>
Subtotal, overlapping debt	<u>\$ 92,703,000</u>		<u>\$ 203,947</u>
City direct debt	<u>256,125</u>	100%	<u>256,125</u>
Total direct and overlapping debt	<u><u>\$ 92,959,125</u></u>		<u><u>\$ 460,072</u></u>

Source: Palm Beach County School District
Palm Beach County

(1) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Value that is within the City's boundaries and dividing it by the County's and School Board's total taxable assessed value. This approach was also used for the other debt.

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CITY OF BELLE GLADE, FLORIDA

Legal Debt Margin Information

September 30, 2018

Total assessed value (a)	<u><u>\$ 254,460,962</u></u>
Legal debt margin:	
Debt limitation - 10% of total assessed value	25,446,096
Total bonded debt outstanding	<u>-</u>
Legal debt margin	<u><u>\$ 25,446,096</u></u>

(a) Palm Beach County Property Appraiser's Office, Form DR-403

CITY OF BELLE GLADE, FLORIDA
Revenue Bond Coverage
Water and Sewer Bonds
Last Ten Fiscal Years

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue
2009	9,149,364	6,245,840	2,903,524
2010	-	-	-
2011	-	-	-
2012	-	-	-
2013	-	-	-
2014	-	-	-
2015	-	-	-
2016	-	-	-
2017	-	-	-
2018	-	-	-

(1) Gross revenue includes interest revenue.

(2) Operating expenses excludes depreciation.

(3) Coverage should be not less than 1.00. This changed to 1.10 in 1996 for the Refund Revenue Note and to 1.15 in 1999 for the Notes Payable.

Debt Service Requirements(3)		Coverage (3)	
Refund Revenue Note	Revenue Notes	Revenue Bonds	Revenue Notes
1,281,484	1,034,487	2.27	1.57
-	-	n/a	n/a
-	-	n/a	n/a
-	-	n/a	n/a
-	-	n/a	n/a
-	-	n/a	n/a
-	-	n/a	n/a
-	-	n/a	n/a
-	-	n/a	n/a
-	-	n/a	n/a

CITY OF BELLE GLADE, FLORIDA
Demographic and Economic Information
Last Ten Fiscal Years

Fiscal Year Ended 9/30	Population (1)	Median Family Income (2)	Per Capita Personal Income (3)	Median Single Family Home Sales Price (4)	School Enrollment (5)	Unemployment Rate (6)
2009	17,107	28,054	*	155,000	4,304	16.40%
2010	17,467	25,351	*	90,000	4,263	15.70%
2011	17,667	28,641	*	79,000	3,825	18.00%
2012	17,794	29,272	14,442	55,000	3,866	18.70%
2013	17,722	30,644	14,482	80,000	3,797	18.70%
2014	17,722	36,065	15,134	75,000	3,827	16.80%
2015	17,424	30,844	14,154	75,000	4,318	15.60%
2016	17,448	32,862	13,834	97,750	3,993	15.50%
2017	17,274	33,043	13,321	97,750	3,818	15.50%
2018	17,290	30,851	13,360	111,400	3,830	14.90%

- Sources:
- (1) Florida Legislative Committee on Intergovernmental Relation and/or Business Development Board of Palm Beach County
 - (2) Median Family Income approximately 46% County Median Income and/or Business Development Board of Palm Beach County
 - (3) U.S. Census Bureau - American Fact Finder
 - (4) Florida Housing Data
 - (5) Palm Beach County School District
 - (6) U.S. Census, American Community Survey and/or Business Development Board of Palm Beach County
- * Data not available

CITY OF BELLE GLADE, FLORIDA

Principal Employers

Current Year and Nine Years Ago

2018				2009			
Employer*	Employees	Rank	Percentage of Total County Employment	Employer*	Employees	Rank	Percentage of Total County Employment
Palm Beach County School Board	21,466	1	2.94%	Palm Beach County School Board	21,718	1	3.47%
Palm Beach County Government	11,849	2	1.62%	Palm Beach County Government	11,319	2	1.82%
Tenet Healthcare Corp.	5,939	3	0.81%	Tenet Healthcare Corp	5,127	5	0.82%
NextEra Energy (Florida Power & Light)	4,404	4	0.60%	NextEra Energy (Florida Power & Light)	3,632	7	0.58%
Hospital Corporation of America (HCA) (1)	3,550	5	0.49%	Hospital Corporation of America (HCA) (1)	4,150	6	0.66%
Boca Raton Regional Hospital	2,800	6	0.38%				
Florida Atlantic University	2,644	7	0.36%	Florida Atlantic University	2,776	9	0.44%
Veterans Health Administration	2,535	8	0.35%				
Bethesda Memorial Hospital	2,282	9	0.31%	Bethesda Memorial Hospital	2,300	10	0.37%
Office Depot	2,034	10	0.28%				
				Wackenhut Corporation	3,000	8	0.48%
				State Government	9,300	3	1.48%
				Federal Government	6,200	4	1.01%
Total	<u>59,503</u>		<u>8.14%</u>	Total	<u>69,522</u>		<u>11.13%</u>

Source: Business Development Board of Palm Beach County, Profile 2017
except for Palm Beach County Government, where the source is the Office of Financial Management and Budget

*Employer: Palm Beach County
No information available for the City of Belle Glade

Notes:
(1) Formerly Columbia Palm Beach Health Care System, Inc.

CITY OF BELLE GLADE, FLORIDA

**Full-Time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years**

Fiscal Year Ended 9/30	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<u>Function/Program</u>										
General Government										
Mayor and Commission	5	5	5	5	5	5	5	5	5	5
City Manager	3	3	3	3	3	3	3	3	3	3
Human Resources	4	4	4	4	4	4	4	4	4	4
City Clerk	3	3	3	3	3	3	3	3	3	3
Public Relations	1	0.5	0.5	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Purchasing	0	1	1	1	1	1	1	1	1	1
Finance	8	9	9	9	9	9	9	9	9	9
Information Services	2	2	2	2	2	2	2	2	2	2
City Hall	0	0	0	0	0	0	1	1	1	1
City Garage	6	6	6	6	5	5	5	5	5	5
Building & Grounds	9	11	10	10	10	10	9	9	9	9
Public Safety										
Code Enforcement	1	0	2.5	2.5	2.5	3.0	3.0	4.0	4.0	4.0
Community Capacity	1.5	2.5	0	0	0	0	0	0	0	0
Planning	3	5	5	5	5	5	5	6	6	7
Youth Violence Prevention	1	2.3	2.3	1.5	2	2	2	2	3	2.7
Transportation										
Traffic Control & Signs	2	1	1	1	1	1	0	0	0	0
Street	5	5	5	5	5	5	5	5	5	5
Economic Environment										
Revolving Loan	0	0	0	0	0.5	0.7	0.7	0.7	0.7	0.7
Physical Environment										
Public Works	0	2	2	3	3	3	3	3	3	3
Stormwater	4	5	4	4	4	4	4	4	4	4
Garbage Solid/Waste	20	20	21	20	20	20	20	20	20	20
Water & Sewer	30	0	0	0	0	0	0	0	0	0
Culture and Recreation										
Parks and Recreation	7.3	6.3	6.3	6.3	6.3	6.3	6.9	6.5	10.4	10.6
Municipal Golf Course	0	0	0	0	0	0	0	0	0	5.2
Marina	7	0	0	0	0	4	3.8	4.7	4.7	6.4
Total	122.8	93.6	92.6	92.0	92.0	96.7	96.1	98.6	103.2	111.3

Source: City of Belle Glade Human Resources Department

CITY OF BELLE GLADE, FLORIDA

**Operating Indicators by Function/Program
Last Ten Fiscal Years**

Fiscal Year Ended 9/30	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Function										
Police										
Criminal offenses (per calendar year)	1891	1582	1139	1062	1173	1231	1079	1261	1434	1125
Fire										
Number of incidents	2635	2716	2598	2575	2682	2722	2971	2941	2918	2750
Inspections	1028	1041	831	1048	1095	751	752	1611	784	626
Planning & Building										
Building permits	331	545	370	611	407	397	395	520	477	607
Transportation										
Transit system ridership/day	(1) 0	95	138	185	107	100	129	132	42	32
Highways and streets										
Street resurfacing (miles)	0	0	0.305	0	0	5.5	4.2	5.6	4.3	5.2
Potholes repaired	1475	1675	1690	1225	1205	1503	1925	2035	2115	2202
Culture and recreation										
Recreational center usage	(2) 0	0	21636	15012	14412	13383	11905	11915	11025	11248
Sanitation										
Garbage collected (tons/day)	50	47	48	47	49	47	44	38	40	84.2
Trash collected (tons/day)	28	27	27	26	22	20	19.5	18	19.5	41.3
Recyclables collected (tons/day)	1.5	1.5	1.5	1.5	1.5	1.6	3.4	1.5	1.5	0.87
Water										
Average daily consumption (million gallons)	(3) 3.38	3.03	3.47	3.56	0	0	0	0	0	0
Sewer										
Average daily sewage treatment (million gallons)	(3) 2.31	2.69	2.65	2.61	0	0	0	0	0	0

Sources: Various government departments/agencies

Note: Indicators are not available for the general government function

- 1 Belle Glade transit system began in 2010
- 2 Recreational program at civic center began in 2011
- 3 Data no longer available per Palm Beach County Utilities

CITY OF BELLE GLADE, FLORIDA

**Capital Asset Statistics by Function/Program
Last Ten Fiscal Years**

Fiscal Year Ended 9/30	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Function										
Public safety										
Police station	(1)	1	1	0	0	0	0	0	0	0
Highways and streets										
Streets (miles)		73.28	73.28	73.28	73.64	73.64	73.64	73.64	73.64	73.66
Streetlights		3307	3307	3307	3307	3307	3307	3307	3307	3307
School Flashers		3	3	3	3	3	3	3	3	3
Culture and recreation										
Park acreage		38.55	38.55	38.55	38.55	38.55	38.55	38.55	38.55	42.6
Parks		5	5	5	5	5	5	5	5	8
Swimming pools		1	1	1	1	1	1	1	1	1
Tennis courts		8	8	8	6	6	6	6	6	6
Basketball courts		6	6	6	16	16	16	16	17	17
Civic centers		1	1	1	2	2	2	2	2	2
Library	(2)	1	1	1	1	1	1	1	1	1
Golf course	(3)	1	1	1	1	1	1	1	1	1
Campground (number of sites)	(4)	349	349	349	349	349	349	349	349	349
Sanitation										
Collection trucks		8	8	8	8	8	7	7	7	7
Water										
Water mains (miles)	(5)	109	0	0	0	0	0	0	0	0
Fire hydrants		468	0	0	0	0	0	0	0	0
Maximum daily capacity (million gallons)		8.00	0	0	0	0	0	0	0	0
Sewer										
Sanitary sewers (miles)	(5)	67	0	0	0	0	0	0	0	0
Maximum daily treatment capacity (million gallons)		6.50	0	0	0	0	0	0	0	0
Storm Drainage (miles)		4.31	4.36	5.80	5.97	5.97	5.97	6.21	6.21	8.02

Sources: Various city departments
Glades Utility Authority

- Note: No capital asset indicators are available for the general government function
- 1 Beginning in 2011 Palm Beach County Sherrif's Office provided police facility
 - 2 Branch of Palm Beach County library system
 - 3 Managed by private company, City took over the operations of golf course October 1, 2017
 - 4 Managed by private company, City took over the operations of campground August 1, 2014
 - 5 Effective 2010 water and sewer assets were transferred to Glades Utility Authority and subsequently in 2013 to Palm Beach County Utilities

* Data not available

OTHER REPORTS



NOWLEN, HOLT & MINER, P.A.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT* *AUDITING STANDARDS*

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The Honorable Mayor and
Members of the City Commission
City of Belle Glade, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Belle Glade, Florida as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City of Belle Glade, Florida's basic financial statements and have issued our report thereon dated April 2, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Belle Glade, Florida's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Belle Glade, Florida's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Belle Glade, Florida's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Belle Glade, Florida's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Nowlen, Holt & Mimes, P.A.

Belle Glade, Florida
April 2, 2019



NOWLEN, HOLT & MINER, P.A.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY CHAPTER 10.550 RULES OF THE FLORIDA AUDITOR GENERAL

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The Honorable Mayor and
Members of the City Commission
City of Belle Glade, Florida

Report on Compliance for Each Major State Project

We have audited the City of Belle Glade, Florida's compliance with the types of compliance requirements described in the *Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on each of the City of Belle Glade, Florida's major State projects for the year ended September 30, 2018. The City of Belle Glade, Florida's State projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with State Statutes, regulations, and the terms and conditions of its State projects applicable to its State projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Belle Glade, Florida's major State projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Florida Auditor General. Those standards and Chapter 10.550, Rules of the Florida Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State project occurred. An audit includes examining, on a test basis, evidence about the City of Belle Glade, Florida's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major State project. However, our audit does not provide a legal determination of the City of Belle Glade, Florida's compliance.

Opinion on Each Major State Project

In our opinion, the City of Belle Glade, Florida, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State projects for the year ended September 30, 2018.

Report on Internal Control over Compliance

Management of the City of Belle Glade, Florida, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Belle Glade, Florida's internal control over compliance with the types of requirements that could have a direct and material effect on each major State project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major State project and to test and report on internal control over compliance in accordance with Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Belle Glade, Florida's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a State project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a State project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a State project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Nowlen, Holt & Miner, P.A.

Belle Glade, Florida
April 2, 2019

CITY OF BELLE GLADE, FLORIDA
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended September 30, 2018

State Grantor/Pass-Through Grantor/Program Title	CSFA Number	Agency or Pass-Through Number	Expenditures
State Financial Assistance:			
<u>Florida Department of Environmental Protection</u>			
Statewide Surface Water Restoration and Wastewater Projects	37.039	S0755	33,550
Florida Recreation Developmnet Assistance Program	37.017	A6109	<u>50,000</u>
Total Florida Department of Environmental Protection			<u>83,550</u>
<u>Florida Department of Transportation</u>			
Aviation Development Grants	55.004	G0A67 G0E57 G0O14	10,919 94,898 <u>9,515</u> 115,332
Small County Outreach Program	55.009	G0A40 G0V93	99,827 <u>2,900</u> 102,727
Local Transit Service Grants	55.012	ARR98	481,209
Economic Development Transportation Fund	55.032	G0A58 G0H72	43,400 <u>124,974</u> 168,374
Local Trasnportation Projects	55.039	G0T94	<u>8,044</u>
Total Florida Department of Transportation			<u>875,686</u>
Total State Financial Assistance			<u>\$ 959,236</u>

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

The schedule of expenditures of state financial assistance includes the state grant activity of the City of Belle Glade, Florida for the year ended September 30, 2018, and is presented in accordance with the requirements of Chapter 10.550, Rules of the Florida Auditor General. The schedule has been prepared in accordance with generally accepted accounting principals.

NOTE 2 - CONTINGENCY

Amounts received or receivable from grantor agencies are subject to audit and adjustment by those agencies. Any disallowed claims, including amounts already received, might constitute a liability of the City for the return of those funds. In the opinion of management, all grant expenditures were in compliance with the terms of the grant agreements and applicable state laws and regulations.

CITY OF BELLE GLADE, FLORIDA
Schedule of Findings and Questioned Costs – State Projects
September 30, 2018

Section I—Summary of Auditors’ Results

Financial Statements

Type of auditor’s report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness identified? No
- Significant deficiency identified that is not considered to be a material weakness? None reported

Noncompliance material to financial statements noted? No

State Projects

Internal control over major projects:

- Material weakness identified? No
- Significant deficiency identified that is not considered to be a material weakness? None reported

Type of auditors’ report issued on compliance for major projects: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section Chapter 10.550, Rules of the Florida Auditor General? No

Identification of Major Projects

<u>CSFA Numbers</u>	<u>Name of State Project</u>
	<u>Florida Department of Transportation</u>
55.012	• Local Transit Service Grants
55.032	• Economic Development Transportation Fund

Dollar threshold used to distinguish between type A and type B programs: \$300,000

CITY OF BELLE GLADE, FLORIDA
Schedule of Findings and Questioned Costs – State Projects
September 30, 2018

Section II—Financial Statement Findings

None

Section III—State Projects Findings and Questioned Costs

None

CITY OF BELLE GLADE, FLORIDA
Summary Schedule of Prior Audit Findings
September 30, 2018

Summary Schedule of Prior Audit Findings

There were no prior audit findings.



NOWLEN, HOLT & MINER, P.A.

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MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

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The Honorable Mayor and
Members of the City Commission
City of Belle Glade, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Belle Glade, Florida, as of and for the year ended September 30, 2018, and have issued our report thereon dated April 2, 2019.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and Chapter 10.550, Rules of the Florida Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditors' Report on Compliance with Requirements that could have a Direct and Material Effect on Each Major State Project and on Internal Control over Compliance in Accordance with Chapter 10.550 Rules of the Florida Auditor General; the Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated April 2, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. Finding 2017-1 was reported in the preceding financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this Management Letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 to the financial statements.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City of Belle Glade, Florida has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the City of Belle Glade, Florida did not meet any of the conditions described in Section 218.503(1), Florida Statutes, during the fiscal year ended September 30, 2018.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the City of Belle Glade, Florida's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same. Our assessment was done as of the fiscal year end. The results of our procedures did not disclose any matters that are required to be reported.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we have the recommendation noted below.

Finding 2017-1

Condition: The City did not accurately reconcile the activity in the General Employees' Pension Trust Fund.

Criteria: Accounts should be reconciled monthly.

Effect: Audit adjustments were required to reconcile the employee and employer contributions and the benefits paid accounts.

Recommendation: We recommend the General Employees' Pension Trust Fund be reconciled to the City payments and to the Fiduciary Trust Statements.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes.

In connection with our audit, we determined that all special district component units provided the necessary information for proper reporting in accordance with 218.39(3)(b), Florida Statutes.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did note any such findings.

City of Belle Glade, Florida's Response to Finding

The City of Belle Glade, Florida's response to the finding identified in our audit is described in the attached Response to Management Letter on page 137. The City of Belle Glade, Florida's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Honorable Mayor and Members of the City Commission, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Nowlen, Holt & Mimer, P.A.

Belle Glade, Florida
April 2, 2019



NOWLEN, HOLT & MINER, P.A.

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**INDEPENDENT ACCOUNTANT’S REPORT
ON COMPLIANCE WITH SECTION 218.415,
FLORIDA STATUTES**

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BELLE GLADE, FLORIDA 33430-0338
TELEPHONE (561) 996-5612
FAX (561) 996-6248

The Honorable Mayor and Members of the City Commission
City of Belle Glade, Florida

We have examined the City of Belle Glade, Florida’s compliance with Section 218.415, Florida Statutes during the year ended September 30, 2018. Management is responsible for the City of Belle Glade, Florida’s compliance with those requirements. Our responsibility is to express an opinion on the City of Belle Glade, Florida’s compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City of Belle Glade complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City of Belle Glade complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risk of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the City of Belle Glade’s compliance with the specified requirements.

In our opinion, the City of Belle Glade complied, in all material respects, with Section 218.415, Florida Statutes for the year ended September 30, 2018.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and Florida House of Representatives, the Florida Auditor General, applicable management, and the City Commission, and is not intended to be and should not be used by anyone other than these specified parties.

Nowlen, Holt & Miner, P.A.

Belle Glade, Florida
April 2, 2019



City of Belle Glade

Department of Finance

A Municipal Corporation since
September 11, 1945

MEMORANDUM

To : Honorable Mayor and City Commission

Thru : Lomax Harrelle, City Manager

From : Larry Tibbs, Director of Finance
Diana L. Hughes, Assistant Finance Director

Date : April 2, 2019

Subject: Management Letter Comments – Fiscal Year 2018 Audit Report

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Commissioners

Steve B. Wilson
Mayor

Mary Ross Wilkerson
Vice Mayor

Michael C. Martin
Treasurer

Johnny Burroughs, Jr.

Larry Underwood

Lomax Harrelle
City Manager

The Auditor's Management Letter for the fiscal year ended September 30, 2018 includes one (1) comment from fiscal year 2017, and no comments for fiscal year 2018.

PRIOR YEAR COMMENT RESPONSES

Finding 2017-1 Reconciling General Employee's Pension Trust Fund

The City does recognize the importance of reconciling the General Employee's Pension Trust Fund. Monthly reconciliations are being done to the Fiduciary Trust statements. Management will ensure that the employee and employer contributions and the benefits paid reconcile to the Fiduciary Trust statements.

Submitted by: 
Lomax Harrelle, City Manager

Prepared by: 
Larry Tibbs, Director of Finance


Diana L Hughes, Assistant Finance of Director