# Comprehensive Annual Financial Report City of Belle Glade Florida



Fiscal Year Ended September 30, 2019

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2019



#### PREPARED BY THE FINANCE DEPARTMENT

LARRY TIBBS
DIRECTOR OF FINANCE

DIANA L. HUGHES
ASSISTANT DIRECTOR OF FINANCE

#### **SEPTEMBER 30, 2019**

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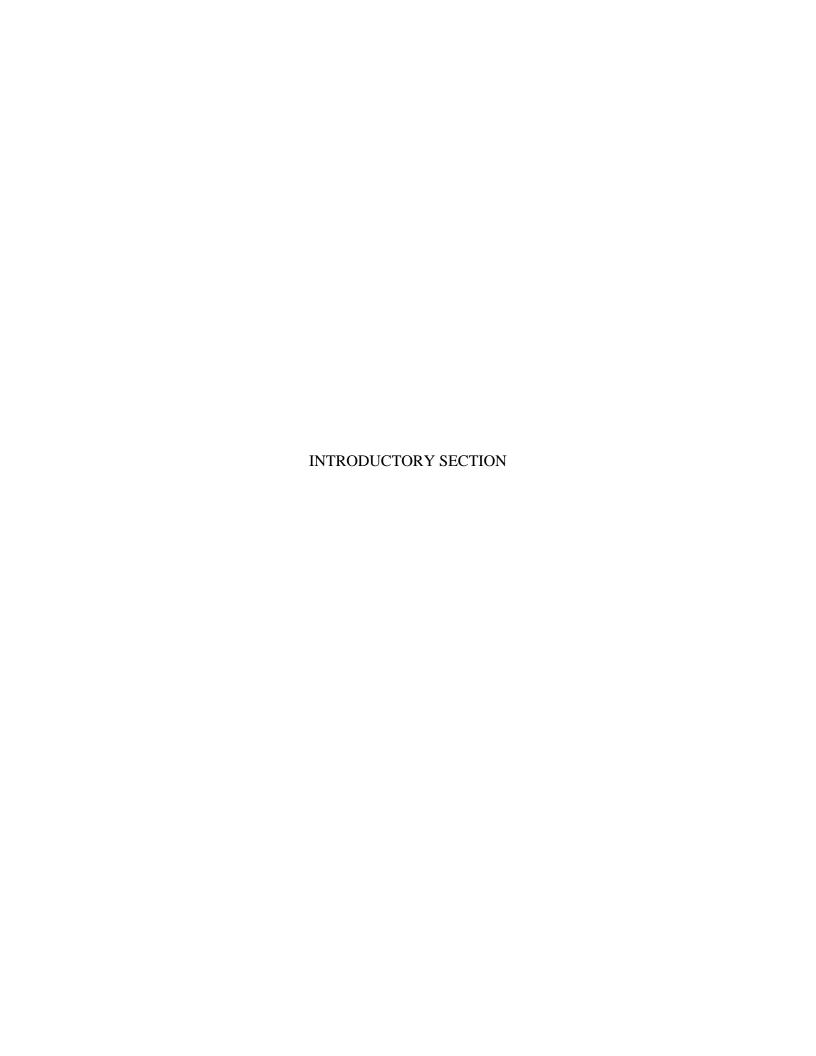
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#### Commissioners

Steve B. Wilson *Mayor* 

Mary Ross Wilkerson Vice Mayor

Michael C. Martin Treasurer

Johnny Burroughs, Jr. Larry Underwood

Lomax Harrelle City Manager

# **City of Belle Glade**

Department of Finance

June 30, 2020

To the Citizens, City Commission, and 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, 2019.

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, 2019, 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, 2019, 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 (<u>www.bellegladegov.com</u>) 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 17,467 is primarily employed in various agricultural business and related industries within the greater Belle Glade area. The City issues an average of 1,057 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 50% 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 2019 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 2019 Lake Hardware & Farm Supply, a local business, did a major expansion and opened for business in 2020. Also, the City approved a site plan to build a new Burger King restaurant which is now in its final stages and is scheduling its grand opening. This new Burger King will have a double drive thru and playground area located on South Main Street. This \$750,000 project is a 5,202 square foot structure and expected to create additional new jobs. Captain D's Seafood Kitchen opened a new location in 2019 on South Main Street. A new Papa Johns is in its final stages and is scheduled for its grand opening in 2020. This business is also expected to create additional jobs.
- The City recognizes the need to pursue quality living and housing to support business and economic expansion. A private investor has recently purchased a site formerly known as Abidjan Estates located on the southwest side of Belle Glade. This site is in the early stages of planning for single family housing that is greatly needed in the City of Belle Glade.
- 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 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 2020 in the amount \$926,303 for resurfacing of thirteen roadways. These projects are projected to be completed in 2020. The City has been awarded \$720,270 for fiscal year 2021 for the resurfacing of 17 roadways.
- The City's storm drainage system is another project that the City is diligently working to improve. The
  City Commission, City Manager and staff continue to seek funding for development of a city-wide master
  plan for storm drainage.
- 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. Previously, the City received from FDOT \$150,000 for drainage master plan, \$400,000 for obstruction relocation at the airport, and \$92,000 for environmental permits related to the airport taxiway that will be completed in 2020.
- The City has taken an aggressive approach in rehabilitating the City's parks. The City has approved to use \$400,000 of the City's Infrastructure Surtax revenue to fund a new City pool. 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. The City's Boardwalk at Pavilion Lake, which is funded partially by Florida Inland Navigation District (FIND) and the City's Infrastructure Fund is projected to be completed in fiscal year 2021.
- 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, four homes have been built through this program with one more slated for construction in 2020.
- Water and sewer services are 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.

#### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement of Excellence* in Financial Reporting to the City of Belle Glade for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2018, the 7th consecutive year the City has received this award. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, the governmental unit must publish an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We expect our current CAFR will meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

#### **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,

Director of Finance

Assistant Director of Finance



#### Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

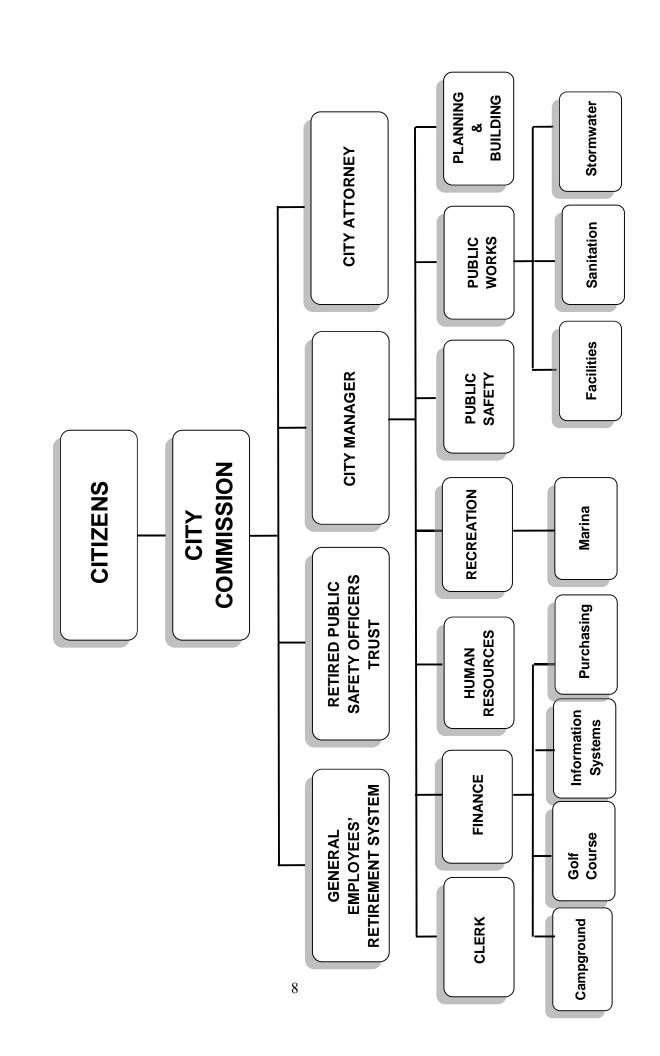
# City of Belle Glade Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

**September 30, 2018** 

Christopher P. Morrill

Executive Director/CEO



#### CITY COMMISSION – September 30, 2019

STEVE B. WILSON MAYOR

MARY ROSS WILKERSON VICE-MAYOR
JOHNNY BURROUGHS, JR. COMMISSIONER
MICHAEL C. MARTIN COMMISSIONER
LARRY UNDERWOOD COMMISSIONER

#### **City Officials**

Lomax Harrelle City Manager

Beverly J. Scott Deputy City Manager Larry Tibbs Director of Finance

Diana L. Hughes Assistant Director of Finance

Debra R. Buff, MMC City Clerk

Vivian L. Hunter Director of Human Resources
Johnny Gooden Director of Public Works

Annette J. Parchment Director of Planning & Community

Redevelopment Services

Vacant Director of Recreation

#### City Attorney

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

#### **Independent Certified Public Accountants**

Nowlen, Holt & Miner, P.A.





#### NOWLEN, HOLT & MINER, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

WEST PALM BEACH OFFICE NORTHIBRIDGE CENTRE 515 N. FLAGLER DRIVE, SUITE 1700 POST OFFICE BOX 347 WEST PALM BEACH, FLORIDA 33402-0347 TELEPHONE (561) 659-3060 FAX (561) 835-0628 WWW.NHMCPA.COM EVERETT B. NOWLEN (1930-1984), CPA
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. BRESCIA, CPP, CPA

#### INDEPENDENT AUDITOR'S REPORT

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

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

BELLE GLADE OFFICE 333 S.E. 2nd STREET POST OFFICE BOX 338 BELLE GLADE, FLORIDA 33430-0338 TELEPHONE (561) 996-5612 FAX (561) 996-6248

#### **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, 2019, 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.

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, 2019, 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.

#### 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 80 through 84, and the pension and other postemployment benefit trend information on pages 85 through 89 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 federal awards and state financial assistance is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and 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 federal awards and 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 federal awards and 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 June, 30, 2020, 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 4 Mines, P.A.

Belle Glade, Florida June 30, 2020

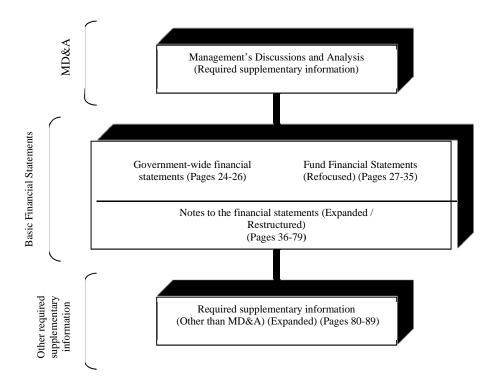
The City of Belle Glade's (the "City") discussion and analysis is designed to:

- 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 \$55,067,457 (net position). Of this amount, \$15,136,256 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The total government activities revenues increased by \$2,060,459. This total increase was primarily due to: (1) an increase in capital transportation grants in the amount of \$2,292,388; (2) a decrease in charges for services in the amount of \$102,878 (public safety decreased \$96,115); (3) a decrease in operating grants and contributions in the amount of \$476,810 (public safety deceased \$60,565, transportation deceased \$358,738 and physical environment deceased \$69,230); (4) a decrease in intergovernmental shared revenues in the amount of \$1,157,754, primarily one cent infrastructure surtax transferred out; (7) an increase in property taxes in the amount of \$120,298; (8) an increase in other taxes in the amount of \$1,298,170 along with an increase in miscellaneous revenue in the amount of \$87,045.
- The business-type activities revenues showed a net increase of \$1,294,542 primarily due to an increase in charges for services of \$223,283, an increase in operating grants and contributions of \$475,012, and an increase of capital contributions of \$581,412.
- The total cost of all City programs was \$15,172,684 during fiscal year 2019, a decrease of \$939,287 from prior year. This decrease was due to a decrease in governmental type activities in public safety expenses and transportation. Business type activities decreased in the garbage and solid waste.
- At the end of the current fiscal year, the total fund balance for the general fund was \$11,386,672. Of this amount, nonspendable was \$619,765, restricted was \$490,614, committed was \$2,074,509, assigned was \$1,905,739 and unassigned was \$6,296,045.
- The City's total long-term liability increased by \$120,233 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 \$139,248 and OPEB in the amount of \$29,205. The City's capital lease liability decreased in fiscal year 2019 by \$48,220.

#### **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.

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.

#### 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 2019 is reported at \$55,067,457. Net position of the City's governmental activities for fiscal year 2019 is \$34,262,103. The net position of our business-type activities is reported at \$20,805,354 for fiscal year 2019. Overall, the net position of the total primary government has increased by \$4,693,315.

City of Belle Glade Statement of Net Position as of September 30, 2019

					Total I	Primary		
	Governmental Activities Business-Type Activities				<b>Government</b>			
	2018	2019	2018	2019	2018	2019		
Current and other assets	\$ 20,341,655	\$ 19,586,395	\$ 5,608,524	\$ 6,879,755	\$ 25,950,179	\$ 26,466,150		
Capital assets	15,210,707	17,099,336	12,642,940	14,196,746	27,853,647	31,296,082		
TOTAL ASSETS	35,552,362	36,685,731	18,251,464	21,076,501	53,803,826	57,762,232		
DEFERRED OUTFLOWS								
OF RESOURCES	26,310	79,794	7,129	27,898	33,439	107,692		
Current and other liabilities	537,184	774,226	243,193	86,575	780,377	860,801		
Non-current liabilities	1,327,090	1,428,634	161,132	179,821	1,488,222	1,608,455		
TOTAL LIABILITIES	1,864,274	2,202,860	404,325	266,396	2,268,599	2,469,256		
DEFERRED INFLOWS								
OF RESOURCES	974,307	300,562	220,217	32,649	1,194,524	333,211		
Net investment in capital assets	14,954,582	16,891,431	12,491,314	14,130,522	27,445,896	31,021,953		
Restricted	10,890,550	7,965,809	846,878	943,439	11,737,428	8,909,248		
Unrestricted	6,894,959	9,404,863	4,295,859	5,731,393	11,190,818	15,136,256		
TOTAL NET POSITION	\$ 32,740,091	\$ 34,262,103	\$ 17,634,051	\$ 20,805,354	\$ 50,374,142	\$ 55,067,457		

#### 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 \$1,522,012. The increase in net position was due to an excess of revenues over expenses of \$3,101,337 and net transfers out of \$1,579,325.
- The net position increase for business-type activities was \$3,171,303. The net position increase was due to an excess of revenues over expenses of \$1,591,978 and net transfers in of \$1,579,325.

City of Belle Glade's Changes in Net Position as of September 30, 2019

	Government	tal Activities	Business-Ty	pe Activities	Total Primary <u>Government</u>		
	2018	2019	2018	2019	2018	2019	
Revenues:							
Program Revenues:							
Charges for services	\$ 1,017,700	\$ 914,822	\$ 4,379,741	\$ 4,603,023	\$ 5,397,441	\$ 5,517,845	
Operating grants and contributions	987,570	510,760	97,542	572,554	1,085,112	1,083,314	
Capital contributions	436,495	2,728,883	187,950	769,362	624,445	3,498,245	
General Revenues:							
Property taxes	2,071,201	2,191,499	-	-	2,071,201	2,191,499	
Other taxes	3,428,837	4,727,007	-	-	3,428,837	4,727,007	
Intergovernmental	3,777,903	2,620,149	-	-	3,777,903	2,620,149	
Other	124,902	211,947	1,157	15,993	126,059	227,940	
TO TAL REVENUES	11,844,608	13,905,067	4,666,390	5,960,932	16,510,998	19,865,999	
Expenses:							
Primary Government:							
General government	3,116,774	3,284,973	-	-	3,116,774	3,284,973	
Public safety	4,643,031	4,020,980	-	-	4,643,031	4,020,980	
Transportation	2,204,092	1,982,729	-	-	2,204,092	1,982,729	
Physical environment	157,286	179,248	-	-	157,286	179,248	
Culture/recreation	896,135	1,244,505	-	-	896,135	1,244,505	
Economic environment	81,784	84,719	-	-	81,784	84,719	
Interest on long-term debt	8,077	6,576	-	-	8,077	6,576	
Business-type Activites:							
Water and sewer	-	-	-	-	-	-	
Garbage and solid waste	-	-	2,796,161	2,001,844	2,796,161	2,001,844	
Marina	-	-	1,578,037	1,695,882	1,578,037	1,695,882	
Stormwater utility	-	-	630,594	671,228	630,594	671,228	
TO TAL EXPENSES	11,107,179	10,803,730	5,004,792	4,368,954	16,111,971	15,172,684	
Excess (deficiency) before transfers	737,429	3,101,337	(338,402)	1,591,978	399,027	4,693,315	
Transfers	(230,998)	(1,579,325)	230,998	1,579,325	-	-	
Increase (decrease) in net position	506,431	1,522,012	(107,404)	3,171,303	399,027	4,693,315	
Net Position - beginning, as restated	32,233,660	32,740,091	17,741,455	17,634,051	49,975,115	50,374,142	
Net Position - ending	\$ 32,740,091	\$ 34,262,103	\$ 17,634,051	\$ 20,805,354	\$ 50,374,142	\$ 55,067,457	

**Expenses and Program Revenues - Governmental Activities** \$6,000,000 \$5,000,000 ■ expenses revenues \$4,000,000 \$3,000,000 \$2,000,000 \$1,000,000 \$-General Public Safety Transportation Physical Culture/ Economic

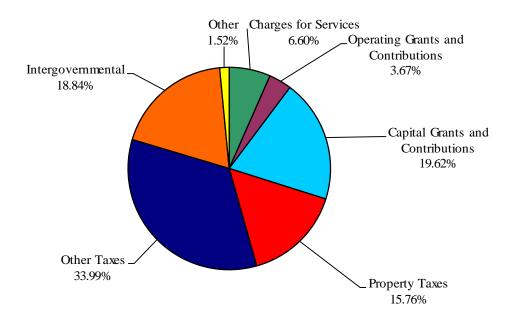
Environment

Recreation

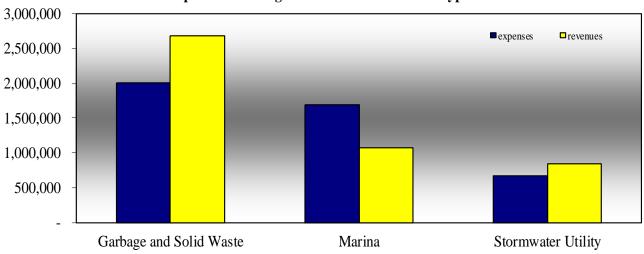
Environment

#### **Revenues by Source - Governmental Activities**

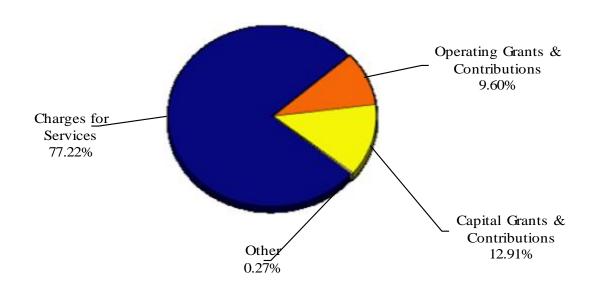
Government



Expenses and Program Revenues - Business-Type Activities



#### Revenues by Source - Business-Type Activities



#### Financial Analysis of the Major Governmental Funds

At the end of the current fiscal year, the City of Belle Glade's governmental funds reflected combined ending fund balances of \$13,420,400, a decrease of \$1,623,785 compared to the prior year. Of the total combined fund balances, nonspendable was \$619,765, restricted was \$3,445,322, committed was \$2,074,509, assigned was \$1,905,739 and unassigned was \$5,375,065.

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 \$11,386,672. Of this amount, nonspendable was \$619,765, restricted was \$490,614, committed was \$2,074,509, assigned was \$1,905,739 and unassigned was \$6,296,045.

During the current fiscal year, the fund balance of the City of Belle Glade's general fund increased by \$82,724. This was due to an excess of revenues over expenditures of \$7,773 and net transfers in of \$74,951.

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 \$898,420. The \$898,420 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 \$1,251,810. The \$1,251,810 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 \$3,482,712, an increase of \$998,283 from the previous year. This is primarily due to the revenue from Hurricane Irma debris removal expenses being recorded in the current year.

Unrestricted net position of the Marina Fund increased \$217,402 from (\$267,913) to (\$50,511) due primarily to an increase in current assets.

Unrestricted net position of the Stormwater Fund increased from \$2,079,343 to \$2,299,192 due primarily to completion of stormwater project.

#### 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.

After these amendments, actual expenditures were \$721,911 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 \$409,413 more than the final budget amounts and were primarily due to actual collection of taxes, franchise fees, utility taxes, half cent sales tax, state revenue sharing, fines and forfeits and other miscellaneous revenues exceeding budget projections.

#### CAPITAL ASSET AND DEBT ADMINISTRATION

#### Capital Assets

At the end of 2019, the City had invested \$31,296,082 (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, 2019

	Government	mental Activities			Business-Type Activities				TOTAL			
	2018		2019	2018		2019		2018			2019	
Land	\$ 2,251,928	\$	2,198,046	\$	2,654,250	\$	2,654,250	\$	4,906,178	\$	4,852,296	
Buildings and improvements	3,506,418		3,637,291		5,264,948		5,008,580		8,771,366		8,645,871	
Equipment	472,774		735,925		912,018		955,827		1,384,792		1,691,752	
Infrastructure	7,273,757		8,780,391		3,495,795		5,527,339		10,769,552		14,307,730	
Construction in progress	1,705,830		1,747,683		315,929		50,750		2,021,759		1,798,433	
TOTALS	\$ 15,210,707	\$	17,099,336	\$	12,642,940	\$	14,196,746	\$	27,853,647	\$	31,296,082	

The \$1,747,683 in construction in progress in the City of Belle Glade's governmental activities was primarily for the engineering and construction for various transportation projects. The \$50,750 in construction in progress in the City of Belle Glade's business-type activities was for marina improvements.

#### Long-Term Liabilities

At September 30, 2019, the City had a capital lease for \$207,905 and \$1,400,550 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's Outstanding Debt as of September 30, 2019

#### Governmental

	 Acti	vities			Business-Type Activities				TOTAL			
	2018 2019		2019	9 2018		2019		2018		2019		
Capital Lease	\$ 256,125	\$	207,905	\$	-	\$	-	\$	256,125	\$	207,905	
OPEB	132,311		154,930		35,528		42,114		167,839		197,044	
Compensated absences	 938,654		1,065,799		125,604		137,707		1,064,258		1,203,506	
TOTALS	\$ 1,327,090	\$	1,428,634	\$ 161,132		\$	179,821	\$	1,488,222	\$	1,608,455	

GASB 75 was implemented in 2018

#### ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

For the 2020 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 2020.
- No Increase in the Stormwater assessment rate.
- Rate increase in campground fees at Torry Island Campground.
- The millage rate is 6.5419 mills, which is 3.19% 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 2020 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.





#### CITY OF BELLE GLADE, FLORIDA Statement of Net Position September 30, 2019

	Primary Government						
	Governmental	Business-type					
	Activities	Activities	Total				
Assets							
Cash and cash equivalents	\$ 11,420,419	\$ 4,840,078	\$ 16,260,497				
Receivables							
Accounts, net	352,025	594,902	946,927				
Due from other governments	2,274,670	997,163	3,271,833				
Loans receivable	455,688		455,688				
Internal balances	499,134	(499,134)	44.000				
Supplies inventory	11,368	2.205	11,368				
Prepaid expenses	52,604	3,307	55,911				
Net pension asset	4,520,487	943,439	5,463,926				
Capital assets	2.045.720	2 705 000	6 650 700				
Non-depreciable	3,945,729	2,705,000	6,650,729				
Depreciable (net of depreciation)	13,153,607	11,491,746	24,645,353				
Total assets	36,685,731	21,076,501	57,762,232				
Deferred outflows of resources							
OPEB related items	2,743	798	3,541				
Pension related items	77,051	27,100	104,151				
i clision related terms	79,794	27,898	107,692				
Liabilities	17,174	27,000	107,072				
Accounts payable	218,221	69,074	287,295				
Deposits	11,200	02,074	11,200				
Accrued liabilities	236,532		236,532				
Accrued interest payable	2,807		2,807				
Due to other governments	298,328	3,957	302,285				
Unearned revenue	7,138	13,544	20,682				
Non-current liabilities	.,	- ,-	.,				
Due within one year	262,838	27,541	290,379				
Due in more than one year	1,165,796	152,280	1,318,076				
Total liabilities	2,202,860	266,396	2,469,256				
Deferred inflows of resources							
Pension related items	197,247	32,649	229,896				
Deferred revenue	103,315		103,315				
Total deferred inflows of resources	300,562	32,649	333,211				
Net Position	16 001 421	14 120 522	21 021 052				
Net investment in capital assets	16,891,431	14,130,522	31,021,953				
Restricted for:	4 500 407	0.42, 420	5 462 006				
Pension benefits	4,520,487	943,439	5,463,926				
Economic environment	1,522,412		1,522,412				
Landscaping Infrastructure	82,319		82,319				
Transportation	898,420 879,566		898,420 879,566				
Other purposes	62,605		62,605				
Unrestricted	9,404,863	5,731,393	15,136,256				
Total net position	\$ 34,262,103	\$ 20,805,354	\$ 55,067,457				
1 out not position	<del>4 5 1,202,103</del>	→ ±0,000,00-r	\$ 55,007,757				

See notes to the financial statements

#### **Statement of Activities**

For the Fiscal Year Ended September 30, 2019

Functions/Programs  Primary Covernment		Expenses	Charges for Services		
Primary Government Governmental activities					
General government	\$	3,284,973	\$	105,333	
Public safety	4	4,020,980	Ψ	657,324	
Transportation		1,982,729		2,429	
Physical environment		179,248		149,016	
Culture/recreation		1,244,505		720	
Economic environment		84,719			
Interest on long term debt		6,576			
Total governmental activities		10,803,730		914,822	
Business-type activities					
Garbage and solid waste		2,001,844		2,677,973	
Marina					
Stormwater utility		671,228		846,294	
Total business-type activities		4,368,954		4,603,023	
Total primary government	\$	15,172,684	\$	5,517,845	

Net (Expense) Revenue and Changes in Net Position

Prog	gram Revenues			Changes in Net Position						
	Operating		Capital	Primary Government						
Grants and Grants and				G	Governmental Business-type					
Co	ontributions	Co	ontributions		Activities		Activities		Total	
\$	26,120	\$		\$	(3,153,520)	\$		\$	(3,153,520)	
	340,105				(3,023,551)				(3,023,551)	
	122,471		2,728,883		871,054				871,054	
					(30,232)				(30,232)	
	22,064				(1,221,721)				(1,221,721)	
					(84,719)				(84,719)	
					(6,576)				(6,576)	
	510,760		2,728,883		(6,649,265)				(6,649,265)	
	_				_		_			
	572,554						1,248,683		1,248,683	
			452,912				(164,214)		(164,214)	
			316,450				491,516		491,516	
	572,554		769,362				1,575,985		1,575,985	
\$	1,083,314	\$	3,498,245		(6,649,265)		1,575,985		(5,073,280)	
Gan	eral revenues									
	valorem taxes				2,191,499				2,191,499	
Loc	cal option sales t	ax			1,270,874				1,270,874	
Loc	cal option gas tax	xes			503,802				503,802	
Fra	nchise taxes				1,400,681				1,400,681	
Uti	lity taxes				1,551,650				1,551,650	
Uni	restricted intergo	overnmei	ntal shared revenues		2,563,925				2,563,925	
	restricted investr		nings		56,224		15,993		72,217	
Mis	scellaneous reve	nues			211,947				211,947	
Transfers					(1,579,325)		1,579,325			
	tal general rever	nues and								
transfers				8,171,277		1,595,318		9,766,595		
	Change in net po				1,522,012		3,171,303		4,693,315	
	position - beginn				32,740,091		17,634,051		50,374,142	
Net <sub>j</sub>	position - ending	5		\$	34,262,103	\$	20,805,354	\$	55,067,457	

#### Balance Sheet Governmental Funds September 30, 2019

	General	Capital Projects Fund	Infrastructure Surtax Fund	Revolving Loan Fund	Community Redevelopment Agency Trust Fund	Total Governmental Funds
Assets	¢ 0.551.502	¢	¢ 701 070	¢ 916246	¢ 270.602	¢ 11 420 410
Cash and cash equivalents Receivables	\$ 9,551,593	\$	\$ 781,878	\$ 816,346	\$ 270,602	\$ 11,420,419
Accounts, net	352,025					352,025
Due from other funds	1,153,817					1,153,817
Due from other governments	320,900	1,837,228	116,542			2,274,670
Loans receivable				455,688		455,688
Supplies inventory	11,368					11,368
Prepaid expenditures	175,487					175,487
Advance to other funds	432,910					432,910
Total assets	\$ 11,998,100	\$ 1,837,228	\$ 898,420	\$1,272,034	\$ 270,602	\$ 16,276,384
Liabilities, deferred inflows of resources, and fund balances						
Liabilities						
Accounts payable	\$ 138,495	\$ 79,006	\$	\$ 720	\$	\$ 218,221
Deposits	11,200					11,200
Accrued liabilities	218,713			17,819		236,532
Due to other funds		1,087,593				1,087,593
Due to other governments	132,567	165,761				298,328
Unearned revenue	7,138	1.000.050		10.500		7,138
Total liabilities	508,113	1,332,360		18,539		1,859,012
Deferred inflows or resources						
Unavailable revenue		891,972		1,685		893,657
Deferred revenue	103,315					103,315
	103,315	891,972		1,685		996,972
Fund balances						
Nonspendable						
Inventory and prepaids	186,855					186,855
Advance	432,910					432,910
Restricted	132,710					132,710
Police education	25,176					25,176
Landscaping	82,319					82,319
Infrastructure	02,317		898,420			898,420
Other restrictions	30,479	6,950	070,420			37,429
Transportation	352,640	526,926				879,566
Economic environment	332,040	320,720		1,251,810	270,602	1,522,412
Committed				1,231,610	270,002	1,322,412
	2,074,509					2.074.500
Stabilization Assigned	2,074,309					2,074,509
Emergencies	527,564					527,564
Capital projects	1,378,175					1,378,175
Unassigned	6,296,045	(920,980)				5,375,065
Total fund balances	11,386,672	(387,104)	898,420	1,251,810	270,602	13,420,400
Total liabilities, deferred inflows of	11,500,072	(557,104)	0,70,720	1,231,010	270,002	15, 120, 100
resources, and fund balances	\$ 11,998,100	\$ 1,837,228	\$ 898,420	\$1,272,034	\$ 270,602	\$ 16,276,384

See notes to the financial statements

## Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position Governmental Activities September 30, 2019

Fund balances total governmental funds		\$ 13,420,400
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 Less accumulated depreciation	\$ 40,443,777 (23,344,441)	17,099,336
The net pension asset related to defined benefit pension plans doe not represent available spendable resources and is not reported	s	
in the governmental funds.		4,520,487
The prepaid pension contribution is included in the net pension as	set.	(122,883)
Deferred outflows and inflows of resources related to defined benefit pension or OPEB plans are applicable to future periods and not reported in the governmental funds:	d are	
OPEB related deferred inflows	2,743	
Pension related deferred outflows	77,051	
Pension related deferred inflows	(197,247)	(117,453)
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		893,657
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Accrued interest payable	(2,807)	
Total OPEB liability	(154,930)	
Compensated absences	(1,065,799)	
Capital lease	(207,905)	(1,431,441)
Net position of governmental activities		\$ 34,262,103

See notes to the financial statements

#### Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds

## For the Fiscal Year Ended September 30, 2019

	General	Capital Projects Fund	Infrastructure Surtax Fund	Revolving Loan Fund	Community Redevelopment Agency Trust Fund	Total Governmental Funds
Revenues Taxes	\$ 5,487,977	\$ 159,655	\$	\$	\$	\$ 5,647,632
Licenses and permits	340,244	\$ 139,033	φ	Φ	Φ	340,244
Intergovernmental revenues	3,201,024	1,862,862	1,270,874		25,386	6,360,146
Charges for services	317,439	-,,	-,-,-,-,-			317,439
Fines and forfeitures	110,878					110,878
Miscellaneous revenues	670,894	451	1,737	25,755	78,800	777,637
Total revenues	10,128,456	2,022,968	1,272,611	25,755	104,186	13,553,976
Expenditures						
Current						
General government	3,654,209					3,654,209
Public safety	4,238,767					4,238,767
Transportation	815,208					815,208
Physical environment	172,154					172,154
Culture/recreation	985,247				0.50	985,247
Economic environment	132	2.011.005	500 222	55,663	852	56,647
Capital outlay Debt service	199,550	2,911,905	509,333			3,620,788
Principal	48,220					48,220
Interest	7,196					7,196
interest	7,170		<del></del>	·		7,170
Total expenditures	10,120,683	2,911,905	509,333	55,663	852	13,598,436
Excess of revenues over (under) expenditures	7,773	(888,937)	763,278	(29,908)	103,334	(44,460)
Other financing sources (uses)						
Transfers in	400,000				34,079	434,079
Transfers (out)	(325,049)		(1,688,355)			(2,013,404)
Total other financing sources (uses)	74,951		(1,688,355)		34,079	(1,579,325)
Net change in fund balances	82,724	(888,937)	(925,077)	(29,908)	137,413	(1,623,785)
Fund balances - beginning	11,303,948	501,833	1,823,497	1,281,718	133,189	15,044,185
Fund balances - ending	\$ 11,386,672	\$ (387,104)	\$ 898,420	\$ 1,251,810	\$ 270,602	\$ 13,420,400

See notes to the financial statements

# 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, 2019

Net change in fund balances - total governmental funds		\$ (1,623,785)
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  Less current year depreciation	\$ 3,447,621 (1,466,003)	1,981,618
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		(92,989)
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		48,220
Governmental funds report revenues when earned and available. However, in the Statement of Activities, revenues are recognized when earned, regardless of availability.  Prior year program revenue-operating grants Capital grants Interest income	(69,230) 891,972 (3,244)	819,498
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 Change in net pension asset and related deferred amounts Change in OPEB liability and related deferred amounts Change in long-term compensated absences	620 530,455 (14,480) (127,145)	389,450
Change in net position of governmental activities		\$ 1,522,012

See notes to the financial statements.

## Statement of Net Position Proprietary Funds September 30, 2019

	Garbage and Solid Waste	Marina	Stormwater	Totals
Assets	Bond Waste	- Iviai iia	Btorniwater	Totals
Current assets				
Cash and cash equivalents	\$ 2,485,228	\$ 700	\$ 2,354,150	\$ 4,840,078
Receivables				
Accounts, net	578,198	12,220	4,484	594,902
Due from other governments	572,163	425,000		997,163
Prepaid expenses		3,307		3,307
Total current assets	3,635,589	441,227	2,358,634	6,435,450
Non-current assets				
Net pension asset	537,710	297,317	108,412	943,439
Capital assets	,	,	,	,
Property, plant, and equipment	2,104,619	16,308,670	6,105,473	24,518,762
Less accumulated depreciation	(1,747,912)	(6,415,273)	(2,158,831)	(10,322,016)
Total non-current assets	894,417	10,190,714	4,055,054	15,140,185
Total assets	4,530,006	10,631,941	6,413,688	21,575,635
Deferred outflows of resources				
OPEB related items	433	211	154	798
Pension related items	15,446	8,540	3,114	27,100
	15,879	8,751	3,268	27,898
Liabilities				
Current liabilities				
Accounts payable	43,483	19,341	6,250	69,074
Due to other funds		66,224		66,224
Due to other governments		3,957		3,957
Compensated absences	16,232	2,380	8,929	27,541
Unearned revenue		13,544		13,544
Total current liabilities	59,715	105,446	15,179	180,340
Non-current liabilities				
Advance from other funds		432,910		432,910
Compensated absences	64,927	9,522	35,717	110,166
Total OPEB liability	25,506	8,546	8,062	42,114
Total non-current liabilities	90,433	450,978	43,779	585,190
Total liabilities	150,148	556,424	58,958	765,530
Deferred inflows of resources				
Pension related items	10 600	10.290	2 752	22 640
Total deferred inflows of resources	18,608 18,608	10,289	3,752	32,649
Total deferred filllows of fesources	10,000	10,289	3,732	32,049
Net Position				
Net investment in capital assets	356,707	9,827,173	3,946,642	14,130,522
Restricted for:	330,707	7,021,113	3,7+0,0+2	17,130,322
Pension benefits	537,710	297,317	108,412	943,439
Unrestricted	3,482,712	(50,511)	2,299,192	5,731,393
Total net position	\$ 4,377,129	\$10,073,979	\$ 6,354,246	\$ 20,805,354
Position	ψ .,υ.,,12)	+10,070,77	- 0,55 .,2 10	- 20,000,001

## Statement of Revenues, Expenses, and Changes in Fund Net Position Proprietary Funds For the Fiscal Year Ended September 30, 2019

	Garbage and Solid Waste	Marina	Stormwater	Total
Operating revenue				
Charges for services	\$ 2,677,973	\$ 1,078,756	\$ 846,294	\$ 4,603,023
Operating expenses				
Personal services	729,873	436,672	219,233	1,385,778
Professional services	749	5,984	60,965	67,698
Insurance	63,432	96,015	9,384	168,831
Chemicals	2,816	24,611		27,427
Disposal fees	422,291			422,291
Heat, light and power	14,840	216,301		231,141
Depreciation	117,191	600,388	232,047	949,626
Repairs and maintenance	243,735	137,197	42,646	423,578
Administrative	289,068		78,041	367,109
Other	117,849	184,460	28,912	331,221
Total operating expenses	2,001,844	1,701,628	671,228	4,374,700
Operating income (loss)	676,129	(622,872)	175,066	228,323
Nonoperating revenues (expenses)		5.514		5.746
Disposal of surplus equipment	572 554	5,746		5,746
Intergovernmental Miscellaneous revenue	572,554	5 205	6,234	572,554
Wiscenaneous revenue	4,474	5,285	0,234	15,993
Total nonoperating revenues (expenses)	577,028	11,031	6,234	594,293
Income (loss) before				<del></del>
contributions	1,253,157	(611,841)	181,300	822,616
Capital contributions		452,912	316,450	769,362
Transfers Transfers in Transfers (out)	(400,000)	1,979,325		1,979,325 (400,000)
Transfers (out) Total transfers	(400,000)	1,979,325		1,579,325
Total transfers	(400,000)	1,979,323		1,379,323
Change in net position	853,157	1,820,396	497,750	3,171,303
Net position - beginning	3,523,972	8,253,583	5,856,496	17,634,051
Net position - ending	\$ 4,377,129	\$ 10,073,979	\$ 6,354,246	\$ 20,805,354

See notes to the financial statements

## **Statement of Cash Flows**

## **Proprietary Funds**

## For the Fiscal Year Ended September 30, 2019

	Garbage and Solid Waste	Marina	Stormwatrer	Totals
Cash flows from operating activities: Receipts from customers and users Payments to suppliers Payments to employees Internal activity - payments to other funds	\$ 2,658,967 (860,167) (837,019) (289,068)	\$1,078,756 (738,081) (590,732)	\$ 845,678 (243,564) (244,236) (78,041)	\$ 4,583,401 (1,841,812) (1,671,987) (367,109)
Other receipts	97,462	(250.055)	250.025	97,462
Net cash provided (used) by operating activities	770,175	(250,057)	279,837	799,955
Cash flows from non-capital financing activities:  Loans from other funds  Transfers in  Transfers out	(400,000)	66,224 290,970		66,224 290,970 (400,000)
Net cash (used) by non-capital financing activities	(400,000)	357,194		(42,806)
Cash flows from capital and related financing activities:  Contributed capital Insurance proceeds Acquisition and construction of capital assets		27,912 14,496 (411,728)	316,450 (412,079)	344,362 14,496 (823,807)
Net cash (used) by capital and related financing activities		(369,320)	(95,629)	(464,949)
Cash flows from investing activities: Interest and dividends on investments	4,474	5,285	6,234	15,993
Net cash provided by investing activities	4,474	5,285	6,234	15,993
Net increase (decrease) in cash and cash equivalents	374,649	(256,898)	190,442	308,193
Cash and cash equivalents at beginning of year	2,110,579	257,598	2,163,708	4,531,885
Cash and cash equivalents at end of year	\$ 2,485,228	\$ 700	\$ 2,354,150	\$ 4,840,078
Cash flows from operating activities: Operating income (loss)	\$ 676,129	\$ (622,872)	\$ 175,066	\$ 228,323
Adjustments to reconcile operating income to net cash provided by operating activities:  Depreciation Operating grants Change in net OPEB liability and related deferred amounts Change in net pension asset and related deferred amounts Change in assets and liabilities: (Increase) decrease in accounts receivable (Increase) decrease in due from other governments (Increase) decrease in prepaid expenses Increase (decrease) in accounts payable Increase (decrease) in due to other governments Increase (decrease) in deferred revenue Increase (decrease) in compensated absences	117,191 572,554 2,246 (110,260) (19,006) (475,092) 5,545	600,388 1,251 (162,978) (12,220) (767) (59,845) (682) 1 7,667	232,047 842 (29,413) (616) (101,657) 3,568	949,626 572,554 4,339 (302,651) (31,842) (475,092) (767) (155,957) (682) 1 12,103
*	94,046			
Total adjustments  Net cash provided (used) by operating activities	\$ 770,175	\$ (250,057)	\$ 279,837	\$ 799,955
Noncash Investing, Capital and Financing Activities	Ψ //0,1/3	ψ (250,051)	ψ 217,031	Ψ 177,733
Net book value of equipment disposals	\$	\$ 8,750	\$	\$ 8,750
Capital assets transferred from Governmenal Activities	\$	\$1,688,355	\$	\$ 1,688,355

See notes to financial statements

## Statement of Fiduciary Net Position Fiduciary Funds September 30, 2019

	Pension Trust Funds
Assets	Φ 54.025
Cash and cash equivalents	\$ 54,935
Investments	102.500
Money market mutual funds	182,500
U.S. government and agencies securities	1,273,296
Corporate bonds	1,115,053
Fixed income exchange traded funds	584,820
Fixed income mutual funds	5,516,576
Domestic equity mutual funds	7,875,022
Foreign equity mutual funds	1,566,037
Corporate stock	7,894,323
Receivables	
Accounts	26,413
Accounts, broker dealers	
Due from participants	15,338
Accrued dividends and interest	28,224
Prepaid pension benefit	71,677
Total assets	26,204,214
Liabilities	
Accounts payable, broker dealers	13,302
Prepaid pension contribution	175,559
Total liabilities	188,861
Net Position	Ф. 26.015.252
Restricted for pension benefits	\$ 26,015,353

See notes to the financial statements

## Statement of Changes in Fiduciary Net Position Fiduciary Funds

## For the Fiscal Year Ended September 30, 2019

Contributions         \$ 163,137           Plan members         140,447           Total contributions         303,584           Investment income         Net increase in fair value of investments         835,352           Investment earnings         651,935           Total investment income         1,487,287           Investment expenses         (127,101)           Total net investment income         1,360,186           Total additions         1,663,770           Deductions         852,036           Retirement benefits         852,036           Refunds of contributions         60,575           Administrative expense         54,779           Total deductions         967,390           Net increase         696,380           Net position restricted for pension benefits         Net position - ending           Net position - ending         \$25,318,973           Net position - ending         \$26,015,353	Additions	Pension Trust Funds
Plan members         140,447           Total contributions         303,584           Investment income         835,352           Investment earnings         651,935           Total investment income         1,487,287           Investment expenses         (127,101)           Total net investment income         1,360,186           Total additions         1,663,770           Deductions         852,036           Refunds of contributions         60,575           Administrative expense         54,779           Total deductions         967,390           Net increase         696,380           Net position restricted for pension benefits         Net position - beginning           Net position - beginning         25,318,973	Contributions	
Total contributions         303,584           Investment income	Employer	\$ 163,137
Investment income         835,352           Net increase in fair value         651,935           Investment earnings         651,935           Total investment income         1,487,287           Investment expenses         (127,101)           Total net investment income         1,360,186           Total additions         1,663,770           Deductions         852,036           Refunds of contributions         60,575           Administrative expense         54,779           Total deductions         967,390           Net increase         696,380           Net position restricted for pension benefits         Net position - beginning	Plan members	140,447
Net increase in fair value of investments         835,352           Investment earnings         651,935           Total investment income         1,487,287           Investment expenses         (127,101)           Total net investment income         1,360,186           Total additions         1,663,770           Deductions         852,036           Refunds of contributions         60,575           Administrative expense         54,779           Total deductions         967,390           Net increase         696,380           Net position restricted for pension benefits Net position - beginning         25,318,973	Total contributions	303,584
of investments         835,352           Investment earnings         651,935           Total investment income         1,487,287           Investment expenses         (127,101)           Total net investment income         1,360,186           Total additions         1,663,770           Deductions         852,036           Refunds of contributions         60,575           Administrative expense         54,779           Total deductions         967,390           Net increase         696,380           Net position restricted for pension benefits         25,318,973	Investment income	
Investment earnings         651,935           Total investment income         1,487,287           Investment expenses         (127,101)           Total net investment income         1,360,186           Total additions         1,663,770           Deductions         852,036           Refunds of contributions         60,575           Administrative expense         54,779           Total deductions         967,390           Net increase         696,380           Net position restricted for pension benefits Net position - beginning         25,318,973	Net increase in fair value	
Total investment income         1,487,287           Investment expenses         (127,101)           Total net investment income         1,360,186           Total additions         1,663,770           Deductions         852,036           Refunds of contributions         60,575           Administrative expense         54,779           Total deductions         967,390           Net increase         696,380           Net position restricted for pension benefits Net position - beginning         25,318,973	of investments	835,352
Investment expenses         (127,101)           Total net investment income         1,360,186           Total additions         1,663,770           Deductions         852,036           Retirement benefits         852,036           Refunds of contributions         60,575           Administrative expense         54,779           Total deductions         967,390           Net increase         696,380           Net position restricted for pension benefits Net position - beginning         25,318,973	Investment earnings	651,935
Total net investment income         1,360,186           Total additions         1,663,770           Deductions	Total investment income	1,487,287
Total additions  Deductions Retirement benefits Refunds of contributions Administrative expense  Total deductions  Net increase  Net position restricted for pension benefits Net position - beginning  1,663,770  852,036 852,036 60,575 44,779 54,779 54,779 696,380  8696,380	Investment expenses	(127,101)
Deductions Retirement benefits 852,036 Refunds of contributions 60,575 Administrative expense 54,779 Total deductions 967,390  Net increase 696,380  Net position restricted for pension benefits Net position - beginning 25,318,973	Total net investment income	1,360,186
Retirement benefits 852,036 Refunds of contributions 60,575 Administrative expense 54,779 Total deductions 967,390  Net increase 696,380  Net position restricted for pension benefits Net position - beginning 25,318,973	Total additions	1,663,770
Refunds of contributions Administrative expense  Total deductions  Net increase  60,575 54,779 967,390  Net position restricted for pension benefits Net position - beginning  25,318,973	Deductions	
Administrative expense 54,779 Total deductions 967,390  Net increase 696,380  Net position restricted for pension benefits Net position - beginning 25,318,973	Retirement benefits	852,036
Total deductions 967,390  Net increase 696,380  Net position restricted for pension benefits Net position - beginning 25,318,973	Refunds of contributions	60,575
Total deductions 967,390  Net increase 696,380  Net position restricted for pension benefits Net position - beginning 25,318,973	Administrative expense	54,779
Net position restricted for pension benefits Net position - beginning  25,318,973	Total deductions	967,390
Net position - beginning 25,318,973	Net increase	696,380
<u> </u>	Net position restricted for pension benefits	
Net position - ending \$26,015,353	Net position - beginning	_ 25,318,973
	Net position - ending	\$ 26,015,353

See notes to the financial statements

#### 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.

## 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.

## 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. 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 used to account for 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.

## 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.

## 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.

#### <u>Accounts Receivable</u>

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, 2019 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.

#### **Prepaids**

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.

#### 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.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

<u>D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity</u> (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.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

<u>D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity</u> (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.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

<u>D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity</u> (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.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

<u>D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity</u> (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."

#### <u>Use of Estimates</u>

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.

## 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.

## 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, 2019, 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.

#### 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 \$16,313,932 and the bank balances were \$16,497,075. 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.

	Cash and Cas Unrestricted	sh Equivalents Restricted	Investments
Governmental activities Business type activities Statement of net position	\$ 11,420,419 <u>4,840,078</u> 16,260,497	\$	\$
Fiduciary	54,935		26,007,627
Total deposits and investments	<u>\$16,315,432</u>	\$	\$ 26,007,627

#### *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.

## 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.

## NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

*Investments* (Continued)

Investments in general are exposed to various risks, such as interest rate, credit, and overall volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of investments will occur in the near term and such changes could materially affect the amounts reported in the statement of fiduciary net position.

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.

## NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

<u>Investments</u> (Continued)

As of September 30, 2019, the City held the following investments:

	Weighted		Fair Value Measuremen	
	Average Maturity	Fair Value	Level 1	Level 2
<u>Fiduciary Funds</u>				
U.S. Government and Agencies	11.74 Years	\$ 1,273,296	\$	\$ 1,273,296
Corporate Bonds	3.58 Years	1,115,053		1,115,053
Fixed Income ETF	N/A	584,820	584,820	
Fixed Income Mutual Funds	N/A	5,516,576	5,516,576	
<b>Domestic Equity Mutual Funds</b>	N/A	7,875,022	7,875,022	
Foreign Equity Mutual Funds	N/A	1,566,037	1,566,037	
Domestic Common Equity				
Securities	N/A	7,894,323	7,894,323	
		25,825,127	\$ 23,436,778	\$ 2,388,349
<b>Investments Reported at</b>		, ,		
Amortized Cost:				
<u>Fiduciary Funds</u>				
Money Market Mutual Funds	N/A	182,500		
Total Investments		\$ 26,007,627		

#### 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, 2019, are summarized as follows:

S&P Rating		Amount
AA+	\$	1,273,296
AAA		35,648
A+		163,592
A		228,320
A-		337,438
BBB+		350,055
	Rating  AA+  AAA  A+  A  A-	Rating       A         AA+       \$         AAA       A+         A       A-

## NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

<u>Investments</u> (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, 2019:

	Fair Value of Investment Maturities								
	Fair Value		ess Than One year		One to ve Years		Six To en Years		ore Than en Years
Fiduciary funds:									
U.S. Government and				_		_		_	
Agencies	\$ 1,273,296	\$	49,254	\$	333,789	\$	281,466	\$	608,787
Corporate bonds	1,115,053		223,137		646,160		245,756		
Total	\$ 2,388,349	\$	272,391	\$	979,949	\$	527,222	\$	608,787

#### 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, 2019, 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.

## 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, 2019, are comprised of the following:

	General Fund	Garbage and Solid Waste Fund
Billed Unbilled	\$ 411,544 16,797	\$ 854,948 103,451 958,399
Total Less allowance	428,341 (76,316) \$ 352,025	(380,201) \$ 578,198

The Stormwater and Marina funds do not have an allowance for uncollectable accounts as of September 30, 2019.

## NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2019, was as follows:

## **Primary Government**

Governmental Activities:	Beginning Balance	Additions	Deletions	Ending Balance	
Capital assets not being depreciated:	Daranee	Additions	Deterioris	Barance	
Land	\$ 2,251,928	\$	\$ (53,882)	\$ 2,198,046	
Construction in progress	1,705,830	2,787,576	(2,745,723)	1,747,683	
Capital assets being depreciated:					
Land improvements	5,328,305	394,754	(42,038)	5,681,021	
Buildings	2,945,752		(99,413)	2,846,339	
<b>Building improvements</b>	1,234,807	139,692	(236,241)	1,138,258	
Machinery and equipment	2,106,128	402,115	(11,093)	2,497,150	
Vehicles	872,772	64,697	(14,162)	923,307	
Infrastructure	21,007,463	2,404,510		23,411,973	
Total at historical cost:	37,452,985	6,193,344	(3,202,552)	40,443,777	
Less accumulated depreciation for:					
Land improvements	(3,410,763)	(245,722)	38,799	(3,617,686)	
Buildings	(2,022,249)	(63,214)	78,686	(2,006,777)	
<b>Building improvements</b>	(569,434)	(55,530)	221,100	(403,864)	
Machinery and equipment	(1,810,816)	(148,245)	11,093	(1,947,968)	
Vehicles	(695,310)	(55,416)	14,162	(736,564)	
Infrastructure	(13,733,706)	(897,876)		(14,631,582)	
Total accumulated depreciation	(22,242,278)	(1,466,003)	363,840	(23,344,441)	
Governmental activities capital assets, net	\$ 15,210,707	\$ 4,727,341	\$ (2,838,712)	\$ 17,099,336	

## NOTE 5 – CAPITAL ASSETS (Continued)

	Beginning			Ending
<b>Business-type activities:</b>	Balance	Additions	Deletions	Balance
Capital assets not being depreciated:				
Land	\$ 2,654,250	\$	\$	\$ 2,654,250
Construction in progress	315,929	262,653	(527,832)	50,750
Capital assets being depreciated:				
Land improvements	8,093,680	210,612	(25,171)	8,279,121
Buildings	2,528,926	72,700		2,601,626
Building improvements	375,107	9,985		385,092
Machinery and equipment	810,795	253,086	(10,000)	1,053,881
Vehicles	2,013,986			2,013,986
Infrastructure	5,249,077	2,230,979		7,480,056
Total at historical cost:	22,041,750	3,040,015	(563,003)	24,518,762
Less accumulated depreciation for:				
Land improvements	(4,716,767)	(470,090)	25,171	(5,161,686)
Buildings	(916,282)	(56,963)		(973,245)
Building improvements	(99,716)	(22,612)		(122,328)
Machinery and equipment	(451,574)	(62,384)	1,249	(512,709)
Vehicles	(1,461,189)	(138,142)		(1,599,331)
Infrastructure	(1,753,282)	(199,435)		(1,952,717)
Total accumulated depreciation	(9,398,810)	(949,626)	26,420	(10,322,016)
Business-type activities capital assets, net	\$ 12,642,940	\$ 2,090,389	\$ (536,583)	\$ 14,196,746

## **NOTE 5 – CAPITAL ASSETS** (Continued)

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

#### **Governmental activities:**

General government	\$	120,746
Public safety		18,929
Transportation	]	1,006,533
Physical environment		12,340
Culture/recreation		279,383
Economic environment		28,072
Total depreciation expense governmental activities	\$ 1	1,466,003
<b>Business-type activities</b>		
Garbage and solid waste	\$	117,191
Marina		600,388
Stormwater utility		232,047
Total depreciation expense business-type activities	\$	949,626

## Construction Commitments

Contracts awarded but not yet completed were as follows:

<u>Project Description</u>	Estimated Costs
Taxiway Charlie Design Services	\$ 161,813
Pavilion Lake Piers, Docks and Gangways	54,582
City Hall Parking Lot Pavement/Drainage Improvements	30,700

## 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, 2019, the net book value of the equipment was \$211,500.

## **NOTE 6 – LONG-TERM LIABILITIES** (Continued)

The future minimum lease obligations as of September 30, 2019, are as follows:

			Total
	Principal	Interest	Debt Service
2020	\$ 49,678	\$ 5,867	\$ 55,545
2021	51,179	4,366	55,545
2022	52,727	2,818	55,545
2023	54,321	1,224	55,545
	\$ 207,905	\$ 14,275	\$ 222,180

## Changes in long-term liabilities

	E	Beginning					]	Ending	•	Due Within
		Balance	A	dditions	R	Reductions	I	Balance	0	ne Year
Governmental activities:										
Capital lease	\$	256,125	\$		\$	(48,220)	\$	207,905	\$	49,678
Total OPEB liability		132,195		22,735				154,930		
Compensated absences		938,654		375,242		(248,097)		1,065,799		213,160
Governmental activities										
Long-term liabilities	\$	1,326,974	\$	397,977	\$	(296,317)	\$	1,428,634	\$	262,838
<b>Business-type activities:</b>										
Total OPEB liability	\$	37,437	\$	4,677	\$		\$	42,114	\$	
Compensated absences		125,604		84,728		(72,625)		137,707		27,541
Business-type activities										
Long-term liabilities	\$	163,041	\$	89,405	\$	(72,625)	\$	179,821	\$	27,541

For governmental activities, compensated absences and Total OPEB liability 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, 2019, were \$6,576 and \$7,196, respectively.

#### NOTE 7 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Advances to/from other funds

The composition of interfund payables for the year ended September 30, 2019, are as follows:

Receivable Fund:Payable Fund:AmountGeneralMarina\$ 66,224

The interfund payable was for temporary cash flow purposes while waiting for grant reimbursements.

The composition of interfund advances for the year ended September 30, 2019, are as follows:

Receivable Fund:Payable Fund:AmountGeneralMarina\$ 432,910

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, 2019, are as follows:

<u>Transfer Out:</u>	<u>Transfer In:</u>	<u>Amount</u>
Infrastructure Surtax Fund	Marina	\$ 1,688,355
General	Marina	290,970
General	CRA	34,079
Garbage & Solid Waste	General	400,000
_		\$ 2.413.404

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 Marina Fund from the General Fund were to fund operations.

The transfers into the Marina Fund from the Infrastructure Surtax Fund were to transfer capital assets.

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

#### 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 (5) 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

<u>Basis of Accounting</u>. 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.

## NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS (Continued)

## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

All Retirement Systems (Continued)

## <u>PLAN DESCRIPTION AND CONTRIBUTION INFORMATION</u>

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.

	General Employees'	Public Safety Officers'
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, 2018:

	<u>GERS</u>	<b>PSORS</b>
Inactive Plan Members or Beneficiaries		
currently receiving benefits	52	11
Inactive Plan Members entitled to but		
not yet receiving benefits	58	3
Active Plan Members	<u>84</u>	
Total	<u>194</u>	<u>14</u>

## NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS (Continued)

## General Employees' Retirement System

<u>Plan Description</u>. 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.

## NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS (Continued)

General Employees' Retirement System (Continued)

<u>Contributions</u>. 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.

<u>Asset Allocation</u>. The plan's adopted asset allocation policy as of September 30, 2019, is as follows:

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

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

<u>Rate of Return</u>. For the year ended September 30, 2019, the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 5.49 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

<u>Plan Description</u>. 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.

## NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Safety Officers' Retirement System (Continued)

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

<u>Asset Allocation</u>. The plan's adopted asset allocation policy as of September 30, 2019, is as follows:

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

<u>Investments Concentrations.</u> 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, 2019, the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 5.23 percent The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

#### All Retirement Plans

<u>Actuarial Assumptions</u>. The total pension liability was determined by an actuarial valuation as of October 1, 2018 updated to September 30, 2019 using the following actuarial assumptions.

	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  Mortality Rate	7.0% Female RP2000 Generational, 100% White Collar, Scale BB	5.0% Female RP2000 Generational, 100% 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

## NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS (Continued)

All Retirement Plans (Continued)

Actuarial Assumptions (Continued)

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

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, 2019, are summarized in the following table:

	Long-Term Expected Real Rate of			
Asset Class	Ret	urn		
	General	Public Safety		
	Employees'	Officers'		
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%		

<u>Discount Rate.</u> 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.

## NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS (Continued)

### General Employees' Retirement System

The components of the net pension liability of the City at September 30, 2019, were as follows:

Description	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at September 30, 2018	\$ 15,299,530	\$ 19,271,753	\$ (3,972,223)
Changes due to:			
Service cost	282,577		282,577
Interest	1,180,273		1,180,273
Differences between expected and actual experience Change of Assumptions	208,301		208,301
Employer contributions		175,559	(175,559)
Employee contributions		140,448	(140,448)
Benefit payments and refunds	(705,551)	(705,551)	
Net investment income		1,042,933	(1,042,933)
Administrative expenses		(34,189)	34,189
Total changes	965,600	619,200	346,400
Balances at September 30, 2019	\$ 16,265,130	\$ 19,890,953	\$ (3,625,823)

Covered payroll <u>\$2,787,994</u>

Net pension liability as a percentage of Covered Payroll (90.06)%

The Plan fiduciary net position was 122.29% of the total pension liability as of September 30, 2019.

<u>Sensitivity of the Net Pension Liability to Changes in the Discount Rate.</u> 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.

#### NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate (Continued)

		Current Discount			
	1% Decrease	Rate	1% Increase		
	6.0%	7.0%	8.0%		
City's net pension liability	\$ (1,739,646)	\$(3,625,823)	\$(5,197,627)		

### Public Safety Officers' Retirement System

The components of the net pension liability of the City at September 30, 2019, were as follows:

	Total	Fiduciary	Net
	Pension	Net	Pension
	Liability	Position	Liability
Description	(a)	(b)	(a)-(b)
Balances at September 30, 2018	\$ 4,622,792	\$ 6,210,357	\$ (1,587,565)
Changes due to:			
Interest	226,053		226,053
Change in benefit terms			
Differences between expected			
and actual experience	(179,928)		(179,928)
Change of assumptions			
Benefit payments and refunds	(207,061)	(207,061)	
Net investment income		317,253	(317,253)
Administrative expenses		(20,590)	20,590
Total changes	(160,936)	89,602	(250.538)
Balances at September 30, 2019	\$ 4,461,856	\$ 6,299,959	\$ (1,838,103)

The Plan fiduciary net position was 141.20% of the total pension liability as of September 30, 2019.

<u>Sensitivity of the Net Pension Liability to Changes in the Discount Rate.</u> 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.

## NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate (Continued)

		Current Discount	
	1% Decrease	Rate	1% Increase
	4.0%	5.0%	6.0%
City's net pension liability	\$(1,435,731)	\$(1,838,103)	\$(2,144,275)

#### General Employees' Retirement System

## Pension expense and deferred outflows and inflows of resources

For the fiscal year ended September 30, 2019, the City recognized a negative pension expense of \$449,396. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

Description		Deferred Outflows of Resources		Deferred Inflows of Resources	
Difference between expected and actual Experience Change of assumptions Net difference between projected and actual earnings on plan investments	\$	104,151	\$	125,473	
Total	\$	104,151	\$	125,473	

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:

Year ended September 30:	A	mount
2020	\$	(5,377)
2021		(127,690)
2022		24,903
2023		86,842
	\$	(21,322)

## 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, 2019, the City recognized a negative pension expense of \$211,751. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

	Deferred	]	Deferred
	Outflows	Inflows	
Description	of Resources	of Resources	
Net difference between projected and actual			
earnings on plan investments	\$	\$	104,423

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:

Year ended September 30:	An	Amount		
2020	\$	(35,821)		
2021		(50,118)		
2022		(15,827)		
2023		(2,657)		
2024				
Thereafter				
	\$	(104,423)		

## 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, 2019, are as follows:

	General			
	Employees'	Officers'	Total	
Total pension liability	\$ 16,265,130	\$ 4,461,856	\$ 20,726,986	
Plan fiduciary net position	19,890,953	6,299,959	26,190,912	
Net pension liability (asset)	(3,625,823)	(1,838,103)	(5,463,926)	
Deferred outflows of resources	104,151		104,151	
Deferred inflows of resources	125,473	104,423	229,896	
Pension expense	(449,396)	(211,751)	(661,147)	

At September 30, 2019, the City reported payables in the amounts of \$10,567 to the General Employees' and \$-0- to the Public Safety Officers' plans for outstanding contributions.

#### 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, 2019

	General Employees'		Public Safety Officers'		Total Employee Retirement Funds	
Assets	ш	noyees	Officers		Ketifelli	cht Funds
Cash and cash equivalents	\$	31,863	\$	23,072	\$	54,935
Investments at fair value						
Money market mutual funds		82,500		100,000		182,500
U.S. government and agencies						
securities			1	,273,296		1,273,296
Corporate bonds			1	,115,053		1,115,053
Fixed income exchange traded funds				584,820		584,820
Fixed income mutual funds		5,516,576				5,516,576
Domestic equity mutual funds		6,252,912	1	,622,110	•	7,875,022
Foreign equity mutual funds		1,566,037				1,566,037
Corporate stock		6,365,000	1	,529,323	•	7,894,323
Receivables						
Accounts		26,413				26,413
Accounts, broker dealers						
Due from participants				15,338		15,338
Accrued dividends and interest		8,520		19,704		28,224
Prepaid pension benefit		54,434		17,243		71,677
Total assets	1	9,904,255	6	,299,959	2	6,204,214
Liabilities						
Accounts payable, broker dealers		13,302				13,302
Prepaid pension contribution		175,559				175,559
Total liabilities		188,861				188,861
Net Position						
Restricted for pension benefits	\$ 1	9,715,394	\$ 6	,299,959	\$ 2	6,015,353

# NOTE 9 – PENSION PLAN FINANCIAL INFORMATION (Continued)

## Statement of Changes in Fiduciary Net Position For the Fiscal Year Ended September 30, 2019

Additions		eneral bloyees'	Public Safety Officers'	Re	Total nployee tirement Funds
<del>-</del>	Emp	noyees	Officers	-	runus
Contributions	ф	1.60 107	ф	Ф	160 107
Employer	\$	163,137	\$	\$	163,137
Plan members		140,447			140,447
Total contributions		303,584			303,584
Investment income					
Net increase (decrease) in fair					
value of investments		628,287	207,065		835,352
Investment earnings		495,391	156,544		651,935
Total investment income		1,123,678	363,609		1,487,287
Investment expenses		(80,745)	(46,356)		(127,101)
Total net investment income		1,042,933	317,253		1,360,186
Total additions		1,346,517	317,253		1,663,770
Deductions					
Retirement benefits		644,975	207,061		852,036
Refunds of contributions		60,575			60,575
Administrative expense		34,189	20,590		54,779
Total deductions		739,739	227,651.		967,390
Net increase (decrease)		606,778	89,602		696,380
Net position restricted					
for pension benefits					
Net position – beginning	1	9,108,616	6,210,357	4	25,318,973
Net position – ending	\$ 1	9,715,394	\$ 6,299,959	\$ 2	26,015,353

#### 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.

## NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

General Information about the OPEB Plan (Continued)

#### Employees Covered by Benefit Terms

At October 1, 2017, 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	-
Total	103

<u>Contribution Requirements</u>: 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 \$197,044 was measured as of September 30, 2019 and was determined by the actuarial valuation from October 1, 2017 rolled forward to September 30, 2019.

#### Actuarial Assumptions and Methods

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

Valuation Date October 1, 2017

Measurement Date: September 30, 2019

Discount Rate: 3.58% 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

## **NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS** (Continued)

Total OPEB Liability (Continued)

Actuarial Assumptions and Methods (Continued)

The census was provided by the City as of Census Data:

October 1, 2017.

100% assumed married, with male spouses 3 years Marital Status:

older than female spouses

Actuarial Cost Method: Entry Age Cost Method (Level Percentage of Pay).

25% participation assumed, with 50% electing Plan Participation Percentage:

spouse coverage.

Mortality Rates Active Lives

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

Healthy Inactive Lives

Female: RP2000 Generational, 100% Annuitant

White Collar, Scale BB

Male: RP2000 Generational, 50% Annuitant White

Collar / 50% Annuitant Blue Collar, Scale BB

Disabled Lives

Female: 100% RP2000 Disabled Female set

forward two years

Male: 100% RP2000 Disabled Male setback four

vears

#### **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 3.58%.

## NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

#### Changes in the Total OPEB Liability

	Total OPEB
	Liability
Balance at September 30, 2018	\$ 167,839
Changes for the Year:	
Service Cost	23,481
Interest Cost	7,733
Changes of Assumptions and Other Inputs	10,806
Differences Between Expected and	
Actual Experience	
Benefit Payments	(12,815)
Net Change in Total OPEB Liability	29,205
Balance at September 30, 2019	\$ 197,044

Covered employee payroll \$4,056,806

Total OPEB liability as a percentage of Covered Employee Payroll 4.86%

### Changes in Assumptions

The discount rate was 4.18% at October 1, 2018 and 3.58% at September 30, 2019.

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

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

	1.0% Decrease	Discount Rate	1.0% Increase	
	(2.58%)	(3.58%)	(4.58%)	
Total OPEB Liability	\$ 217,613	\$ 197,044	\$ 179,594	

#### **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:

Total OPEB Liability	\$ 174,080	\$ 197,044	\$ 224,155
	(7.5% decreasing to 3%)	(8.5% decreasing to 4%)	(9.5% decreasing to 5%)
	1.0% Decrease	Healthcare cost Trend Rates	1.0% Increase

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

For the year ended September 30, 2019, the City recognized OPEB expense of \$33,534. At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Defe	rred	Deferred
	Outf	lows	Inflows
	of Res	ources	of Resources
Changes of Assumptions/Inputs	\$	3,541	\$
Differences Between Expected and Actual Experience			
Total	\$	3,541	\$

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, 2020	\$ 420
September 30, 2021	421
September 30, 2022	 2,700
	\$ 3,541

## 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 \$262,050, \$78,041, and \$30,000 were charged to the Garbage and Solid Waste, Stormwater Utility, and Revolving Loan funds, respectively, for 2019.

#### **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 outcomes 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 \$3,087,347 to PBSO for law enforcement services during the fiscal year ended September 30, 2019. The City has extended the contract and will pay \$3,149,094 for the period October 1, 2019 through September 30, 2020.

#### 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, 2019, the MSTU millage rate was 3.4581 mills.

#### **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.

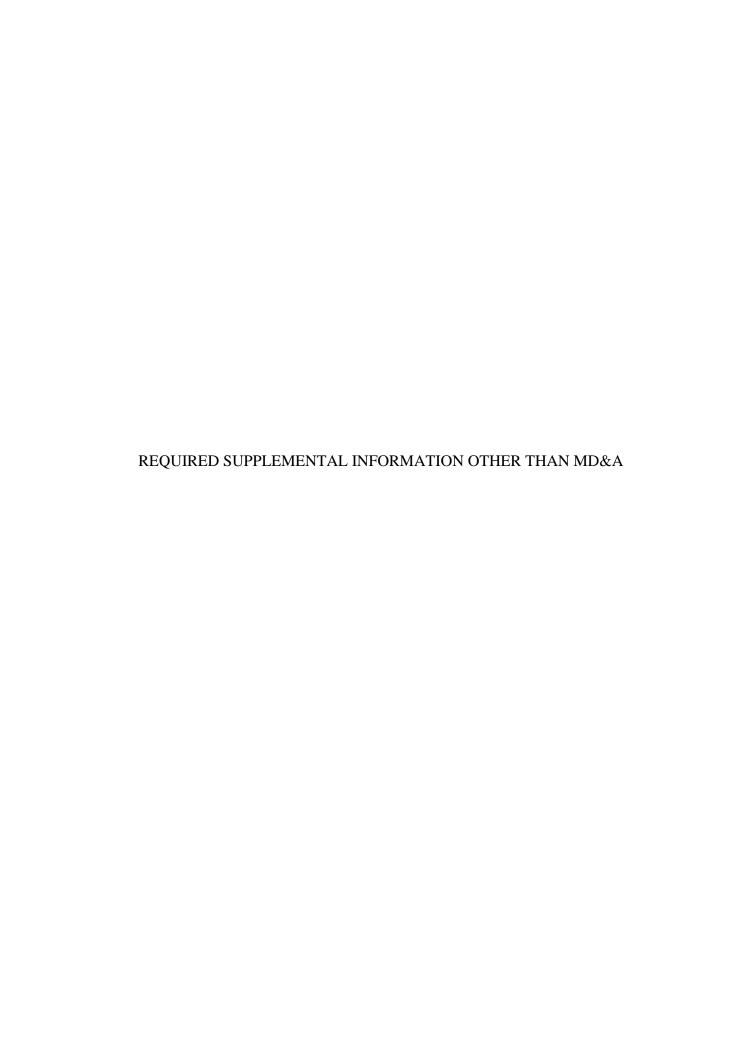
GASB Statement No. 87, *Leases*. This Statement will increase the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources 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, 2022.

#### 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, 2020.

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

In May 2020 the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This Statement is effective immediately and postpones the effective dates of various standards and implementation guides, including Statements No. 87 and 88 discussed above. The effective dates presented above are the extended effective dates in accordance with Statement No. 95.



# 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, 2019

	Budgeted	1 Amounts		Actual		Variance with Final Budget Positive	
	Original		Final	Amounts		(Negative)	
Revenues	_				_		_
Taxes	\$ 5,324,126	\$	5,324,126	\$	5,487,977	\$	163,851
Licenses and permits	410,400		410,400		340,244		(70,156)
Intergovernmental revenues	2,852,193		3,031,207		3,201,024		169,817
Charges for services	375,658		375,658		317,439		(58,219)
Fines and forfeitures	57,580		57,580		110,878		53,298
Miscellaneous revenues	 504,508		520,072		670,894		150,822
Total revenues	 9,524,465		9,719,043	1	10,128,456		409,413
Expenditures							
Current	2.016.171		2.061.222		2 (54 200		207.022
General government	3,916,171		3,961,232		3,654,209		307,023
Public safety	4,354,487		4,327,484		4,238,767		88,717
Transportation Physical environment	742,139 166,794		850,376 183,961		815,208 172,154		35,168
Culture/recreation	1,024,568		1,127,736		985,247		11,807 142,489
Economic environment	5,463		5,463		132		5,331
Capital outlay	107,376		330,796		199,550		131,246
Debt service	107,570		330,770		177,550		131,240
Principal	48,221		48,221		48,220		1
Interest	7,325		7,325		7,196		129
	 .,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		.,		1,22		
Total expenditures	 10,372,544		10,842,594	1	10,120,683		721,911
Excess of revenues over (under)							
expenditures	 (848,079)		(1,123,551)		7,773		1,131,324
Other financing sources (uses)							
Operating transfers in	400,000		400,000		400,000		
Operating transfers (out)	(299,507)		(299,507)		(325,049)		(25,542)
Total other financing sources (uses)	 100,493		100,493		74,951		(25,542)
Net changes in fund balances	\$ (747,586)	\$	(1,023,058)		82,724	\$	1,105,782
Fund balance - Beginning				1	11,303,948		
Fund balance - Ending				\$ 1	11,386,672		

# Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual Infrastructure Surtax Fund For the Fiscal Year Ended September 30, 2019

	Budgeted	Amounts	Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Intergovernmental revenues Miscellaneous revenues	\$ 1,164,060	\$ 1,595,609	\$ 1,270,874 1,737	\$ (324,735) 1,737
Total revenues	1,164,060	1,595,609	1,272,611	(322,998)
Expenditures				
Capital outlay	1,614,060	3,356,421	509,333	2,847,088
Total expenditures	1,614,060	3,356,421	509,333	2,847,088
Excess of revenues over (under) expenditures	(450,000)	(1,760,812)	763,278	2,524,090
Other financing sources (uses) Operating transfers (out)			(1,688,355)	(1,688,355)
Net changes in fund balances	\$ (450,000)	\$ (1,760,812)	(925,077)	\$ 835,735
Fund balance - Beginning			1,823,497	
Fund balance - Ending			\$ 898,420	

# Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual Revolving Loan Fund For the Fiscal Year Ended September 30, 2019

	Budgeted		Actual	Variance with Final Budget Positive (Negative)	
	Original	Final	Amounts		
Revenues					
Miscellaneous revenues	\$ 20,000	\$ 20,000	\$ 25,755	\$ 5,755	
Total revenues	20,000	20,000	25,755	5,755	
Expenditures					
Economic environment Capital outlay	349,717	224,717 125,000	55,663	169,054 125,000	
Total expenditures	349,717	349,717	55,663	294,054	
Net changes in fund balances	\$ (329,717)	\$ (329,717)	(29,908)	\$ 299,809	
Fund balance - Beginning			1,281,718		
Fund balance - Ending			\$ 1,251,810		

## Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual Community Redevelopment Agency Fund For the Fiscal Year Ended September 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive	
	Original	Final	Amounts	(Negative)	
Revenues					
Intergovernmental revenues Miscellaneous revenues	\$ 26,099	\$ 26,099	\$ 25,386 78,800	\$ (713) 78,800	
Total revenues	26,099	26,099	104,186	78,087	
Expenditures					
Economic environment	1,679	1,679	852	827	
Total expenditures	1,679	1,679	852	827	
Excess of revenues over (under) expenditures	24,420	24,420	103,334	78,914	
Other financing sources (uses) Operating transfers in	35,708	35,708	34,079	(1,629)	
Total other financing sources (uses)	35,708	35,708	34,079	(1,629)	
Net changes in fund balances	\$ 60,128	\$ 60,128	137,413	\$ 77,285	
Fund balance - Beginning			133,189		
Fund balance - Ending			\$ 270,602		

# Notes to the Budgetary Required Supplementary Information (RSI) September 30, 2019

#### Note 1 - Basis of Accounting

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

## Note 2 - Excess of expenditures over appropriations

There were no departments with expenditures in excess of appropriations for the fiscal year ended September 30, 2019.

#### CITY OF BELLE GLADE, FLORIDA Required Supplemental Information September 30, 2019

#### **Schedule of Total OPEB Liability**

	2018	2019	
Total OPEB liability:			
Service cost	\$ 23,664	\$ 23,481	
Interest	6,424	7,733	
Change of assumptions	(9,127)	10,806	
Benefit payments	(11,811)	 (12,815)	
Net change in OBEB liability	9,150	29,205	
Total OPEB liability - beginning	158,689	167,839	
Total OPEB liability - ending	\$ 167,839	\$ 197,044	
Covered Employee Payroll	\$ 3,890,912	\$ 4,056,806	
Total OPEB liability as a percentage of covered employee payroll	4.31%	4.86%	

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.

For 2019 the discount rate was 4.18% at 10/1/18 and 3.58% at 9/30/19.

#### Required Supplemental Information September 30, 2019

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

	2014	2015	2016	2017	2018	2019
Total pension liability:						
Service cost	\$ 396,435	\$ 393,663	\$ 384,459	\$ 425,216	\$ 478,843	\$ 282,577
Interest	972,005	1,037,078	1,073,617	1,161,944	1,150,083	1,180,273
Differences between expected and	712,003	1,037,070	1,075,017	1,101,744	1,130,003	1,100,273
actual experience		(408,785)	(592,296)	(496,655)	(446,340)	208,301
Change of assumptions		(400,703)	769,607	(715,626)	66,878	200,301
Benefit payments, including			709,007	(713,020)	00,878	
refunds of employee contributions	(500,988)	(551,058)	(531,500)	(541,382)	(621,733)	(705,551)
retunds of employee contributions	(300,988)	(331,038)	(331,300)	(341,362)	(021,/33)	(703,331)
Net change in total pension liability	867,452	470,898	1,103,887	(166,503)	627,731	965,600
Total pension liability - beginning	12,396,065	13,263,517	13,734,415	14,838,302	14,671,799	15,299,530
Total pension liability - ending (a)	\$ 13,263,517	\$13,734,415	\$14,838,302	\$14,671,799	\$15,299,530	\$16,265,130
Total pension hability - chang (a)	\$13,203,317	\$15,754,415	\$14,030,302	\$ 14,071,777	\$13,277,330	\$10,203,130
Plan fiduciary net position						
Contributions - employer	\$ 12,267	\$ 132,427	\$ 286,216	\$ 155,546	\$ 163,137	\$ 175,559
Contributions - employees	111,520	111,676	117,295	124,437	130,509	140,448
Net investment income	1,486,350	(142,391)	1,088,557	2,009,403	1,686,508	1,042,933
Benefit payments, including	-,,	(= 12,000)	-,,	_,,,,,,,,	-,,	-,- :=,
refunds of employee contributions	(500,988)	(551,058)	(531,500)	(541,382)	(621,733)	(705,551)
Other expenses	(27,474)	(551,656)	(551,500)	(511,502)	(021,733)	(703,331)
Administrative expenses	(18,135)	(31,368)	(24,119)	(32,672)	(32,130)	(34,189)
ranimistrative expenses	(10,133)	(31,300)	(21,117)	(32,072)	(32,130)	(31,10)
Net change in plan fiduciary net position	1,063,540	(480,714)	936,449	1,715,332	1,326,291	619,200
Plan fiduciary net position - beginning	14,710,855	15,774,395	15,293,681	16,230,130	17,945,462	19,271,753
Plan fiduciary net position - ending (b)	\$ 15,774,395	\$15,293,681	\$16,230,130	\$ 17,945,462	\$19,271,753	\$19,890,953
, , , ,	+,,		+	+	+->,,	+,0,
Net pension liability (a) - (b)	\$ (2,510,878)	\$ (1,559,266)	\$ (1,391,828)	\$ (3,273,663)	\$(3,972,223)	\$(3,625,823)
Plan fiduciary net position as a percentage			400 400			
of the total pension liability	118.93%	111.35%	109.38%	122.31%	125.96%	122.29%
Covered payroll	\$ 2,787,994	\$ 2,770,208	\$ 2,737,346	\$ 3,110,924	\$ 3,262,730	\$ 3,511,190
corona pajion	<u> </u>	<u> </u>	<del>\$\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ </del>	ψ 3,110,72 <del>1</del>	\$ 5,202,730	<del>+ 3,311,170</del>
Net pension liability as a percentage of						
covered payroll	-90.06%	-56.29%	-50.85%	-105.23%	-121.75%	-103.26%

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, 2019

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

	2014	2015	2016	2017	2018	2019
	2014	2013	2010	2017	2018	2017
Total pension liability: Interest Change in benefit terms Differences between expected and	\$ 197,370	\$ 187,913	\$ 251,764	\$ 255,959	\$ 246,568 140,943	\$ 226,053
actual experience Change of assumptions Benefit payments, including		46,606	(275,833) 287,927	(191,560) (155,173)	118,174 416,222	(179,928)
refunds of employee contributions	(213,861)	(211,765)	(195,862)	(197,908)	(202,932)	(207,061)
Net change in total pension liability	(16,491)	22,754	67,996	(288,682)	718,975	(160,936)
Total pension liability - beginning	4,118,240	4,101,749	4,124,503	4,192,499	3,903,817	4,622,792
Total pension liability - ending (a)	\$ 4,101,749	\$ 4,124,503	\$ 4,192,499	\$ 3,903,817	\$ 4,622,792	\$ 4,461,856
Plan fiduciary net position  Net investment income  Benefit payments, including	\$ 573,783	\$ 31,352	\$ 272,705	\$ 519,406	\$ 432,680	\$ 317,253
refunds of employee contributions Other expenses	(213,861) (3,600)	(211,765)	(195,862)	(197,908)	(202,932)	(207,061)
Administrative expenses	(23,554)	(20,000)	(18,913)	(19,212)	(21,822)	(20,590)
Net change in plan fiduciary net position	332,768	(200,413)	57,930	302,286	207,926	89,602
Plan fiduciary net position - beginning	5,509,860	5,842,628	5,642,215	5,700,145	6,002,431	6,210,357
Plan fiduciary net position - ending (b)	\$ 5,842,628	\$ 5,642,215	\$ 5,700,145	\$ 6,002,431	\$ 6,210,357	\$ 6,299,959
Net pension liability (a) - (b)	\$ (1,740,879)	\$(1,517,712)	\$(1,507,646)	\$ (2,098,614)	\$(1,587,565)	\$(1,838,103)
Plan fiduciary net position as a percentage of the total pension liability	142.44%	136.80%	135.96%	153.76%	134.34%	141.20%
Covered payroll	N/A	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	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, 2019

#### **Last Ten Fiscal Years**

#### **Schedule of Contributions**

Ending Dete	uarially ermined tribution	Actual atribution	D	ontribution deficiency (Excess)	_	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
General Employees Retirement Fund							
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%
2019	-	175,559		(175,559)		3,511,190	5.00%
Public Safety Officers Retirement Fu	<u>ınd</u>						
2015 \$	-	\$ -	\$	-	\$	-	N/A
2016	-	-		-		-	N/A
2017	-	-		-		-	N/A
2018	-	-		-		-	N/A
2019	-	-		-		-	N/A

#### **Schedule of Investment Returns**

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

5.49%

2019

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

5.23%

#### Notes to the Schedule of Contributions September 30, 2019

### 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.

	General Employees Retirement System	Public Safety Officers Retirement System
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	Service Based	N/A
Cost of Living Adjustments	3.00%	3.00%
Investment Rate of Return	7.00%	5.00%
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



## 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, 2019

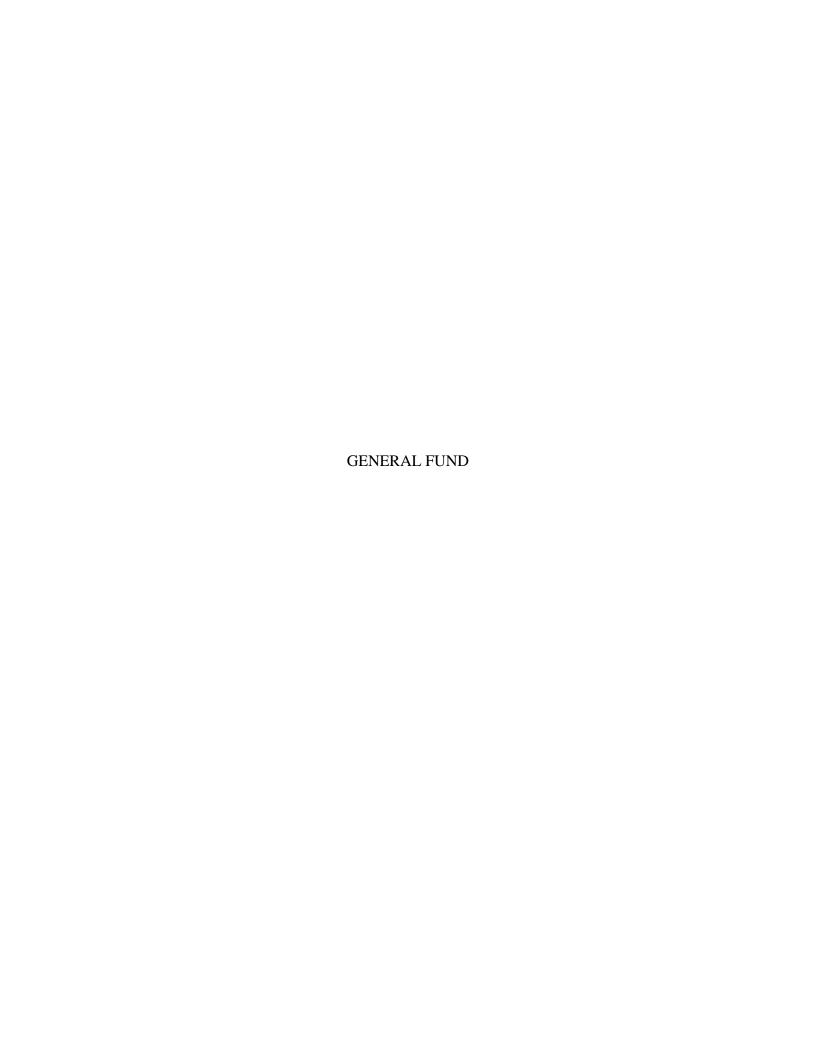
			Total Pension
	General	Public	Trust
	Employees	Safety	Funds
Assets			
Cash and cash equivalents	\$ 31,863	\$ 23,072	\$ 54,935
Investments at fair value			
Money market mutual funds	82,500	100,000	182,500
U.S. government and agencies securities		1,273,296	1,273,296
Corporate bonds		1,115,053	1,115,053
Fixed income exchange traded funds		584,820	584,820
Fixed income mutual funds	5,516,576		5,516,576
Domestic equity mutual funds	6,252,912	1,622,110	7,875,022
Foreign equity mutual funds	1,566,037		1,566,037
Corporate stock	6,365,000	1,529,323	7,894,323
Receivables			
Accounts	26,413		26,413
Accounts, broker dealers			
Due from participants		15,338	15,338
Accrued dividends and interest	8,520	19,704	28,224
Prepaid pension benefit	54,434	17,243	71,677
Total assets	19,904,255	6,299,959	26,204,214
Liabilities			
Accounts payable, broker dealers	13,302		13,302
Prepaid pension contribution	175,559		175,559
Total liabilities	188,861		188,861
Net Position			
Restricted for pension benefits	\$ 19,715,394	\$ 6,299,959	\$ 26,015,353

# **Fiduciary Funds**

# Combining Statement of Changes in Fiduciary Net Position For the Fiscal Year Ended September 30, 2019

Additions	General Employees	Public Safety	Total Pension Trust Funds
Contributions			
Employer	\$ 163,137	\$	\$ 163,137
Plan members	140,447		140,447
Total contributions	303,584		303,584
Investment income			
Net increase (decrease) in fair value			
of investments	628,287	207,065	835,352
Investment earnings	495,391	156,544	651,935
Total investment income	1,123,678	363,609	1,487,287
Investment expenses	(80,745)	(46,356)	(127,101)
Total net investment income	1,042,933	317,253	1,360,186
Total additions	1,346,517	317,253	1,663,770
Deductions			
Retirement benefits	644,975	207,061	852,036
Refunds of contributions	60,575		60,575
Administrative expense	34,189	20,590	54,779
Total deductions	739,739	227,651	967,390
Net increase (decrease)	606,778	89,602	696,380
Net position restricted for pension benefits			
Net position - beginning	19,108,616	6,210,357	25,318,973
Net position - ending	\$ 19,715,394	\$ 6,299,959	\$ 26,015,353





# **General Fund**

# Schedule of Revenues - Budget and Actual For the Fiscal Year Ended September 30, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Taxes			
Ad valorem taxes	\$ 2,151,481	\$ 2,191,499	\$ 40,018
Local option gas tax	334,570	344,147	9,577
Franchise taxes	1,335,000	1,400,681	65,681
Utility taxes	1,503,075	1,551,650	48,575
Total Taxes	5,324,126	5,487,977	163,851
Licenses and Permits			
Occupational licenses	158,000	159,541	1,541
Building permits	250,000	172,887	(77,113)
Other permits	2,400	7,816	5,416
Total Licenses and Permits	410,400	340,244	(70,156)
Intergovernmental Revenue			
Half cent sales tax	1,331,234	1,403,353	72,119
State revenue sharing	1,039,128	1,109,337	70,209
Palm Beach County grants	232,240	206,120	(26,120)
Federal grants	203,128	249,687	46,559
State grants	167,977	165,750	(2,227)
County - occupational licenses	34,000	40,928	6,928
Other	23,500	25,849	2,349
Total Intergovernmental Revenue	3,031,207	3,201,024	169,817

(Continued)

# **General Fund**

# Schedule of Revenues - Budget and Actual For the Fiscal Year Ended September 30, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
(Continued)			
Charges for Services			
Mosquito control Mass transit	\$ 148,000	\$ 149,016 2,429	\$ 1,016 2,429
Concessions	600	720	120
Other charges	227,058	165,274	(61,784)
Total Charges for Services	375,658	317,439	(58,219)
Fines and Forfeits			
Court fines	6,880	9,597	2,717
Other	50,700	101,281	50,581
Total Fines and Forfeits	57,580	110,878	53,298
Miscellaneous Revenues			
Reimbursement - stormwater utility	78,041	78,041	
Reimbursement - sanitation	262,000	262,050	50
Reimbursement - revolving loan	30,000	30,000	
Interest earnings	1,000	27,776	26,776
Donations	15,564	22,064	6,500
Rents	118,542	105,333	(13,209)
Surplus equipment		20,021	20,021
Insurance proceeds		92,676	92,676
Other	14,925	32,933	18,008
Total Miscellaneous Revenues	520,072	670,894	150,822
Total Revenues	\$ 9,719,043	\$ 10,128,456	\$ 409,413

# **General Fund**

# Schedule of Departmental Expenditures - Budget and Actual For the Fiscal Year Ended September 30, 2019

	Final Budget	Actual	Final Budget Positive (Negative)
General Government			
City Commission			
Personal services	\$ 219,314	\$ 216,371	\$ 2,943
Operating expenses	89,901	87,673	2,228
<b>Total City Commission</b>	309,215	304,044	5,171
City Manager			
Personal services	552,005	550,451	1,554
Operating expenses	74,131	56,113	18,018
Total City Manager	626,136	606,564	19,572
Personnel			
Personnel services	307,966	262,188	45,778
Operating expenses	46,045	31,328	14,717
Total Personnel	354,011	293,516	60,495
Purchasing			
Personal services	87,644	72,086	15,558
Operating expenses	14,233	12,064	2,169
Reimbursements	(5,127)	(5,127)	
Total Purchasing	96,750	79,023	17,727
Counsel and Legal			
Operating expenses	110,000	100,921	9,079
City Hall			
Personal services	36,885	36,134	751
Operating expenses	121,593	113,851	7,742
Total City Hall	158,478	149,985	8,493

(Continued)

Variance with

## **General Fund**

## Schedule of Departmental Expenditures - Budget and Actual For the Fiscal Year Ended September 30, 2019

	 Final Budget Actual			Final Budget Positive (Negative)		
(Continued)						
General Government (Continued)						
Public Relations						
Personal services	\$ 23,949	\$	23,834	\$	115	
Operating expenses	 70,682		65,226		5,456	
Total Public Relations	 94,631		89,060		5,571	
Finance						
Personal services	654,696		613,515		41,181	
Operating expenses	 105,177		86,453		18,724	
Total Finance	 759,873		699,968		59,905	
Information Technology						
Personal services	165,153		163,991		1,162	
Operating expenses	 65,444		57,327		8,117	
Total Information Technology	 230,597		221,318		9,279	
City Clerk						
Personal services	198,176		189,552		8,624	
Operating expenses	 55,843		41,286		14,557	
Total City Clerk	 254,019		230,838		23,181	
Civil Service Board						
Personal services	710				710	
Operating expenses	 4,705				4,705	
Total Civil Service Board	 5,415				5,415	
				(C	ontinued)	

## **General Fund**

## Schedule of Departmental Expenditures - Budget and Actual For the Fiscal Year Ended September 30, 2019

	Final Budget			Actual	Final Budget Positive (Negative)	
(Continued)						
General Government (Continued)						
Other General Government	_		_		_	
Personal services	\$	19,058	\$	18,993	\$	65
Operating expenses		232,701		186,913		45,788
Total Other General Government		251,759		205,906		45,853
Garage						
Personal services		261,234		245,387		15,847
Operating expenses		289,544		270,619		18,925
Reimbursements		(358,595)		(346,831)		(11,764)
Total Garage		192,183		169,175		23,008
Buildings and Grounds						
Personal services		376,570		373,263		3,307
Operating expenses		145,519		134,437		11,082
Reimbursements		(3,924)		(3,809)		(115)
Total Buildings and Grounds		518,165		503,891		14,274
Total General Government		3,961,232		3,654,209		307,023
Public Safety						
Police						
Personal services						
Operating expenses		3,092,347		3,087,347		5,000
Total Police		3,092,347		3,087,347		5,000
Youth Empowerment						
Personal services		130,462		129,778		684
Operating expenses		109,572		102,592		6,980
Total Youth Empowerment		240,034		232,370		7,664

## **General Fund**

## Schedule of Departmental Expenditures - Budget and Actual For the Fiscal Year Ended September 30, 2019

	 Final Budget	Actual	Final Budget Positive (Negative)	
(Continued)			(C	ontinued)
Public Safety (Continued)				
YEC Summer Apprenticeship				
Personal services	\$ 40,558	\$ 40,554	\$	4
Operating expenses	 1,245	1,245		
Totoal YEC Summer Apprenticeship	 41,803	 41,799		4
Planning and Building				
Personal services	357,790	356,420		1,370
Operating expenses	 308,544	301,646		6,898
Total Planning and Building	 666,334	 658,066		8,268
Code Enforcement Board				
Personal services	197,132	136,625		60,507
Operating expenses	89,834	82,560		7,274
Total Code Enforcement Board	286,966	219,185		67,781
Total Public Safety	 4,327,484	 4,238,767		88,717
Transportation				
Traffic Control				
Operating expenses	 46,349	35,583		10,766
Total Traffic Control	46,349	35,583		10,766
Streets				
Personal services	231,516	227,380		4,136
Operating expenses	128,293	109,152		19,141
Total Streets	 359,809	336,532		23,277
			(C	ontinued)

## **General Fund**

## Schedule of Departmental Expenditures - Budget and Actual For the Fiscal Year Ended September 30, 2019

Tor the risear r	Final Budget			
(Continued) Transportation (Continued)				
Street Lighting	\$ 224,604	¢ 224.500	¢ 5	
Operating expenses	\$ 224,604	\$ 224,599	\$ 5	
Airport Operating expenses	94,713	93,594	1,119	
Public transit				
Operating expenses	124,901	124,900	1	
Total Transportation	850,376	815,208	35,168	
Physical Environment				
Public Works				
Personal services	106,421	104,889	1,532	
Operating expenses	47,061	40,242	6,819	
Total Public Works	153,482	145,131	8,351	
Mosquito Spraying				
Operating expenses	30,479	27,023	3,456	
Total Physical Environment	183,961	172,154	11,807	
Culture/Recreation				
Recreation				
Personal services	531,808	494,913	36,895	
Operating expenses	453,871	375,796	78,075	
Total Recreation	985,679	870,709	114,970	
Country Club				
Operating expenses	96,588	86,472	10,116	
			(Continued)	

## **General Fund**

## Schedule of Departmental Expenditures - Budget and Actual For the Fiscal Year Ended September 30, 2019

	Final Budget	Actual	Final Budget Positive (Negative)	
(Continued) Culture/Recreation (Continued)				
Golf Course Operating expenses	\$ 4,700	\$ 4,700	\$	
Museum board Operating expenses	40,769	23,366	17,403	
Total Culture/Recreation	1,127,736	985,247	142,489	
Economic Environment				
Business Park Operating expenses	463	132	331	
Economic Development Operating expenses	5,000		5,000	
Total Economic Environment	5,463	132	5,331	
Capital Outlay City Hall City Manager	32,250 36,936	32,250 36,936		
Other General Government Information Technology Buildings and Grounds	7,000 18,600 9,395	9,304	7,000 18,600 91	
Streets Museum Board	15,214 22,586	7,304	15,214 22,586	
Country Club Recreation	126,153 62,662	66,153 54,907	60,000 7,755	
Total Capital Outlay	330,796	199,550	131,246	
Debt service Principal Interest	48,221 7,325	48,220 7,196	1 129	
Total debt service	55,546	55,416	130	
Total Expenditures	\$ 10,842,594	\$ 10,120,683	\$ 721,911	



## **Capital Projects Fund**

# Schedule of Revenues and Expenditures - Budget and Actual For the Fiscal Year Ended September 30, 2019

	Final Budget	Actual	Variance with Final Budget Positive (Negative)			
Revenues						
Taxes Intergovernmental revenues Miscellaneous revenues	\$ 154,262 4,648,511	\$ 159,655 1,862,862 451	\$ 5,393 (2,785,649) 451			
Total revenues	\$ 4,802,773	\$ 2,022,968	\$ (2,779,805)			
Expenditures						
Capital outlay	\$ 4,796,828	\$ 2,911,905	\$ 1,884,923			
Total expenditures	\$ 4,796,828	\$ 2,911,905	\$ 1,884,923			



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



#### NET POSITION BY COMPONENT

#### LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

			Fiscal Year		
	2010	2011	2012	2013	2014
Governmental Activities:					
Net investment in capital assets	\$ 11,071,207	\$ 12,420,933	\$ 12,335,958	\$ 11,932,503	\$ 12,086,063
Restricted	1,931,858	2,376,342	2,605,719	3,316,710	3,811,146
Unrestricted	2,158,962	2,348,479	3,502,993	5,633,829	8,740,037
Total governmental activities net position	15,162,027	17,145,754	18,444,670	20,883,042	24,637,246
Business-Type Activities:					
Net investment in capital assets	12,052,123	12,891,636	12,552,016	12,081,848	12,393,038
Restricted	122,231	172,376	121,198	221,032	320,740
Unrestricted	5,632,080	5,376,089	5,682,085	3,875,197	3,882,969
Total business-type activities net position	17,806,434	18,440,101	18,355,299	16,178,077	16,596,747
Primary government:					
Net investment in capital assets	23,123,330	25,312,569	24,887,974	24,014,351	24,479,101
Restricted	2,054,089	2,548,718	2,726,917	3,537,742	4,131,886
Unrestricted	7,791,042	7,724,568	9,185,078	9,509,026	12,623,006
Total primary government net position	\$ 32,968,461	\$ 35,585,855	\$ 36,799,969	\$ 37,061,119	\$ 41,233,993
			Fiscal Year		
	2015	2016	2017	2018	2019
	2015	2016	2017	2018	2019
Governmental Activities:	¢ 12.202.141	¢ 12 112 056	¢ 15 070 400	¢ 14.054.502	e 16 001 421
Net investment in capital assets Restricted	\$ 12,282,141 4,207,105	\$ 12,113,856 6,746,900	\$ 15,970,409	\$ 14,954,582	\$ 16,891,431
Unrestricted	9,190,244	7,129,369	9,625,566 6,637,685	10,890,550 6,894,959	7,965,809 9,404,863
Total governmental activities net position	25,679,490	25,990,125	32,233,660	32,740,091	34,262,103
Total governmental activities net position	23,017,470	25,770,125	32,233,000	32,740,071	34,202,103
Business-Type Activities:					
Net investment in capital assets	12,896,407	13,110,373	12,291,315	12,491,314	14,130,522
Restricted	253,980	645,334	688,126	846,878	943,439
Unrestricted	4,211,565	4,013,919	4,762,014	4,295,859	5,731,393
Total business-type activities net position	17,361,952	17,769,626	17,741,455	17,634,051	20,805,354
Primary government:					
Net investment in capital assets	25,178,548	25,224,229	28,261,724	27,445,896	31,021,953
Restricted	4,461,085	7,392,234	10,313,692	11,737,428	8,909,248
Unrestricted	13,401,809	11,143,288	11,399,699	11,190,818	15,136,256
Total primary government net position	\$ 43,041,442	\$ 43,759,751	\$ 49,975,115	\$ 50,374,142	\$ 55,067,457

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

## Changes in Net Position LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

Fiscal Year Ended 9/30		2010		2011		2012		2013		2014
Expenses										
Governmental activities:										
General government	\$	2,722,076	\$	2,718,993	\$	2,973,512	\$	2,761,227	\$	3,075,354
Public safety		3,658,096		3,618,638		3,444,138		3,446,790		3,620,565
Transportation		1,255,942		1,165,066		1,536,524		1,586,016		1,471,076
Culture/recreation		674,850		717,509		757,685		830,939		783,050
Physical environment		648,373		662,401		186,462		274,293		270,643
Economic environment		105,775		68,940		88,172		93,557		184,946
Interest on long term debt		410		85,000		-		-		13,717
Total Governmental Activities		9,065,522		9,036,547		8,986,493		8,992,822		9,419,351
Business-Type Activities										
Water and sewer		443,498		138,609		168,660		229,378	\$	-
Garbage and solid waste		1,945,975		2,036,527		2,092,468		1,934,106		2,020,382
Marina		297,635		387,617		554,230		471,543		681,016
Stormwater utility		406,396		447,913		477,788		457,575		526,178
Total Business-Type Activities		3,093,504		3,010,666		3,293,146		3,092,602		3,227,576
Total primary government expenses	\$	12,159,026	\$	12,047,213	\$	12,279,639	\$	12,085,424	\$	12,646,927
Program Revenues										
Governmental activities:										
Charges for services	_		4				+		_	100 100
General government	\$	72,192	\$	71,823	\$	71,729	\$	69,693	\$	188,438
Public safety		487,183		490,829		474,270		382,545		426,619
Transportation		-		-		12,150		20,177		15,841
Physical enviornment		133,944		135,281		132,736		133,728		145,497
Culture/recreation		1,407		2,429		387				610
Operating grants and contributions		367,381		199,770		1,017,819		875,857		826,234
Capital grants and contributions		779,464		2,421,706		534,051		353,337		1,142,281
Property taxes		2,146,641		1,754,345		1,728,581		1,611,772		1,601,442
Other taxes		3,281,288		3,298,615		3,098,138		3,407,115		3,257,768
Intergovernmental		1,888,233		1,961,627		2,023,228		2,080,379		2,250,290
Other		110,065		36,945		64,588		50,261		37,717
Total Governmental Activities	-	9,267,798		10,373,370		9,157,677		8,984,864		9,892,737
Business-Type Activities										
Charges for services										
Water and sewer		2,584				-		105,329		-
Garbage and solid waste		2,459,018		2,399,556		2,432,280		2,436,317		2,432,663
Marina		25,000		24,370		5,000		45,000		50,147
Stormwater utility		516,813		572,405		544,519		548,324		605,161
Operating grants and contributions		10,019		89,155		4,673		-		-
Capital contributions		1,659,173		1,167,287		743,648		197,000		185,977
Other		85,989		38,464		605,956		29,740		3,967
Total Business-Type Activities	-	4,758,596	, do	4,291,237	d	4,336,076		3,361,710	Φ.	3,277,915
Total primary government program revenues	\$	14,026,394	\$	14,664,607	\$	13,493,753	\$	12,346,574	\$	13,170,652
Excess (deficiency) before transfers										
Governmental activities	\$	202,276	\$	1,336,823	\$	171,184	\$	(7,958)	\$	473,386
Business-Type Activities		1,665,092		1,280,571		1,042,930		269,108		50,339
Total excess before transfers		1,867,368		2,617,394		1,214,114		261,150		523,725
Transfers										
Governmental activities		170,708		646,904		1,127,732		2,446,330		148,687
Business-Type Activities		(170,708)		(646,904)		(1,127,732)		(2,446,330)		(148,687)
Special Items		(7,731,108)		-		-		-		
Increase (decrease) in Net Position		(5,863,740)		2,617,394		1,214,114		261,150		523,725
Net Position - Beginning		38,832,201		32,968,461		35,585,855		36,799,969		40,710,268
Net Position - Ending	\$	32,968,461	\$	35,585,855	\$	36,799,969	\$	37,061,119	\$	41,233,993

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

	2015		2016		2017		2018	2019		
ф	2 021 210	ф	2.260.601	ф	2.000.664	ф	2.116.554	ф	2 204 072	
\$	2,931,318	\$	3,269,601	\$	3,089,664	\$	3,116,774	\$	3,284,973	
	3,561,596		3,698,790		3,518,142		4,643,031		4,020,980	
	1,547,693		1,779,808		2,061,438		2,204,092		1,982,729	
	848,991		838,349		1,021,234		896,135		1,244,505	
	275,675		208,236		227,398		157,286		179,248	
	124,886		120,113		179,665		81,784		84,719	
	11,877		10,852		9,500		8,077		6,576	
	9,302,036		9,925,749		10,107,041		11,107,179		10,803,730	
\$	-	\$	-	\$	-	\$	-	\$	-	
	1,891,092		2,138,903		2,064,446		2,796,161		2,001,844	
	930,856		1,005,711		1,051,097		1,558,888		1,695,882	
	534,173		668,760		593,090		630,594		671,228	
	3,356,121		3,813,374	_	3,708,633		4,985,643		4,368,954	
\$	12,658,157	\$	13,739,123	\$	13,815,674	\$	16,092,822	\$	15,172,684	
\$	102,960	\$	104,684	\$	107,071	\$	104,190	\$	105,333	
_	510,937	-	514,862	_	884,380	-	753,439	-	657,324	
	14,787		22,796		10,800		9,991		2,429	
	135,163		141,458		148,804		149,448		149,016	
	1,079		1,031		680		632		720	
	904,934		1,066,186		1,051,116		987,570		510,760	
	736,513		401,536		5,031,339		436,495		2,728,883	
	1,694,542		1,926,100		2,000,324		2,071,201		2,191,499	
	3,407,949		3,329,828		3,381,250		3,428,837		4,727,007	
	2,451,563		2,353,267		3,223,947		3,777,903		2,620,149	
	108,698		52,244		77,040		124,902		211,947	
	10,069,125		9,913,992		15,916,751		11,844,608		13,905,067	
_	10,000,120		>,>15,>>2		10,710,701		11,011,000		10,500,007	
	-		-		-		-		-	
	2,460,253		2,594,583		2,644,327		2,684,937		2,677,973	
	421,910		529,274		700,904		967,014		1,078,756	
	724,603		716,252		727,930		727,790		846,294	
	-		-		-		-		572,554	
	678,885		667,741		32,297		187,950		769,362	
	110,830		35,590		8,829		79,550		15,993	
	4,396,481		4,543,440		4,114,287		4,647,241		5,960,932	
\$	14,465,606	\$	14,457,432	\$	20,031,038	\$	16,491,849	\$	19,865,999	
\$	767,089	\$	(11,757)	\$	5,809,710	\$	737,429	\$	3,101,337	
	1,040,360		730,066		405,654		(338,402)		1,591,978	
	1,807,449		718,309		6,215,364		399,027		4,693,315	
	275,155		322,392		433,825		230,998		(1,579,325)	
	(275,155)		(322,392)		(433,825)		(230,998)		1,579,325	
_										
	1,807,449		718,309		6,215,364		399,027		4,693,315	
	41,233,993		43,041,442		43,759,751		49,975,115		50,374,142	
\$	43,041,442	\$	43,759,751	\$	49,975,115	\$	50,374,142	\$	55,067,457	

#### FUND BALANCES, GOVERNMENTAL FUNDS

#### LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

		2010	2011 2012			2013		2014		
General Fund										
Reserved	\$	442,408	\$	_	\$	_	\$	_	\$	_
Unreserved	Ψ	1,930,239	Ψ	_	Ψ	_	Ψ	_	Ψ	_
Undesignated		-		_		_		_		_
Nonspendable										
Inventory and prepaids		_		251,276		261,781		753,047		277,143
Advance		_		-		-		-		432,910
Restricted										.02,510
Police education		_		6,256		16,819		19,366		20,939
Landscaping		_		82,319		82,319		82,319		82,319
Parking		_		3,226		3,229		3,229		3,230
Museum		_		1,368		-		47,406		49,781
Civic center		_		-		_				1,650
Transportation		_		_		137,631		277,240		352,640
Committed						107,001		277,210		222,010
Stabilization		_		455,070		549,566		1,111,515		1,618,116
Assigned				,		- 17 ,5 - 5		-,,		-,,
Emergencies		_		427,564		527,564		527,564		527,564
Capital projects		_		1,602,675		1,602,675		1,602,675		1,472,675
Unassigned		_		506,833		1,388,575		3,089,310		3,248,139
Total general fund	\$	2,372,647	\$	3,336,587	\$	4,570,159	\$	7,513,671	\$	8,087,106
All other Governmental Funds										
Reserved	\$	356,214	\$	_	\$	_	\$	_	\$	_
Unreserved, reported in:		,								
Special revenue funds		1,482,385		-		-		-		_
Capital projects funds		(23,437)		-		-		-		_
Nonspendable		. , ,								
Non-current investment		-		26,022		26,852		14,672		_
Long term portion of mortgage notes		-		283,561		208,687		183,170		160,430
Delinquent mortgages		-		-		67,220		67,220		98,761
Restricted										
Infrastructure		-		-		-		-		-
Veteran's Memorial		-		-		-		-		-
Civic center		-		-		-		-		-
Transportation		-		-		-		-		-
Economic Environment		-		1,544,542		1,540,248		1,525,245		1,423,280
Assigned										
Emergencies		-		-		-		-		_
Capital projects		-		11,663		54,403		53,832		-
Unassigned		-		-		-		-		(2,433)
Total all other governmental funds	\$	1,815,162	\$	1,865,788	\$	1,897,410	\$	1,844,139	\$	1,680,038

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

2015		2016	2017	2017		8	2019		
								_	
\$ -	\$	-	\$	-	\$	-	\$	-	
-		-		-		-		-	
-		-		-		-		-	
398,415		402,290	434,	474	447	7,984		186,855	
553,337		432,910	432,		432	2,910		432,910	
22,197		22,245	23.	210	24	1,092		25,176	
82,319		82,319		319		2,319		82,319	
3,230		3,230		230		3,230		3,230	
74,659		21,031		702		2,587		21,562	
3,188		5,100		275		5,588		5,687	
352,640		352,640	352,			2,640		352,640	
1,995,472		1,995,472	1,995,	472	2,074	1,509		2,074,509	
527,564		527,564	527.	527,564 52		7,564	527,564		
1,378,175		1,378,175	1,378,		1,378	-		1,378,175	
3,450,763		4,563,894	5,521,		5,952			5,296,045	
\$ 8,841,959			\$10,785,		\$ 11,303			1,386,672	
\$ -	\$	-	\$	-	\$	-	\$	-	
-		-		-	-			-	
_		-		-		_		_	
-		-		-		-		-	
339,495		-		-		-		-	
44,864		-		-		-		-	
_		_	760,	506	1,823	3,497		898,420	
6,950		6,950		950		5,950		6,950	
-		-		-		-		•	
151,885		151,885	290,	259	367	7,321		526,926	
1,137,156		1,505,371	1,392,	852	1,414	-	1,522,412		
-		-		_					
-		33,414	53,	106	127	7,562	(920,980)		
 89,897									
\$ 1,770,247	\$	1,697,620	\$ 2,503,	673	\$ 3,740	),237	\$ 2	2,033,728	

#### CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

#### LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

			Fiscal Year		
	2010	<u>2011</u>	<u>2012</u>	<u>2013</u>	2014
Revenues:					
Taxes	\$ 5,427,929	\$ 5,052,960	\$ 4,826,719	\$ 5,018,887	\$ 4,859,210
Licenses and permits	261,357	265,905	242,655	191,465	247,338
Intergovernmental	2,973,119	3,443,726	3,233,907	3,311,587	4,210,784
Charges for services	254,089	255,159	250,733	242,866	274,349
Fines and forfeitures	69,681	73,024	91,247	68,534	44,954
Miscellaneous	576,571	532,221	466,028	568,609	640,862
Total revenues	9,562,746	9,622,995	9,111,289	9,401,948	10,277,497
Expenditures					
Current					
General government	2,667,432	2,636,558	2,829,669	3,080,444	3,126,420
Public safety	3,622,817	3,575,746	3,508,215	3,392,563	3,495,124
Transportation	880,049	879,408	1,143,601	1,289,640	1,153,189
Physical environment	643,133	657,805	676,388	246,275	255,874
Culture/recreation	516,608	524,291	552,315	534,237	555,576
Economic environment	71,733	40,575	33,354	63,125	89,844
Grants and aids	-	85,000	-	-	-
Capital outlay	511,471	855,950	230,285	763,956	1,285,278
Debt service					
Principal	18,134	-	-	-	41,550
Interest	410	-	-	-	13,995
Total expenditures	8,931,787	9,255,333	8,973,827	9,370,240	10,016,850
Excess of revenues over (under) expenditures	630,959	367,662	137,462	31,708	260,647
Other financing sources (uses)					
Transfers in	384,514	784,938	1,180,860	2,438,777	442,760
Transfers out	(213,806)	(138,034)	(53,128)	(57,064)	(294,073)
Debt proceeds	-	-	-	-	-
Capital lease proceeds	-	-	-	476,820	-
Total other financing sources (uses)	170,708	646,904	1,127,732	2,858,533	148,687
Net change in fund balances	801,667	1,014,566	1,265,194	2,890,241	409,334
Fund Balance - Beginning	3,386,142	4,187,809	5,202,375	6,467,569	9,357,810
Fund Balance - Ending	\$ 4,187,809	\$ 5,202,375	\$ 6,467,569	\$ 9,357,810	\$ 9,767,144
Debt service as a percentage of noncapital expenditures	0.22%	0.00%	0.00%	0.00%	0.64%

		Fiscal Year		
<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	2019
\$ 5,102,491	\$ 5,255,928	\$ 5,381,574	\$ 5,500,038	\$ 5,647,632
234,559	314,226	541,178	449,465	340,244
4,017,816	3,890,293	9,297,928	5,188,326	6,360,146
329,005	312,744	429,841	367,616	317,439
52,459	19,323	35,543	53,167	110,878
736,566	569,954	604,664	573,283	777,637
10,472,896	10,362,468	16,290,728	12,131,895	13,553,976
3,175,878	3,211,356	3,521,224	3,450,712	3,654,209
3,578,022	3,707,409	3,857,113	4,115,537	4,238,767
1,117,306	1,254,100	1,140,131	1,133,698	815,208
273,356	190,523	209,563	171,944	172,154
625,249	652,384	810,718	748,160	985,247
96,814	62,795	179,665	53,712	56,647
980,819	678,463	5,146,324	821,053	3,620,788
42,806	44,100	45,433	46,806	48,220
12,739	11,446	10,113	8,740	7,196
9,902,989	9,812,576	14,920,284	10,550,362	13,598,436
569,907	549,892	1,370,444	1,581,533	(44,460
519,389	421,310	687,454	429,646	434,079
(244,234)	(98,918)	(253,629)	(255,753)	(2,013,404
-	-	-	-	
-	-	- 422.025	-	4 550 00
275,155	322,392	433,825	173,893	(1,579,325
845,062	872,284	1,804,269	1,755,426	(1,623,785
9,767,144	10,612,206	11,484,490	13,288,759	15,044,183
\$ 10,612,206	\$ 11,484,490	\$ 13,288,759	\$ 15,044,185	\$ 13,420,400
0.63%	0.61%	0.55%	0.56%	0.55%



## Assessed Value and Actual Value of Taxable Property LAST TEN FISCAL YEARS

Fiscal Year Ended 9/30	Residental Property	Commercial Property	Industrial Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2,00	1100011	1100011	Troperty	1100011	, 4130	
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
2019	264,074,624	272,416,270	32,490,923	301,115,243	267,866,574	6.5419

Source: Palm Beach County Property Appraiser's Office.

# PROPERTY TAX RATES - DIRECT AND OVERLAPPLING GOVERNMENTS LAST TEN FISCAL YEARS

			0	verlapping Rates	S	
Fiscal	City of	Palm Beach	Palm		Palm	
Year	Belle Glade	County	Beach	Palm	Beach	
Ended	General	School	County	Beach	County	Everglades
9/30	Operations	Board	Library	County	Debt	Construction
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	-
2019	6.5419	7.1640	0.5870	4.7815	0.0765	-

Source: Palm Beach County Property Appraiser's Office.

Overlapping Rates

		TI 8			
Palm Beach	Palm Beach	South Florida	_	Florida	Total
County	County	Water	Children's	Inland	Direct and
Health Care	Fire	Management	Services	Navigation	Overlapping
District	Rescue	District	Council	District	Rates
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
0.7261	3.4581	0.2795	0.6497	0.0320	24.2963

#### PRINCIPAL PROPERTY TAXPAYERS

#### CURRENT YEAR AND NINE YEARS AGO

	2019			2010				
			Percentage	•			Percentage	
			of Total				of Total	
			City Net				City Net	
		Taxable	Taxable			Taxable	Taxable	
		Assessed	Assessed			Assessed	Assessed	
Taxpayer		Value	Value			Value	Value	
Florida Power & Light Co.	\$	16,792,027	6.27%	Prince of Belle Glade Gardens, LLC	\$	8,228,309	3.00%	
EFE, Inc.		14,102,037	5.26%	Royals OK Lunch, Inc.		6,469,252	2.35%	
Royals OK Lunch, Inc.		7,776,092	2.90%	J & D Rentals, Inc.		4,782,649	1.74%	
Glade & Grove Supply Co.		6,187,468	2.31%	Cypress Cooling, LLC		3,782,635	1.38%	
HGT Covenant Villas, LLC		5,800,000	2.17%	Ray Heritage, LLC		3,624,067	1.32%	
Cypress Cooling., LLC		5,397,936	2.02%	Burch Roy E TR		2,875,369	1.05%	
J & D Rentals, Inc.		5,368,981	2.00%	Glades Plaza Enterprises, LLC		2,768,715	1.01%	
Rays Heritage, LLC		5,267,523	1.97%	Houston Realty & Inv., Inc.		2,704,005	0.98%	
J & D Five, LLC		4,923,409	1.84%	Pioneer Mobile Home Park, Inc.		2,252,500	0.82%	
SP Court, LLC		4,700,000	1.75%	Pine Island Ventures, Inc.		2,066,994	0.75%	
Total	\$	76,315,473	28.48%	Total	\$	39,554,495	14.40%	

Source: Palm Beach County Property Appraiser's Office.

#### PROPERTY TAX LEVIES AND COLLECTIONS

#### LAST TEN FISCAL YEARS

Collected within **Total Collections** the Fiscal Year Fiscal Year **Total Taxes** of the Levy Collections in to Date Levied for Ended Percent Subsequent Percent September 30, Fiscal Year Years Amount of Levy Amount of Levy 2010 96.0% 64,289 99.0% 2,131,883 2,046,269 2,110,558 2011 1,819,881 1,732,182 95.2% 16,542 1,748,724 96.1% 92.7% 32,099 94.4% 2012 1,832,645 1,698,048 1,730,147 92.2% 2013 27,417 93.9% 1,686,536 1,555,453 1,582,870 94.2% 2014 95.7% 1,658,733 1,562,999 24,510 1,587,509 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% 2019 2,202,403 2,134,496 96.9% 2,134,496 96.9%

Source: Palm Beach County Tax Collector Office.

# Ratios of Outstanding Debt by Type LAST TEN FISCAL YEARS

Fiscal						
Year		Median				Percentage
Ended		Family	Bank		Per	Personal
9/30	Population (1)	Income (2)	Notes (3)	Total	Capita	Income
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%
2019	17,467	24,901	207,905	207,905	11.90	0.05%

Source: (1) Florida Legislative Office of Economic and Demographic Research and/or Business Development Board of Palm Beach County

<sup>(2)</sup> Business Development Board of Palm Beach County and/or U.S. Census

<sup>(3) 2013</sup> debt is government activities

## Direct and Overlapping Governmental Activities Debt September 30, 2019

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 Palm Beach County	\$ 8,542,000 82,850,000	0.22% 0.22%	\$ 18,792 182,270
Subtotal, overlapping debt	\$ 91,392,000		\$ 201,062
City direct debt	207,905	100%	207,905
Total direct and overlapping debt	\$ 91,599,905		\$ 408,967

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.

## Legal Debt Margin Information September 30, 2019

Total assessed value (a)	\$ 267,866,574
Legal debt margin:	
Debt limitation - 10% of total assessed value	26,786,657
Total bonded debt outstanding	 
Legal debt margin	\$ 26,786,657

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

## **Demographic and Economic Information**

#### **Last Ten Fiscal Years**

Unemployment Rate (6)	
Rate (6)	•
15.70%	
15.70%	
18.00%	
18.70%	
18.70%	
16.80%	
15.60%	
15.50%	
15.50%	
14.90%	
9.10%	
	15.50% 15.50%

Sources:

- (1) Florida Legislative Committee on Intergovernmental Relation and/or Business Development Board of Palm Beach County
- (2) Business Development Board of Palm Beach County and/or U.S. Census Bureau
- (3) U.S. Census Bureau American Fact Finder
- (4) Florida Housing Data and/or U.S. Census Bureau
- (5) Palm Beach County School District
- (6) U.S. Census, American Community Survey and/or Business Development Board of Palm Beach County

<sup>\*</sup> Data not available

#### **Principal Employers**

#### **Current Year and Nine Years Ago**

201	2019			2010					
Employer*	Employees	Rank	Percentage of Total County Employment	Employer*	Employees	Rank	Percentage of Total County Employment		
Palm Beach County School Board	22,340	1	3.02%	Palm Beach County School Board	21,718	1	3.48%		
Palm Beach County Government	12,009	2	1.62%	Palm Beach County Government	11,381	2	1.83%		
Tenet Healthcare Corp.	6,153	3	0.83%	Tenet Healthcare Corp	5,127	5	0.82%		
NextEra Energy (Florida Power & Light)	4,730	4	0.64%	NextEra Engergy (Florida Power & Light)	3,658	7	0.59%		
Hospital Corporation of America (HCA) (1)	2,806	5	0.38%	Hospital Corporation of America (HCA) (1)	4,150	6	0.67%		
Boca Raton Regional Hospital	2,800	6	0.38%						
Florida Atlantic University	2,727	7	0.37%	Florida Atlantic University	2,776	9	0.45%		
Veterans Health Administration	2,700	8	0.36%						
The Breakers	2,300	9	0.31%						
Bethesda Hospital East/West (2)	2,282	10	0.31%	Bethesda Hospital East/West (2)	2,300	10	0.37%		
				Wackenhut Corporation	3,000	8	0.48%		
				State Government	9,300	3	1.49%		
				Federal Government	6,300	4	1.01%		
						-			
Total	60,847		8.22%	Total	69,710	=	11.19%		

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

<sup>\*</sup>Employer: Palm Beach County No information available for the City of Belle Glade

Notes: (1) Formerly Columbia Palm Beach Health Care System, Inc. (2) Fomerly Bethesda Memorial Hospital

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

Fiscal Year Ended 9/30	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Function/Program										
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	0.5	0.5	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Purchasing	1	1	1	1	1	1	1	1	1	1
Finance	9	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	1	1	1	1	1
City Garage	6	6	6	5	5	5	5	5	5	5
Building & Grounds	11	10	10	10	10	9	9	9	9	9
Public Safety										
Code Enforcement	0	2.5	2.5	2.5	3	3	4	4	4	4
Community Capacity	2.5	0	0	0	0	0	0	0	0	0
Planning	5	5	5	5	5	5	6	6	7	7
Youth Violence Prevention	2.3	2.3	1.5	2	2	2	2	3	2.7	2.7
Transportation										
Traffic Control & Signs	1	1	1	1	1	0	0	0	0	0
Street	5	5	5	5	5	5	5	5	5	5
Economic Evironment										
Revolving Loan	0	0	0	0.5	0.7	0.7	0.7	0.7	0.7	0.7
Physical Environment										
Public Works	2	2	3	3	3	3	3	3	3	3
Stormwater	5	4	4	4	4	4	4	4	4	4
Garbage Solid/Waste	20	21	20	20	20	20	20	20	20	20
Water & Sewer	0	0	0	0	0	0	0	0	0	0
Culture and Recreation										
Parks and Recreation	6.3	6.3	6.3	6.3	6.3	6.9	6.5	10.4	10.6	11.5
Municipal Golf Course	0	0	0	0	0	0	0	0	5.2	6.4
Marina	0	0	0	0	4	3.8	4.7	4.7	6.4	6.4
Total	93.6	92.6	92.0	92.0	96.7	96.1	98.6	103.2	111.3	113.4

Source: City of Belle Glade Human Resources Department

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

Fiscal Year Ended 9/30		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Function											
Police											
Criminal offenses (per calendar year)		1582	1139	1062	1173	1231	1079	1261	1434	1125	954
Fire											
Number of incidents Inspections		2716 1041	2598 831	2575 1048	2682 1095	2722 751	2971 752	2941 1611	2918 784	2750 626	2775 463
Planning & Building											
Building permits		545	370	611	407	397	395	520	477	607	594
Transportation											
Transit system ridership/day		95	138	185	107	100	129	132	42	32	31
Highways and streets											
Street resurfacing (miles) Potholes repaired		0 1675	0.305 1690	0 1225	0 1205	5.5 1503	4.2 1925	5.6 2035	4.3 2115	5.2 2202	7.65 1092
Culture and recreation											
Recreational center usage	(1)	0	21636	15012	14412	13383	11905	11915	11025	11248	11145
Sanitation											
Garbage collected (tons/day) Trash collected (tons/day) Recyclables collected (tons/day)		47 27 1.5	48 27 1.5	47 26 1.5	49 22 1.5	47 20 1.6	44 19.5 3.4	38 18 1.5	40 19.5 1.5	84.2 41.3 0.87	42 20.5 0.87

Sources: Various government departments/agencies

Note: Indicators are not available for the general government function

1. Recreational program at civic center began in 2011

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

Fiscal Year Ended 9/30		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Function											
Public safety											
Police station	(1)	1	0	0	0	0	0	0	0	0	0
Highways and streets											
Streets (miles)		73.28	73.28	73.64	73.64	73.64	73.64	73.64	73.64	73.66	73.89
Streetlights		3307	3307	3307	3307	3307	3307	3307	3307	3307	3307
School Flashers		3	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	42.6
Parks		5	5	5	5	5	5	5	5	8	8
Swimming pools		1	1	1	1	1	1	1	1	1	1
Tennis courts		8	8	6	6	6	6	6	6	6	6
Basketball courts		6	6	16	16	16	16	17	17	17	17
Civic centers		1	1	2	2	2	2	2	2	2	2
Library	(2)	1	1	1	1	1	1	1	1	1	1
Golf course	(3)	1	1	1	1	1	1	1	1	1	1
Campground (number of sites)	(4)	349	349	349	349	349	349	349	349	349	343
Sanitation											
Collection trucks		8	8	8	8	7	7	7	7	7	7
Storm Drainage (miles)		4.36	5.80	5.97	5.97	5.97	6.21	6.21	8.02	8.02	8.02

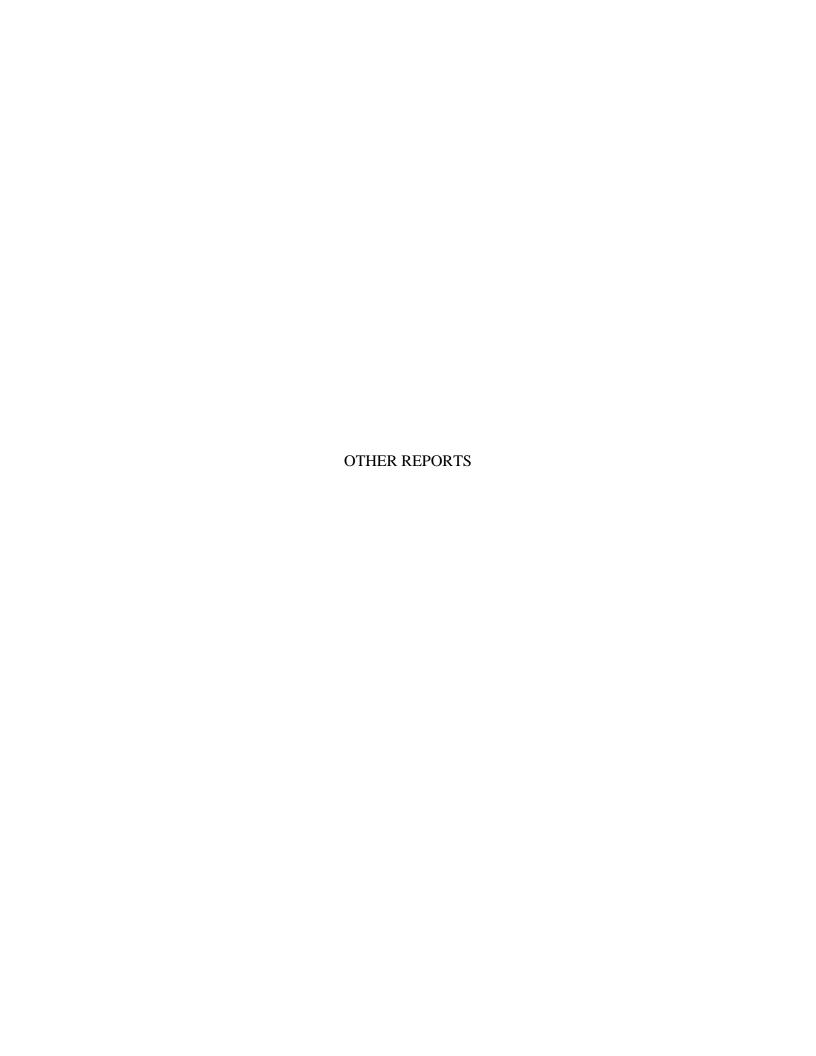
Sources: Various city departments

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

<sup>\*</sup> Data not available





## 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

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, 2019, 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 June 30, 2020.

#### **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 4 Mines, P.A.

Belle Glade, Florida June 30, 2020



### NOWLEN, HOLT & MINER, P.A.

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### INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

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

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

#### Report on Compliance for Each Major Federal Program and State Project

We have audited the City of Belle Glade, Florida's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and 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 federal program and state projects for the year ended September 30, 2019. The City of Belle Glade, Florida's major federal program and 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 federal statutes, regulations, the terms and conditions of its federal awards applicable to its federal program and 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 federal program and 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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Florida Auditor General. Those standards, the Uniform Guidance, 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 federal program and 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 federal program and state project. However, our audit does not provide a legal determination of the City of Belle Glade, Florida's compliance.

#### **Opinion on Each Major Federal Program and 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 federal program and state projects for the year ended September 30, 2019.

#### Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Chapter 10.550, Rules of the Florida Auditor General and which is described in the accompanying Schedule of Findings and Questioned Costs as Finding 2019-1. Our opinion on each major federal program and state project is not modified with respect to these matters.

The City of Belle Glade, Florida's response to the finding 2019-1 identified in our audit is described in the accompanying schedule of findings and questioned costs and in the attached Response to Audit Finding. The City of Belle Glade, Florida's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

#### **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 federal program and 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 federal program and state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and 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 federal program or 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 federal program or 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 federal program or 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as Finding 2019-1 that we consider to be a material weakness.

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 the Uniform Guidance and Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

nowlen, Holt 4 Mines, P.A.

Belle Glade, Florida June 30, 2020

# CITY OF BELLE GLADE, FLORIDA

# Schedule of Expenditures of Federal Awards and State Financial Assistance For the Fiscal Year Ended September 30, 2019

Federal or State Grantor/Pass-Through Grantor/Program Title	CFDA CSFA Number	Agency or Pass-Through Number	Expenditures	Transfers to Subrecipients
Federal Awards:				
U.S. Department of Homeland Security  Federal Emergency Management Agency (FEMA)  Passed through Florida Division of Emergency Management  Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Z0787	\$ 719,637	\$ -
Department of Justice JAG Program Cluster Direct Programs: Edward Byrne Memorial Assistance Grant	16.738	2018-DJ-BX-0538	7,687	-
U.S. Department of Housing  and Urban Development  Passed through Palm Beach County  Community Development Block Grant  Community Development Block Grant	14.218 14.218	R2018-1577 R2018-1043	138,877 17,541 156,418	<u>-</u>
Total Federal Awards			\$ 883,742	\$
State Financial Assistance: Florida Department of Environmental Protection  Statewide Surface Water Restoration and Wastewater Projects	37.039	50071	\$ 316,450	\$ -
Florida Department of Transportation			,	
Aviation Development Grants	55.004 55.004 55.004 55.004 55.004	G0A67 G0E57 G0O13 G0O14 G0T89 G0Z86	246,982 36,742 10,506 125,514 86,508 45,028 551,280	- - - - - -
Small County Outreach Program	55.009	G0V93	814,253	-
Local Transit Service Grants	55.012	ARR98	122,471	-
Economic Development Transportation Fund	55.032	G0A58	333,096	-
Local Transportation Projects Local Transportation Projects	55.039 55.039	G0T94 G1273	436,204 620,000 1,056,204	- - -
Total Florida Department of Transportation			2,877,304	
Total State Financial Assistance			\$ 3,193,754	\$

### CITY OF BELLE GLADE, FLORIDA

# Schedule of Expenditures of Federal Awards and State Financial Assistance For the Fiscal Year Ended September 30, 2019

### NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and state financial assistance (the Schedule) includes federal award and state project activity of the City of Belle Glade, Florida and is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and Chapter 10.550, Rules of the Florida Auditor General. Because the Schedule presents only a selected portion of the operations of the City of Belle Glade, Florida it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Belle Glade, Florida.

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Expenditures are recognized on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and Chapter 10.550, Rules of the Florida Auditor General, wherein certain types of expenditures are not allowed or are limited as to reimbursement. The City has elected not to use the 10 percent de minims indirect cost rate allowed under the Uniform Guidance. The City did not

### NOTE 3 - 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.

### NOTE 4 - AMOUNTS INCURRED IN A PRIOR YEAR

For program CFDA 97.036 Disaster Grants - Public Assistance (Presidentially Declared Disasters) all \$719,637 of the expenditures reported were incurred in a prior year. FEMA did not approve the project worksheet (PW) until the current fiscal year.

# CITY OF BELLE GLADE, FLORIDA Schedule of Findings and Questioned Costs September 30, 2019

# Section I—Summary of Auditors' Results

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

<u>Unmodified</u>

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

# Federal Awards and State Financial Assistance

Internal control over major projects:

• Material weakness identified?

Yes

• 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 the 2 CFR Section 200.516(a) or Chapter 10.550, Rules of the Auditor General?

Yes

### **Identification of Major Federal Program**

CFDA Number Name of Federal Program

U.S. Department of Homeland Security - FEMA

97.036

Public Assistance Grants (Presidentially Declared Disasters)

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?

# CITY OF BELLE GLADE, FLORIDA Schedule of Findings and Questioned Costs September 30, 2019

# **Section I—Summary of Auditors' Results (Continued)**

### **Identification of Major State Projects**

CSFA Numbers	Name of State Project	
	Florida Department of Transportation	
55.009	Small County Outreach Program	
55.039	<ul> <li>Local Transportation Projects</li> </ul>	

Dollar threshold used to distinguish between type

A and type B programs: \$750,000

# **Section II—Financial Statement Findings**

None

Section III—Federal Awards Findings and Questioned Costs

None

Section IV—State Projects Findings and Questioned Costs

# **Non-Major State Project**

Florida Department of Transportation

Aviation Grant Program: CSFA No. 55.004

Grant Agreement #: GOA67

### Finding 2019-1 Duplicate Billing Material Weakness/Other Noncompliance

Condition: During our testing we noted that two invoices totaling \$165,761 were submitted for reimbursement twice.

Criteria: Expenses previously reimbursed are not allowable costs.

Cause: In reviewing the duplicate reimbursement with Management we were informed that this was done by an employee who would sometimes submit reimbursements requests without obtaining the appropriate approvals.

Effect: The City was overpaid \$165,761.

# CITY OF BELLE GLADE, FLORIDA Schedule of Findings and Questioned Costs September 30, 2019

# **Section IV—State Projects Findings and Questioned Costs** (Continued)

Questioned costs: \$165,761. Subsequent to the fiscal year end, the City contacted the Department and repaid the duplicate reimbursement.

*Context:* The duplicate payment was discovered while reconciling grant income to grant expenditures for all grants. This was the only grant that the two did not reconcile. We also reviewed all paid reimbursement requests for the fiscal year noting no other duplicate invoices that were reimbursed.

Repeat finding: No.

*Recommendation:* We recommend that the City ensure that employees submitting reimbursement requests are aware of and follow the policies and procedures for grants. We also recommend that the policies and procedures be modified to make sure that the approval process is properly documented before reimbursement requests are submitted and that a listing of reimbursed expenses be maintained in the grant file to prevent duplicate billings.

Views of responsible officials and corrective action plan: The duplicate reimbursement occurred during a period of transition for the Grants Manager position and the procedure to require review and approval by the Chief Accountant on grant reimbursement requests was in place but these requests were not forwarded through the Chief Accountant. In addition to the review by the Chief Accountant, procedures have been updated to now require a second review and approval by the Director/Assistant Director of Finance on all grant reimbursement requests to ensure a thorough and proper review. A listing of reimbursement expenses will be maintained to prevent duplicate billing. The updated procedures will be used for training purposes going forward.

# CITY OF BELLE GLADE, FLORIDA Summary Schedule of Prior Audit Findings September 30, 2019

# **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

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, 2019, and have issued our report thereon dated June 30, 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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); 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 Federal Program and State Project and on Internal Control over Compliance, 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 June 30, 2020, 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. Corrective actions have been taken to address findings and recommendations made 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, 2019.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City of Belle Glade, Florida. 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 did not have any such recommendations.

### **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 did not note any special district component units that failed to provide 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.

# **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 4 Miner, P.A.

Belle Glade, Florida June 30, 2020



# **NOWLEN, HOLT & MINER, P.A.**

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# INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

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, 2019. 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, 2019.

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 4 Miner, P.A.

Belle Glade, Florida June 30, 2020

# The state of the s

# City of Belle Glade

Department of Finance

# <u>M E M O R A N D U M</u>

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

110 Dr. Martin Luther King Jr.

Blvd W

Belle Glade, FL

33430

www.belleglade-fl.com

To : Honorable mayor and City Commission

Thru : Lomax Harrelle, City Manager

From : Larry Tibbs, Director of Finance

Diana L. Hughes, Assistant Director of Finance

Commissioners

Steve B. Wilson

Mayor

Mary Ross Wilkerson Vice-Mayor

Michael C. Martin *Treasurer* 

Johnny Burroughs, Jr.

Larry Underwood

Lomax Harrelle City Manager Date : June 30, 2020

Subject: Schedule of Findings and Questioned Costs – Fiscal Year 2019 Audit

Report

The Auditor's State Projects Findings and Questioned Costs for the fiscal year

ended September 30, 2019 has one (1) comment:

Finding 2019-1 Duplicate Reimbursement

The duplicate reimbursement occurred during a period of transition for the Grants Manager position and the procedure to require review and approval by the Chief Accountant on grant reimbursement requests was in place but these requests were not forwarded through the Chief Accountant. In addition to the review by the Chief Accountant, procedures have been updated to now require a second review and approval by the Director/Assistant Director of Finance on all grant reimbursement requests to ensure a thorough and proper review. A listing of reimbursement expenses will be maintained to prevent duplicate billing. The updated procedures will be used for training purposes going forward.

Submitted by: (

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Prepared by:

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