

DANIA BEACH  
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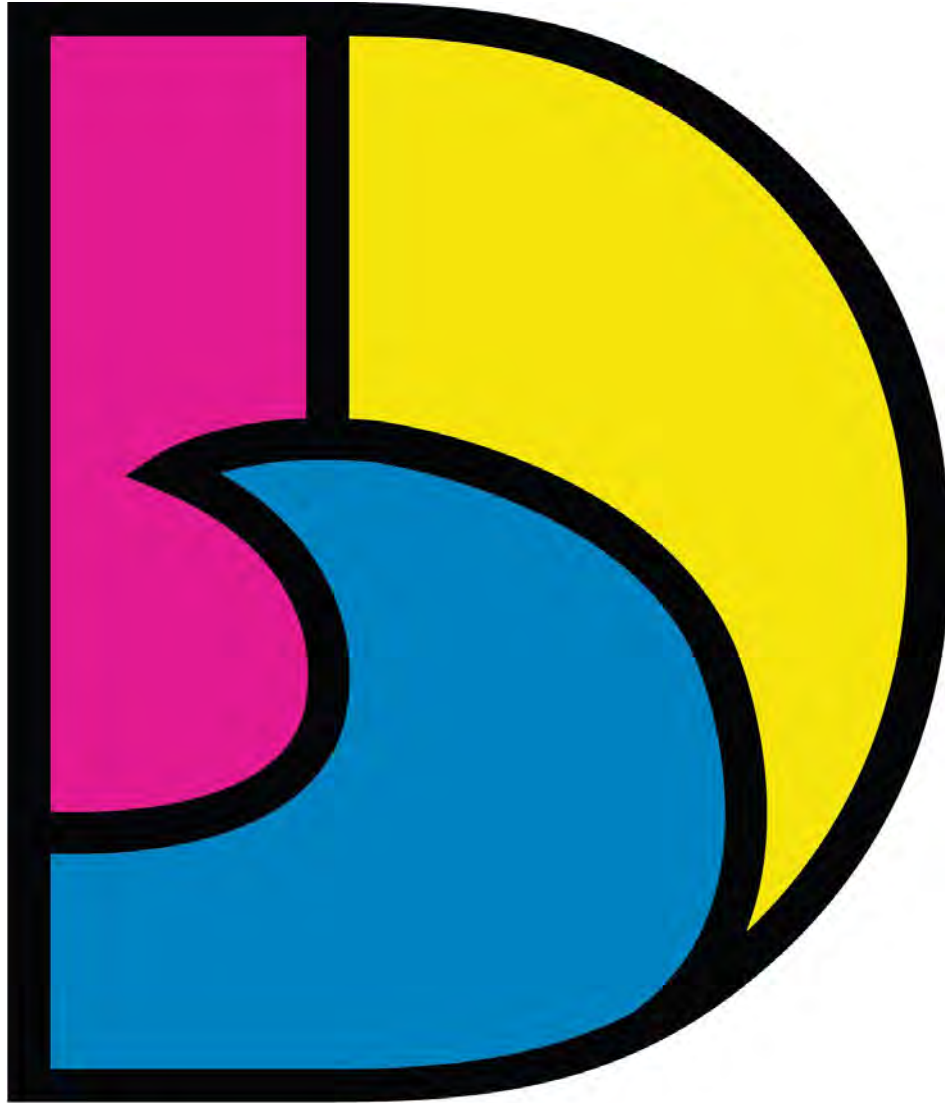
The City of Dania Beach, Florida

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended September 30, 2019



**BROWARD'S FIRST CITY**  
daniabeachfl.gov



# DANIA BEACH

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City of Dania Beach, Florida  
Comprehensive Annual Financial Report  
Fiscal Year Ended September 30, 2019  
Prepared by the Finance Department

CITY OF DANIA BEACH, FLORIDA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED SEPTEMBER 30, 2019

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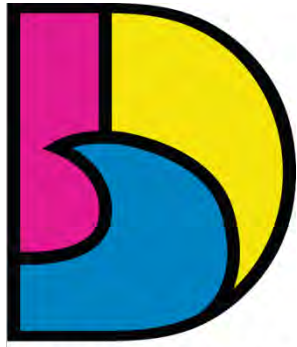
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**DANIA BEACH**  
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# *City of Dania Beach*

March 31, 2020

Mayor and Commission  
City of Dania Beach  
Dania Beach, FL 33004

Honorable Mayor and City Commissioners:

The Comprehensive Annual Financial Report of the City of Dania Beach ("City") for the year ending September 30, 2019, is hereby submitted in compliance with the City Charter and Florida Statutes. The City is required to provide annually a report on its financial position and activities that is audited by an independent firm of certified public accountants. All disclosures necessary to enable the reader to gain an understanding of the City of Dania Beach's activities have been included.

This report consists of management's representations concerning the finances of the City of Dania Beach. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, City management has established a comprehensive internal control framework designed to protect government assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of financial statements in conformity with Generally Accepted Accounting Principles in the United States of America (GAAP). Because the cost of internal controls should not outweigh their benefits, the City of Dania Beach'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. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the various funds of the City of Dania Beach.

The 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 compliments this letter of transmittal and should be read in conjunction with it.

The City's independent auditors, HCT Certified Public Accountants & Consultants, LLC, a firm of licensed certified public accountants, has audited the City's financial statements and has issued an unmodified opinion on the financial statements as presented herein. The independent auditor's report is presented as the first component of the financial section of this report.

## **PROFILE OF THE GOVERNMENT**

The City of Dania Beach was incorporated in 1904 as Broward County's first city. The City is located immediately south of the Fort Lauderdale-Hollywood International Airport, Port Everglades, and the Broward County Convention Center. Dania Beach operates under a Commission-City Manager form of government and provides services to an estimated 30,000 residents. Five Commission Members are elected at large on a non-partisan basis for four-year terms. The candidate with the highest number of votes will serve as the Mayor. The Commission appoints the City Manager, who is the Chief Administrative Officer of the City and is responsible for implementing policies adopted by the City Commission. The City Commission determines policy, adopts legislation, approves the City's budget, levies taxes, and sets fees.

The City of Dania Beach is a significant force in South Florida's academic, maritime, and tourism industries. The American Maritime Officer's (AMO) Training and the Simulation Training Assessment & Research Center for maritime ship licensing is located within the City's boundary, with state of the art bridge and engine room simulators offering advanced merchant marine training. The City is also home to several boating and luxury yacht service such as Seahaven Superyacht Marina, Derecktor Shipyards, and the new Dania Beach Mega Yacht Marina. Bass Pro Shops and Divers Direct remain major attractions in the City for people interested in outdoor sports, boating, diving, and fishing. The Casino at Dania Beach joins the City as its newest revitalized attraction offering various entertainment options, including a casino, jai alai, dining, music, and comedy club.

The City's location and proximity to the beach, seaport, airport, railway, and major highway systems in South Florida has made Dania Beach a prime location for redevelopment. Major projects are currently underway such as Dania Pointe, a mixed-use commercial and residential development. Properties along the US 1 Corridor have provided redevelopment opportunities for tourist-related business, due to the City's proximity to a major airport and seaport.

The City provides the full range of municipal services. The public safety program includes contracting of fire and rescue services and police services from the Broward County Sheriff's Office. The City's expansive recreation program includes a beach and fishing pier, pools, tennis courts, neighborhood parks, community centers, and a wide variety of programs for youth, adults and senior citizens. The Public Services Department provides essential street maintenance, roadway beautification, and general service operations, and oversees Community Development Block Grant (CDBG) improvement projects. Public Services also oversees operation of the City's water, sewer and stormwater services and provides internal support for grounds maintenance, fleet management and City facility maintenance. The Community Development Department provides planning, zoning, building inspection, and code compliance services.

Internal support services include the Department of Human Resources, which is responsible for recruitment, compensation and benefits, employee relations, workers' compensation, property, casualty and liability insurance. The Finance Department handles the City's debt, revenue collections, annual budget planning and preparation, financial reporting, the annual financial audit, cash and investment management, capital assets accounting, payroll and other disbursements, water and sewer utility meter reading, billing, and collection, property lien research, and business tax receipts.

## **FACTORS AFFECTING FINANCIAL CONDITION**

The information presented in the financial statements is best understood when considered from a broad perspective, similar to that environment in which the City of Dania Beach operates. The City of Dania Beach is located in Southeastern Broward County on the Atlantic Ocean, with the City of Hollywood to the South, and the City of Fort Lauderdale to the North. Major economic influences in this area are predominantly the housing market (including home values, insurance, property taxes, and mortgage interest rates), travel and tourism (airport, seaport/cruising, Interstate and Turnpike access), the regional job market, new construction, weather events and uncertainty about revenue diversification and tax

reform. Consideration of these economic indicators play an important role in directing and prioritizing the use of City resources now and in the future.

The Florida Legislature place limits on the property tax levies of local governments in the State of Florida. Increases to the property tax rate is limited to the annual growth rate of per capita personal income plus the value of new construction. Therefore, in order to ensure property tax revenues are more resistant to declines in property values, the City has been seeking redevelopment opportunities within its boundary. Development and values have increased over the past several years, and moderate growth is expected to continue in the coming years, as the economy has fully recovered from the last recession, and the City has been attractive to developers seeking opportunities. The City has seen a surge of development over the past few years, with the redevelopment of various commercial and mixed-use industries, including Dania Pointe, a 102-acre premier mixed-use development located on the I-95 corridor, which has completed its first phase. The City has also seen significant development in hotel construction due to the immediate proximity to the Fort Lauderdale-Hollywood International Airport and the Port Everglades Cruise Port.

According to the Broward County Property Appraiser's Office, the taxable value of the City for year ended September 30, 2019 reflected an increase of 5.86% over the prior year. The City continues to see increases in property values as well as sustained success in its redevelopment efforts, indicating a full recovery from the previous economic downturn. Current economic forecasts indicate property values are expected increase moderately over the next few years.

In 2004, the State of Florida and Broward County passed a referendum for the operation of slot machines in four pari-mutuel sites, which includes the Casino at Dania Beach. A major reconstruction of the casino was completed in 2016 complete with full entertainment options, including a casino, jai alai, dining, music, and comedy club.. This has generated new revenues to the City from the slot machine gaming area.

In 2010, the Florida Legislature approved a compact with the Seminole Tribe of Florida, Inc. authorizing blackjack and other card games at five Seminole casinos, including the Seminole Hard Rock Hollywood Casino, adjacent to the City border. Annually, the City receives a small portion of the net earnings attributed to the Hard Rock Casino, distributed in March/April, based on the previous year's annual earnings through September 30<sup>th</sup>.

The City's Community redevelopment Agency (CRA) was enacted in the early 2000's. Its goal is to revitalize areas running parallel to US1 and its adjacent neighborhoods. In 2010, the City Commission and the CRA successfully expanded the CRA boundaries with approval of the Broward County Commission. The City and CRA are continuing their efforts to attract new businesses, new developments, and increased property values, while at the same time respecting the City's historic character..

## **LONG-TERM FINANCIAL PLANNING**

The City has been working diligently on an array of capital projects that encompass 1) economic development, 2) infrastructure improvement/replacement and 3) expansion of existing facilities. The number and magnitude of City capital projects will continue in the upcoming years. Most City capital projects are financed by the use of accumulated fund balance cash; however, the City's large utility infrastructure improvements have primarily used loans from the State Department of Environmental Protection – State Revolving Fund (SRF loans). The Commission has adopted a debt policy to help provide guidance regarding the prudent use of debt and the reasonable total amount of debt to help ensure the City's continued financial stability in future years. During the past year, the City has undertaken several projects including the following:

- Enhanced solar lighting using General Fund balances and Community Development Block Grant funds; the City is developing a lighting master plan, as part of its ongoing initiative to enhance citywide street lighting.



- Stormwater drainage improvements - using a combination of accumulated fund balance and SRF loan financing. The first phase was completed in 2016 and the second phase will begin in 2020.
- Various neighborhood OASIS beautification projects continue using General Fund revenues and Community Development Block Grant funding; the City is working towards an annual initiative to select beautification project throughout the City to enhance and rehabilitate neighborhoods within the qualifying areas.
- Redevelopment of the City's beach area is ongoing. Plans for continued improvement include possible restructuring and augmentation of existing parking to create a larger beach area
- City-wide water and sewer distribution improvements continue to ensure the City's infrastructure will be able to meet the demands of development.

## **RELEVANT FINANCIAL POLICIES**

The City of Dania Beach has budgetary and financial policies that provide the basic framework for the overall fiscal management of the City. These policies are used in the development of current activities and planning for future programs, and are as follows:

### Revenue Policy

The City will attempt to maintain a diversified and stable array of revenues to avoid reliance on any one revenue source, and will attempt to minimize the dependence on property taxes. Charges for services recover the partial or full cost of providing services that benefit specific users. Additionally, it is the City's intent that new cyclical operating costs are funded with permanent revenues, although certain infrastructure and neighborhood improvements may cause future maintenance costs to increase. One-time operating costs should be tied to one-time revenue sources whenever practical, to ensure fund balance integrity.

### Cash Management and Investments Policy

The City follows its adopted investment policy in its management of public funds. The intent of this policy is to 1) ensure the preservation of principal, 2) maintain sufficient cash flow to enable the City to meet its obligations, and 3) maximize the return on assets with an acceptably low exposure to risk. The investment policy meets the requirements of Florida Statutes, Section 218.415.

Cash temporarily idle during the fiscal year was invested mainly in the Florida Prime Local Government Surplus Trust Fund and the Florida Municipal Investment Trust. Changes in fair market value are temporary as the City intends to hold all investments to maturity.

### Debt Policy

The City seeks to maintain the highest potential bond rating to minimize borrowing costs. Debt is issued when necessary to finance capital projects, but is never used for current operations. The City reviews and evaluates its existing obligations and future borrowing needs regularly. The City continues to evaluate the market for bond refinancing opportunities that could potentially provide an economic gain to the City. During fiscal year 2019, the City's Business-Type Funds have added no material debt, but it should be noted the City has been approved for an approximately \$6.0-million-dollar loan under the State Revolving Fund (SRF) with proceeds primarily used for improvements to the City's stormwater system. The City has not drawn on this loan to date and, therefore, repayment has not begun.

### Fund Balance Policy

The City adopted a target fund balance policy for the City's General Fund, establishing 25% of annual budgeted expenditures as a minimum unassigned fund balance to maintain. The City established this policy to ensure adequate cash flow is available for general cash flow needs, competitive borrowing rates, significant or unknown economic uncertainties or revenue shortfalls, and for unforeseen emergency expenditures. The City Commission has placed several commitments and assignments using the General Fund to provide resources for an array of items including 1) capital projects, 2) emergency disaster recovery, and 3) increased annual pension funding.

## **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Dania Beach for its Comprehensive Annual Financial Report for the year ended September 30, 2018. This was the thirtieth (30<sup>th</sup>) consecutive year that the City has received this prestigious award. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both Generally Accepted Accounting Principles and applicable legal requirements.

A Certificate of Achievement is valid for one year only. We believe that the September 30, 2019, Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

A Comprehensive Annual Financial Report of this nature could not be prepared without the dedicated efforts of the entire staff of the Finance Department. Special thanks must be given to Adam Segal, Deputy Director of Finance, and Yeimy Guzman, City Controller, for their hard work dedication in the creation of this comprehensive report. Credit and thanks is also given to the City Manager, Mayor and City Commission for their support and commitment to sound management practices, which provide the framework for long-term fiscal stability for the City of Dania Beach.

Respectfully submitted,



Frank L. DiPaolo CPA, CGMA, SHRM-CP  
Director of Finance



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Dania Beach  
Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2018**

*Christopher P. Morill*

Executive Director/CEO

## **DANIA BEACH CITY OFFICIALS**

### **CITY COMMISSION**

Mayor: Lori Lewellen

Vice Mayor: Lauren Odman

Commissioner: Tamara James

Commissioner: Chickie Brandimarte

Commissioner: Bill Harris

### **CITY MANAGER**

Ana M. Garcia, City Manager, ICMA-CM

### **CITY ATTORNEY**

Thomas Ansbro

### **FINANCRE DIRECTOR**

Frank DiPaolo CPA, CGMA, SHRM-CP

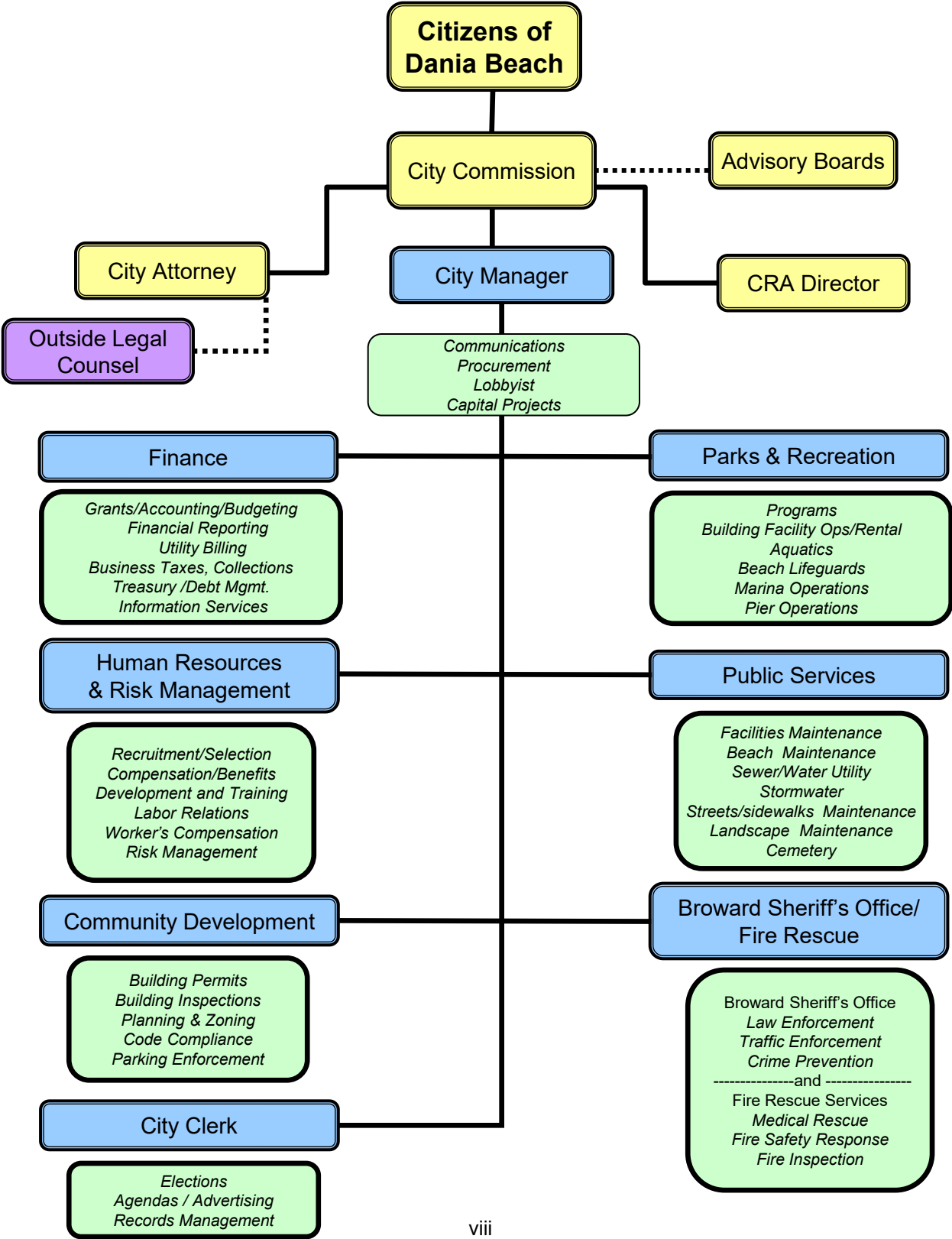
### **DEPUTY FINANCE DIRECTOR**

Adam Segal CPA, FCCA, CFE

### **CONTROLLER**

Yeimy Guzman CPA

# City of Dania Beach Organizational Chart



## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Commission  
City of Dania Beach, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dania Beach, Florida (the 'City') as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City of Dania Beach Police and Firefighters Pension Plan, which represents, 65%, 65%, and 75%, respectively of the assets, net position and revenues of the Fiduciary Funds. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for City of Dania Beach, Florida is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from Corrections 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, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dania Beach, 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, budgetary comparison information, Schedules relating to Pensions and other post-employment benefits on pages 4–17 and 77-95 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

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

The combining and individual nonmajor fund financial statements is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial

statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual nonmajor fund financial statements is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

*HCT Certified Public Accountants & Consultants, LLC*

Hollywood, Florida  
March 31, 2020



CITY OF DANIA BEACH, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
September 30, 2019

As management of the City of Dania Beach, we offer readers this overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2019. The City's financial statements are designed to provide readers with easy to understand information and analysis of the City's financial activities based on currently known facts, decisions and conditions. This section is specifically designed to assist the reader in focusing on significant financial issues, changes in the City's financial position, and material deviations from the approved budget, and also to identify each individual funds issues and concerns. We encourage the reader to consider the information presented here in conjunction with the information provided in the letter of transmittal which can be found at the beginning this report.

**Financial Highlights**

The following are highlights of financial activity for the fiscal year ended September 30, 2019:

The City's total assets plus deferred outflows of resources exceeded liabilities and deferred inflows of resources at the close of fiscal year 2019 by approximately \$96.1m (net position), reflecting an increase of \$17.2m over the prior year. This is primarily due to a \$15.9m combined decrease in the net pension liability and net other post employment benefits (OPEB) liability. Total unrestricted net position increased to \$23.9m, and governmental activities saw the unrestricted net position deficit shrink from \$8.5m to \$0.2m.

The City's total net position increase was supported by increases in general revenues of \$3.2m due to increasing property tax collections, utility taxes, and investment earnings.

The City's business type activities reported total net position of \$51.2m, which is an increase of \$3.8m, or 8.1%, in comparison to the prior year. This was due to a \$2m decrease in the net pension liability and net other post employment benefits (OPEB) liability. Approximately 46% of the total or \$23.7m is unrestricted and is available for spending at the City's discretion.

At the close of fiscal year 2019, the City's governmental funds reported a combined ending fund balance of \$43.8m which includes the General Fund, Grants Fund, Community Redevelopment Agency (CRA) Fund, Building Fund, Debt Service Fund, Capital Projects Fund, and other non major governmental funds. This balance represents an increase of \$5.1m from the prior year due primarily to an increase in licenses and building permit activity. The General Fund has an unassigned fund balance of \$21.0m available for spending at the City's discretion or approximately 40% of the original annual General Fund budgeted appropriations and 38% of final General Fund budgeted appropriations. The Grants Fund has a restricted fund balance of \$89k available to support ongoing grant programs. The \$2.0m fund balance in the Capital Projects Fund is planned to be used entirely for approved governmental capital improvements. Similarly, the \$0.8m fund balance of the CRA Fund is planned for future economic and business development uses.

The General Fund reported a positive operating balance for budgetary purposes of \$1.1m for fiscal year 2019, before transfers and other financing sources. General Fund revenue sources were \$53.7m reflecting a positive variance of \$3.3m from the budget plan. All revenues, with the exception of property taxes, exceeded the budget. Expenditures for the year were \$52.6m before transfers and other financing sources, reflecting a positive variance of \$2.8m from the budget plan. All City departments were below the final budget, except for Public Safety, which exceeded the final budget by \$0.4m General Fund transfers were used primarily for funding of capital projects, debt repayments, allocation of administration costs, and payment-in-lieu-of-tax supporting City operations. The General Fund completed the fiscal year with a net positive variance of \$2.5m compared with the budget plan.

CITY OF DANIA BEACH, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
September 30, 2019

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's financial statement is comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. In addition to the basic financial statements, this report also contains other supplementary information that further explains and supports the information in the financial statements. The following table summarizes the major features of the City's financial statements:

	Government-wide Statements	Fund Statements		
		<u>Governmental Funds</u>	<u>Proprietary Funds</u>	<u>Fiduciary Funds</u>
Scope	Entire City government (except fiduciary funds)	The activities of the City that are not proprietary or fiduciary such as police, fire, parks	Activities the City operates similar to private business such as water and sewer system	Instances in which the City is the trustee or agent for someone else's resources, such as retirement plans for employees
Required financial statements	Statement of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balance	Statement of Net Position Statement of Revenues, Expenses and Changes in Fund Net Position Statement of Cash Flows	Statement of Fiduciary Net Position Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon after, no capital assets included	All assets and liabilities, both financial and capital and short-term and long-term	All assets and liabilities, both short-term and long-term
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenses when goods/services have been received and payment is due, during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The focus of the government-wide financial statements is on the overall financial position and activities of the City of Dania Beach. Reporting is similar to that of a private-sector business. The City's government-wide financial statements include the statement of net position and statement of activities. As described below, these statements do not include the City's fiduciary funds as resources of these funds cannot be used to finance the City's operations. However, the financial statements of the fiduciary funds are included in the City's fund financial statements as the City is financially accountable for those resources.

**The Statement of Net Position** provides information on the assets and deferred outflows held and liabilities and deferred inflows owed by the City. Assets and deferred outflows and liabilities and deferred inflows are reported using the accrual basis of accounting, meaning assets are recorded when the City acquires ownership, and liabilities are reported when they are incurred, regardless of when cash is received or paid. The difference between the City's total assets and deferred outflows and total liabilities and deferred inflows is net position. This statement combines and consolidates the governmental entity's current financial resources (short-term spendable resources) with capital assets and long-term financial obligations.

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**The Statement of Activities** focuses on both the gross and net cost of various activities. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and the local taxing effort necessary to sustain each of those activities. The operations of City of Dania Beach are divided into two kinds of activities:

- Governmental activities – Most of the City's basic services are reported here. It includes police, fire, public services, community development, parks and recreation, the Dania Beach Community Redevelopment Agency, and administrative departments. These services are principally supported by property taxes, franchise fees and utility taxes, license and permit fees, intergovernmental revenues, special assessments, and state, federal and local grant revenues.
- Business-type activities – City's services for which fees and charges are implemented with the intention to cover all or significant portion of the related costs. These services include water, sewer, stormwater, beach/pier, marina, and parking systems.

These two statements report net position and the changes in that position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Many non-financial or external factors, such as the City's tax base are reflected in the quality of its housing and commercial properties, the condition of City buildings and roads, and the number and types of businesses in the City, which all contribute to the overall health of the City.

## FUND FINANCIAL STATEMENTS

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

**Governmental Funds** – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds, and on the balance left at year-end that is available for future spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources available for allocation to future budgets and programs. The relationship (or differences) between governmental activities, as reported in the Statement of Net Position and the Statement of Activities, and governmental funds is reconciled on the page following the Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances.

The City maintains twelve (12) individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet, Governmental Fund Statement of Revenues, Expenditures and Changes in Fund balances for the major funds: General Fund, Grants Fund, Community Redevelopment Agency Fund, Building Fund, Debt Service Fund, and the Capital Projects Fund. Information from the other (non-major) governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these other governmental funds is provided in the form of combining statements.

The City adopts annual appropriated budgets for its General Fund, Grants Fund, Community Redevelopment Agency Fund, Building Fund, Debt Service Fund, and Capital Projects Fund. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with annually adopted budgets.

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**Proprietary Funds** – Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, stormwater, pier/beach, parking and marina operations.

Proprietary funds provide the same type of information as the government-wide financial statements except in more detail. The financial statements provide separate information for the water, sewer, stormwater, beach/pier, marina, and parking systems.

**Fiduciary Funds** – The City reports pension trusts for its two closed defined benefit pension plans and for its other post employment benefit (OPEB) plan in the fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not included in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

#### **NOTES TO THE FINANCIAL STATEMENTS**

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

#### **OTHER INFORMATION**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that includes budgetary comparison schedules, as well as the City's progress in funding its obligations to provide pension benefits to its employees.

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The following schedule is a summary of the fiscal year 2019 Statement of Net Position with comparative information for fiscal year 2018 Restated to show Net deferred Inflows instead of gross). The schedule presents net position, defined as the difference between the City's assets and deferred outflows and liabilities and deferred inflows, as a way to measure the City's financial health or position.

	Governmental Activities		Business-type Activities		Total	
	2019	2018 (Restated)	2019	2018 (Restated)	2019	2018 (restated)
Current and other assets	\$ 47,630,847	\$ 43,979,021	\$ 36,452,009	\$ 33,125,080	\$ 84,082,856	\$ 77,104,101
Capital assets	46,054,735	47,694,593	36,828,045	37,902,087	82,882,780	85,596,680
Total assets	<u>93,685,582</u>	<u>91,673,614</u>	<u>73,280,054</u>	<u>71,027,167</u>	<u>166,965,636</u>	<u>162,700,781</u>
Deferred outflows of resources	1,096,181	7,704,534	-	885,826	1,096,181	8,590,360
Current liabilities	3,887,864	5,373,149	1,720,049	1,626,653	5,607,913	6,999,802
Long term liabilities:						
Due in less than one year	1,092,950	1,019,486	1,148,999	1,189,474	2,241,949	2,208,960
Due in more than one year	44,845,558	61,429,080	18,582,502	21,733,343	63,428,060	83,162,423
Total liabilities	<u>49,826,372</u>	<u>67,821,715</u>	<u>21,451,550</u>	<u>24,549,470</u>	<u>71,277,922</u>	<u>92,371,185</u>
Deferred inflows of resources	-	-	645,966	-	645,966	-
Net position:						
Net investment in capital assets	37,625,589	36,453,713	24,396,503	24,041,233	62,022,092	60,494,946
Restricted	7,109,191	3,632,448	3,061,428	2,698,432	10,170,619	6,330,880
Unrestricted	220,611	(8,529,728)	23,724,607	20,623,858	23,945,218	12,094,130
Total net position	<u>\$ 44,955,391</u>	<u>\$ 31,556,433</u>	<u>\$ 51,182,538</u>	<u>\$ 47,363,523</u>	<u>\$ 96,137,929</u>	<u>\$ 78,919,956</u>

The overall financial position of the City increased by \$17.2m to \$96.1m during fiscal year 2019 compared to 2018. Unrestricted net position increased by \$11.9m due to decreases in both the net pension liability and the net other post employment benefits (OPEB) liability. A change in net position over time is a good and useful indicator of financial position. Key elements of the reconciliation of the statements are that the government-wide statement of activities reports the issuance of debt as a liability, the purchases of capital assets as assets, which are then charged to expense over their useful lives through annual depreciation charges and changes in long-term liabilities as adjustments of expenses. Conversely, the governmental fund statements report the issuance of debt as an other financing source of funds, the repayment of debt and the purchase of capital assets as expenditures, and changes in long-term liabilities are not reported in the fund financial statements.

The majority of the City's total net position (65%) is in capital assets, such as land, construction in progress, buildings and improvements, and infrastructure such as roads, parks and utility, furniture, fixtures and equipment, less any related debt outstanding that was used to acquire those assets. This capital investment increased slightly in the current year, since there was a significant reduction in the debt used to acquire those assets. The City uses capital assets to provide basic services to residents and foster a vibrant business climate. Although City investments in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources because it is unlikely that these capital assets would be sold or liquidated.

The City's combined total unrestricted net position may be used to meet the City's ongoing obligations to its citizens and creditors. The City is able to report positive balances in all three categories of net position, both for the government as a whole, and for its separate governmental and business-type activities.

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**CHANGES IN NET POSITION**

The following schedule is a summary of the fiscal year 2019 Statement of Activities compared to 2018.

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 19,429,178	\$ 16,530,549	\$ 17,710,249	\$ 17,442,607	\$ 37,139,427	\$ 33,973,156
Operating grants	2,225,732	2,506,200	-	-	2,225,732	2,506,200
Capital grants contributions	-	135,492	-	-	-	135,492
General revenues:						
Property taxes	24,372,949	23,028,779	-	-	24,372,949	23,028,779
Utility taxes	4,108,466	3,909,123	-	-	4,108,466	3,909,123
Franchise fees	2,936,311	2,755,614	-	-	2,936,311	2,755,614
Intergovernmental	5,555,190	5,537,821	-	-	5,555,190	5,537,821
Miscellaneous	3,331,903	2,671,201	921,982	807,539	4,253,885	3,478,740
Investment earnings	1,129,466	729,344	894,958	581,905	2,024,424	1,311,249
Total revenues	<u>63,089,195</u>	<u>57,804,123</u>	<u>19,527,189</u>	<u>18,832,051</u>	<u>82,616,384</u>	<u>76,636,174</u>
Expenses:						
General government	7,267,443	8,817,587	-	-	7,267,443	8,817,587
Public safety	27,349,962	30,850,159	-	-	27,349,962	30,850,159
Highway and streets	3,835,758	3,510,801	-	-	3,835,758	3,510,801
Physical environment	4,604,282	4,191,203	-	-	4,604,282	4,191,203
Culture & recreation	4,320,723	3,985,340	-	-	4,320,723	3,985,340
Community redevelopment	5,852,726	4,268,391	-	-	5,852,726	4,268,391
Interest expense	213,827	239,327	-	-	213,827	239,327
Water	-	-	3,909,322	4,108,463	3,909,322	4,108,463
Sewer	-	-	4,840,610	4,689,446	4,840,610	4,689,446
Stormwater	-	-	1,114,442	1,097,556	1,114,442	1,097,556
Pier operations	-	-	466,893	449,187	466,893	449,187
Parking	-	-	819,848	736,788	819,848	736,788
Marina	-	-	802,576	804,092	802,576	804,092
Total expenses	<u>53,444,721</u>	<u>55,862,808</u>	<u>11,953,691</u>	<u>11,885,532</u>	<u>65,398,412</u>	<u>67,748,340</u>
Increase (decrease) in net position before transfers	<u>9,644,474</u>	<u>1,941,315</u>	<u>7,573,498</u>	<u>6,946,519</u>	<u>17,217,972</u>	<u>8,887,834</u>
Transfers	<u>3,754,484</u>	<u>3,422,752</u>	<u>(3,754,484)</u>	<u>(3,422,752)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	13,398,958	5,364,067	3,819,014	3,523,767	17,217,973	8,887,834
Net position, beginning of year	<u>31,556,433</u>	<u>26,192,366</u>	<u>47,363,523</u>	<u>43,839,756</u>	<u>78,919,956</u>	<u>70,032,122</u>
Net position, end of year	<u>\$ 44,955,391</u>	<u>\$ 31,556,433</u>	<u>\$ 51,182,537</u>	<u>\$ 47,363,523</u>	<u>\$ 96,137,929</u>	<u>\$ 78,919,956</u>

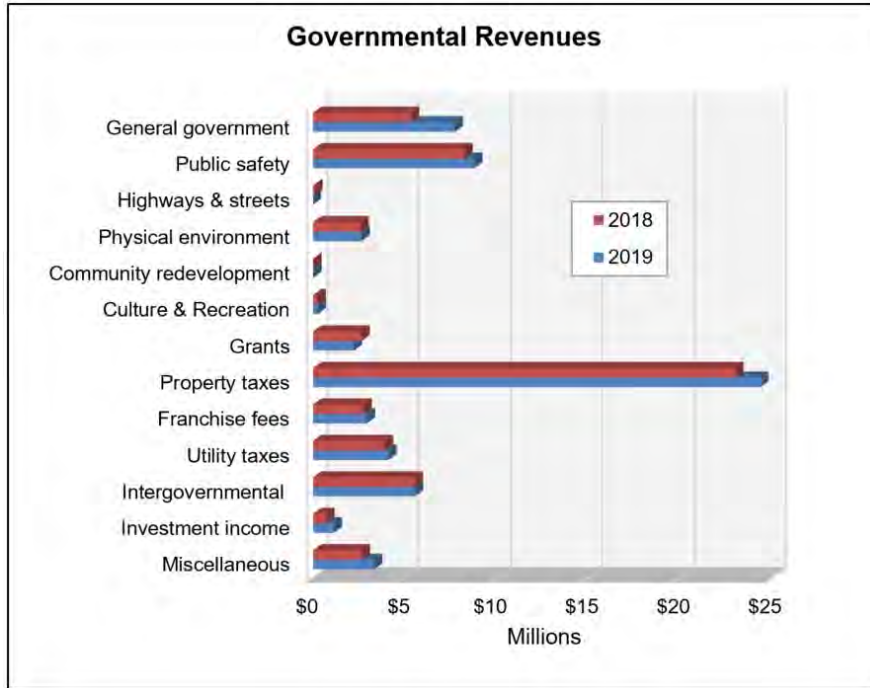
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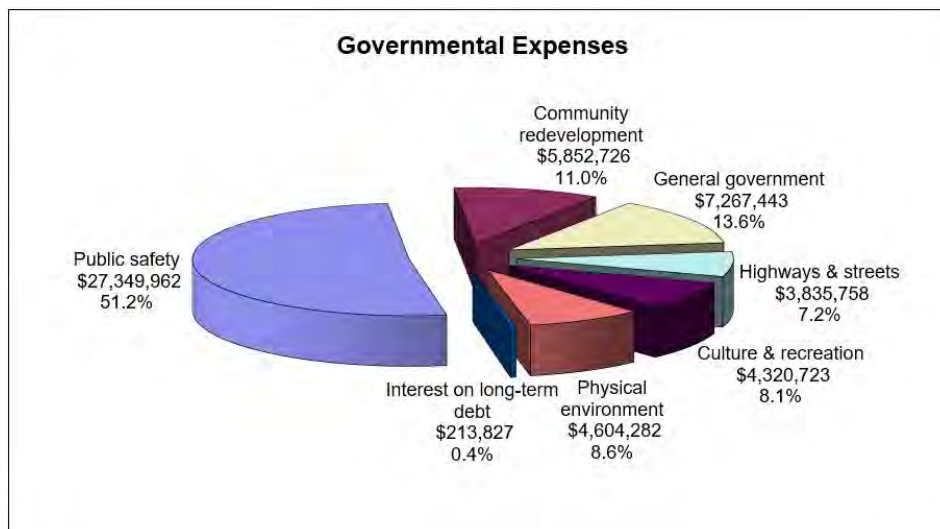
**GOVERNMENTAL ACTIVITIES**

Governmental activities increased the City's net position by a total of \$9.6m for the fiscal year, before transfers. Governmental revenues increased by \$5.3m over the prior year, primarily due to increased property taxes, charges for services, and increased interest earnings on City reserves. Expenses decreased by a total of \$(2.4)m from the prior year mostly due to decreased public safety and general government expenses.

The chart below illustrates the distribution of program and general revenues for governmental activities for fiscal year 2019 and 2018:



The pie chart below illustrates the program expenses for governmental activities for the year ended September 30, 2019:



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**BUSINESS-TYPE ACTIVITIES**

The City operates six business-type activity funds. The combined result of these funds shows positive operating income of approximately \$7.0m, which was an increase over the prior year of approximately \$0.2m primarily due to the reasons listed below:

- Water Fund operations reflect an increase of approximately \$0.9m in net position. Operating income increased slightly to \$2.3m. Unrestricted net position of the Water Fund shows a balance of approximately \$3.8m reflecting an increase of approximately \$1.0m from the prior year due to a decrease in outstanding debt and decreases in both the net pension liability and net OPEB liability. Investments in other capital infrastructure improvements, net of debt, decreased from the prior year to a total \$9.1m as depreciation of existing assets exceeding the value of newly constructed or acquired assets.
- The Sewer Fund experienced an increase in net position of approximately \$1.9m due to collection of impact fees and higher than expected interest earnings, combined with savings on operations and capital improvements. Unrestricted net position of the Sewer Fund totaled approximately \$11.7m reflecting an increase of approximately \$1.2m from the prior year due to positive operating results.
- The Stormwater Fund experienced an increase in net position of approximately \$0.6m, although the assessment rate did not change. There are several budgeted capital projects that were not completed during fiscal year 2019, and nearly all of the funding has rolled to fiscal year 2020. Unrestricted net position of the Stormwater Fund increased by approximately \$0.4m due to decreases in both the net pension liability and net OPEB liability.
- The Marina Fund revenues continue to improve under the management of Westrec and had income before transfers of approximately \$0.3m.
- The Parking Fund, one of the City's two non-major business-type funds, continues to experience strong collections with operating revenues totaling nearly \$1.5m, which is lower than the prior year, since the prior year saw the recognition of a loan converted to a grant for almost \$0.3m. Revenues are derived almost entirely from beach parking fees and fines from enforcement, and both were slightly lower than the prior year. Downtown development initiatives by the CRA continue to work toward developing demand and use of the downtown parking garage. Operating costs for both the beach and downtown garage areas are reflected in this fund.
- The Pier Operations Fund, the other non-major business-type fund, had operating revenues of approximately \$0.9m an increase of \$0.4m over the prior year. As a result, unrestricted net position increased by \$0.3m. The Pier Fund is now recognizing the rental income from the pier restaurant which was previously reflected in the General Fund.

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**FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS**

The City of Dania Beach uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds**

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

As of September 30, 2019, the City's governmental funds reported combined ending fund balances of \$43.8m, an increase of \$5.1m in comparison with the prior year. Approximately 47.8% or \$21.0m of the ending balance is unassigned, and available for spending at the City's discretion, with \$10.6m assigned by City management for emergency recovery and fire pension cost. A balance of \$2.0m is committed for capital projects, \$0.7m for community redevelopment and \$1.6m for City cemetery and tree preservation use. The remaining restrictions are restricted for specific use by laws, loans and grant agreements.

Below is the analysis of the fund balance for fiscal year 2019:

	General Fund	Capital Projects Fund	Other Funds	Total
Fund balances, September 30, 2018	\$ 31,796,548	\$ 2,036,643	\$ 4,891,683	\$ 38,724,874
Revenues	53,659,870	-	7,456,167	61,116,037
Expenditures	(52,609,119)	(814,991)	(6,321,296)	(59,745,406)
Other financing sources (uses)	1,401,005	755,187	1,598,292	3,754,484
Total Fund balances, September 30, 2019	34,248,304	1,976,839	7,624,846	43,849,989
Nonspendable	(72,060)	-	(37,700)	(109,760)
Restricted	(2,207,056)	-	(5,162,669)	(7,369,725)
Committed	-	(1,976,839)	(2,424,477)	(4,401,316)
Assigned fund balance	(11,006,815)	-	-	(11,006,815)
Unassigned fund balance	\$ 20,962,373	\$ -	\$ -	\$ 20,962,373

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**General Fund**

The General Fund is the chief operating fund of the City. As of September 30, 2019, the fund balance of the General Fund increased by \$2.5m to a total of \$34.2m. Total General Fund revenues increased by approximately \$3.0m to a total of \$53.7m, primarily due to increases in property taxes and franchise fees. Expenditures increased by \$2.2m over fiscal year 2018 to a total of \$52.6m in 2019, reflecting significant increases in public safety and recreation expenditures.

**Revenues**

The amount of General Fund revenue by type, their percent of the total and the amount of change compared to the last three fiscal years are shown in the following schedule:

	Current Year 9/30/2019	1 year ago 9/30/2018	2 years ago 9/30/2017	3 years ago 9/30/2016	Change Over Past 3 Years	Change Percent
General Fund Revenues:						
Ad valorem taxes	\$ 24,372,949	\$ 23,028,779	\$ 19,429,124	\$ 17,835,092	\$ 6,537,857	36.66%
Special assessments	6,316,109	6,249,500	6,356,104	5,821,427	494,682	8.50%
Franchise fees	2,936,311	2,755,614	2,673,255	2,571,950	364,361	14.17%
Utility taxes	4,108,466	3,909,123	3,834,189	3,627,385	481,081	13.26%
Licenses and permits	1,982,035	1,618,889	1,451,405	1,188,054	793,981	66.83%
Intergovernmental	5,748,048	5,537,821	5,567,441	5,428,609	319,439	5.88%
Charges for services	4,649,862	4,393,137	4,123,317	4,188,086	461,776	11.03%
Fines and forfeitures	496,691	382,418	510,095	463,642	33,049	7.13%
Interest	1,025,022	659,470	485,250	230,963	794,059	343.80%
Miscellaneous	2,024,377	2,137,962	2,767,599	2,203,499	(179,122)	(8.13)%
Total revenues	<u>\$ 53,659,870</u>	<u>\$ 50,672,713</u>	<u>\$ 47,197,779</u>	<u>\$ 43,558,707</u>	<u>\$ 10,101,163</u>	<u>23.19%</u>

The increase in ad valorem taxes has been significant due to sustained increases in property values and new development coming on to the tax roll. For the current and last three fiscal years the City adopted a millage rate of 5.9998 mils. In fiscal year 2019, this represents a 5.86% increase from the "rolled-back" rate. City property values have recovered following the Great Recession, the City continues to see increased construction and development activity. Licenses and permits increased significantly during that last three years, also related to significant commercial development. Non-ad valorem assessment rates for fire rescue services was not increased in fiscal year 2019, although fire rescue contract and pension costs continue to increase. Intergovernmental revenues increased approximately \$200k, after remaining steady for the prior two years. Interest revenues continue to increase and should do so into the next fiscal year, as the federal government slowly increases interest rates.

**Expenditures**

The amount of General Fund expenditures by type, their percent of the total and the amount of change compared to the last three fiscal years are shown in the following schedule:

	Current Year 9/30/2019	1 year ago 9/30/2018	2 years ago 9/30/2017	3 years ago 9/30/2016	Change Over Past 3 Years	Change Percent
General Fund Expenditures:						
General government	\$ 7,321,171	\$ 8,116,504	\$ 7,257,708	\$ 6,347,197	\$ 973,974	15.34%
Public safety	33,616,978	31,676,478	30,474,767	27,473,950	6,143,028	22.36%
Highways and streets	2,361,886	2,052,860	1,562,150	2,094,086	267,800	12.79%
Physical environment	5,127,398	4,931,826	4,754,850	4,689,865	437,533	9.33%
Community development	733,420	628,849	622,220	650,565	82,855	12.74%
Culture and recreation	3,448,266	2,993,706	2,585,809	2,737,957	710,309	25.94%
Total expenditures	<u>\$ 52,609,119</u>	<u>\$ 50,400,223</u>	<u>\$ 47,257,504</u>	<u>\$ 43,993,620</u>	<u>\$ 8,615,499</u>	<u>19.58%</u>

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- General Government costs have decreased from the prior year primarily due to significant hurricane expenses in fiscal year 2018.
- Public safety costs were higher than the prior year due to the increases in the contract police and fire services provided by Broward Sheriff's Office (BSO) for contracted police and fire services.
- Highways and street expenditures increased due to increase personal services cost, increased maintenance activity, and the purchase of several fleet replacement vehicles.
- Community development increased from the prior year as the City continues to see increased planning and zoning activity related to private development projects.
- Culture and recreation costs increased from the prior year due to increased personal services and operating costs associated with running the various recreation programs.

**Other Major Governmental Funds**

The Capital Projects Fund received inter-fund net transfers of \$0.8m during fiscal year 2019 for use on various governmental infrastructure projects approved by the City Commission. Capital Project expenditures totaled approximately \$0.8 million, including funding from prior year project approvals. Expenditures were made for an array of approved projects including "oasis" neighborhood improvements, phase II of the beach revitalization plan, and building improvements.

The CRA Fund received net transfers of almost \$1.1m from the General Fund. Expenditures of the CRA totaled \$1.5m, which included operations of the Patch neighborhood garden, matching funds for local business improvements, and an annual arts and seafood festival. Typically, Community Redevelopment Agencies receive tax increment financing from both the County and City. However, upon its inception, the City's CRA was not approved by the County to receive any tax increment financing and therefore, receives its operational funding from City General Fund transfers.

The Grant Fund reported virtually no revenues and minimal expenditures during fiscal year 2019. The fund received a \$0.2m transfer from the General Fund during 2019 for required funding of the Transportation Alternatives Program (TAP) grant, which will help identify and plan alternative forms of transportation within the City.

The Debt Service Fund received \$1.1m in transfers from the General Fund in order to pay down various debt obligations

**Proprietary Funds**

The fund financial statements for the proprietary funds provide essentially the same type of information found in the government-wide financial statements, but in more detail. There are six proprietary funds for fiscal year 2019: Water, Sewer, Stormwater, Parking, Pier Operations, and Marina Fund. The net changes of these funds have already been addressed in the discussion of the City's Business-Type Activities.

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**BUDGET INFORMATION**

The City Commission approves the original budget (adopted budget) in September prior to the beginning of the fiscal year. The final budget (amended budget) reflects divisional changes made administratively and approved by the City Manager, prior year encumbrances and departmental changes and supplemental appropriations approved by the City Commission during the year.

Although individual General Fund revenue accounts were not amended, \$4.2 million of prior year reserves were appropriated to cover significant items, including the appropriation of hurricane reserves (\$1.5m), a transfer to the Grants Fund for the TAP grant (\$0.2m), and the rollover of encumbrances from the prior year (\$0.3m).

Expenditures were amended for a number of items, including bridge repairs (\$0.1m), a Department of Transportation mobility study (\$0.1m), a comprehensive mid-year budget adjustment (\$0.1m), and several other important initiatives.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The City of Dania Beach total capital assets for governmental and Business-Type Activities as of September 30, 2019 amount to approximately \$83m (net of accumulated depreciation), representing a decrease of \$2.7m from last year's balance (depreciation of existing assets exceeded new asset additions). The City's investment in capital assets includes land, construction in progress, buildings and improvements, infrastructure, utility system, furniture, fixtures and equipment.

**Capital Assets (Net of Depreciation)**

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 16,184,221	\$ 16,184,221	\$ 220,976	\$ 220,976	\$ 16,405,197	\$ 16,405,197
Utility system	-	-	30,396,797	32,100,991	30,396,797	32,100,991
Buildings	11,988,926	13,002,956	3,086,111	3,334,886	15,075,037	16,337,842
Equipment	1,747,117	1,357,292	1,407,869	1,541,126	3,154,986	2,898,418
Infrastructure	15,485,876	16,843,141	-	-	15,485,876	16,843,141
Construction-in-progress	648,595	306,983	1,716,292	704,118	2,364,887	1,011,101
	<u>\$ 46,054,735</u>	<u>\$ 47,694,593</u>	<u>\$ 36,828,045</u>	<u>\$ 37,902,097</u>	<u>\$ 82,882,780</u>	<u>\$ 85,596,690</u>

Additional information on the City's capital assets can be found in the Note 6 in the footnotes section of this report.

**Long-Term Debt**

As of September 30, 2019, the City had a total outstanding debt of approximately \$20.9m excluding compensated absences. This debt consists of bonds, notes, and capital leases payable that are secured by non ad-valorem revenues or through covenants to budget and appropriation, and general obligation bonds secured by ad-valorem revenues.

The City's debt total decreased by a net amount of \$3.8m during 2019 due to the regular pay down of existing debt as well as debt conversion to grant of approximately \$2.0m. Additional information on the City's debt and other long-term liabilities can be found in the Note 7 in the footnotes section of this report.

CITY OF DANIA BEACH, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
September 30, 2019

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Sales tax bonds	\$ 675,000	\$ 835,000	\$ -	\$ -	\$ 675,000	\$ 835,000
General obligation bonds	6,853,731	7,342,745	-	-	6,853,731	7,342,745
Notes payable	621,876	2,595,034	1,675,000	1,815,000	2,296,876	4,410,034
Capital leases	278,539	468,098	-	-	278,539	468,098
State revolving loan	-	-	10,756,542	11,698,548	10,756,542	11,698,548
Compensated absences	1,319,457	1,139,422	362,498	412,567	1,681,955	1,551,989
	<u>\$ 9,748,603</u>	<u>\$ 12,380,299</u>	<u>\$ 12,794,040</u>	<u>\$ 13,926,115</u>	<u>\$ 22,542,643</u>	<u>\$ 26,306,414</u>

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

The City's continuing investment in economic development, significant branding and marketing efforts, coupled with its proximity to attractive amenities and transportation hubs are expected to improve the tax base in future years. Developing a strategic view and a comprehensive structure for the City's economic development goals, efforts, and annual expenditures will aid in becoming more focused on planning, budgeting, and measuring economic benefits stemming from this investment of City funds.

Business and property redevelopment efforts will help maintain the City's financial stability as local and State economies continue to strengthen. After substantial City investments in beautification, recreation, and business economic incentives over the past several years, a prudent and more focused monitoring of economic development costs and rewards may aide the City in maintaining its financial condition.

The City continues to experience steady growth in building activity that will translate into increased ad valorem tax revenues in the coming years. The City has also noted significant business expansion over the past several years, along with redevelopment and expansion in the downtown area. The construction of several new hotels and other business continues as improvement in the South Florida real estate market continues. In addition, there are several large residential projects that have been approved or are already underway. The Dania Pointe project along Interstate 95, featuring both residential and commercial development and the corporate headquarters of Spirit Airlines, is expected to be completed in the next few years, with the first phase having already opened in 2019. Florida Power and Light is expected to make major improvements to the FPL Dania Beach Clean Energy Center located west of the Fort Lauderdale airport, and these improvements will generate substantial economic benefits to the surrounding area including the City of Dania Beach through increased property values, tax revenues, and increased employment opportunities. The Casino at Dania Beach has been redeveloped and offers a future economic opportunity to the City, as interest in limited South Florida gaming continues its public vetting.

As private investment continues to flow into the community, the City is focused on infrastructure improvements, specifically those that support its economic engines, which includes the Beach, Pier, and Ocean Park. The City has a full-service restaurant tenant at the Pier, and is accumulating the rent payments and other Pier revenues in a fund for future rehabilitation and improvements, including the surrounding amenities. The City continues development of the Beach Master Plan, and seeks to preserve the beach to the extent possible, as erosion has become an area of concern with the onset of king tides and the lack of natural sand deposits from the north. Therefore, additional beach improvements are being carefully planned to ensure beach erosion is taken into proper consideration before proceeding. This may include a complete revisioning of the entire beach area that will reroute traffic and parking to provide a larger beach that is more resistant to natural forces.

The City has also approved and is considering significant capital projects, including on lighting, utility infrastructure projects, and smaller neighborhood development projects known as "Oasis Projects" to improve the surrounding areas with sidewalks, lighting, storm drainage, and overall beautification. Generally, projects are being planned and carried out while seeking some combination of grant awards and/or loan financing, allowing the use of accumulated reserves only when absolutely necessary. When possible, the City places high priority on projects with grant awards, moderate priority on loan financing projects, and a lower priority on projects paid entirely by accumulated reserve funds.

CITY OF DANIA BEACH, FLORIDA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
September 30, 2019

The City's Community Redevelopment Agency continues its initiatives to pursue economic development opportunities in support of its goals and objectives. Since the CRA does not receive tax increment financing, Broward County provides support through other mechanisms, including loans and grants. The CRA received a five-year interest free loan from the County of over \$5 million tied to certain development goals. The funds were used for construction of a four-level parking garage adjacent to City Hall and County Library in the downtown "City Center" area. As the CRA and City have met development goals over time, nearly all of this loan has been converted to a grant and it is hoped that the remaining \$622k will be forgiven. Additionally, the County recently awarded the CRA a \$1 million grant for public improvements at the Trion residential project on the corner of Federal Highway and Dania Beach Boulevard.

Notwithstanding this continued growth and expansion, the City is still faced with the challenge of balancing its limited revenue resources with continually increasing levels of service delivery costs. The City continues to manage and control costs in several areas, including: 1) repayment of existing debt and limiting additional debt, 2) continued investment in the City's infrastructure, 3) retirement funding costs, 4) public safety contractual costs, and 5) employee and retiree health care costs. The City has not yet seen meaningful and sustained increases in revenues related to private development, and therefore the City Commission and City Administration are working to establish priorities for the annual allocation of available funds among service delivery areas. The City has a healthy level of debt, considering its size and budget. However, the use of debt must be considered when financing long-term capital projects and infrastructure improvements; for example, the City adopted a Parks Master Plan, that will require a large investment, which cannot be funded by reserves. Similarly, the City has infrastructure needs that cannot be funded 100% on a pay-as-you-go basis. Annual required contributions to the City's legacy general employee and police/firefighter pension plans must also be funded. The costs of public safety services provided by the Broward Sheriff's Office (BSO) continue to increase each year, even if other City service levels are maintained. New private residential development projects are increasing the City's population, which will most likely increase demand on public safety services. Finally, the City's successful effort to bid, share costs, and better control annual employee health and other benefit costs will be a significant help in controlling expenditures in the coming years.

The economy has continued to improve and City property values again increased by 4.54% for the fiscal year 2019-20 budget. The City has adopted the same millage rate of 5.9998 and therefore, will see an increase in ad valorem tax revenues. This is a result of the increase in private development and a growing property tax base. A cautious approach to additional City infrastructure improvements is warranted to ensure funds are generally being used from annual recurring resources without depleting unassigned fund balance. Examining funding levels for annual economic development initiatives, capital improvements and a general but prudent fiscal restraint in discretionary costs will aid Dania Beach in maintaining a stable financial position in coming years.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability. Questions concerning any information provided in this report or requests for additional information should be addressed to the Finance Department, 100 West Dania Beach Boulevard, Dania Beach, FL 33004.

## **BASIC FINANCIAL STATEMENTS**

These basic financial statements provide a summary overview of financial position of all funds, the operating results of all funds, and the cash flows of proprietary funds. They also serve as an introduction to the more detailed statements and schedules that follow in the next section.

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CITY OF DANIA BEACH, FLORIDA  
STATEMENT OF NET POSITION  
September 30, 2019

	Governmental Activities	Business- Type Activities	Total
<b>ASSETS:</b>			
Cash, cash equivalents and investments	\$ 44,937,395	\$ 30,810,729	\$ 75,748,124
Receivables:			
Franchise, utility and other taxes	903,396	279,313	1,182,709
Customer / other, net	264,534	1,614,782	1,879,316
Internal balances	326,232	(326,232)	-
Due from other governmental agencies	1,089,530	-	1,089,530
Inventories	19,561	155,732	175,293
Property held for resale	90,199	-	90,199
Restricted cash, cash equivalents and investments	-	3,917,685	3,917,685
Capital assets not being depreciated	16,832,817	1,937,267	18,770,084
Capital assets being depreciated, net	29,221,918	34,890,778	64,112,696
<b>Total assets</b>	<b>93,685,582</b>	<b>73,280,054</b>	<b>166,965,636</b>
<b>DEFERRED OUTFLOWS:</b>			
Pensions and OPEB	1,096,181	-	1,096,181
<b>Total net deferred outflows</b>	<b>1,096,181</b>	<b>-</b>	<b>1,096,181</b>
<b>LIABILITIES:</b>			
Accounts payable and accrued liabilities	2,080,216	891,301	2,971,517
Accrued interest payable	107,003	109,185	216,188
Due to other governmental agencies	192,213	21,629	213,842
Deposits	642,036	534,990	1,177,026
Unearned revenue	866,396	114,773	981,169
Other liabilities	-	48,171	48,171
Non-current liabilities:			
Due within one year:			
Compensated absences	197,919	54,374	252,293
Current portion of long-term debt	895,031	1,094,625	1,989,656
Due in more than one year:			
Compensated absences	1,121,538	308,124	1,429,662
Long-term debt	7,534,115	11,336,917	18,871,032
Net pension liability	24,728,722	3,774,397	28,503,119
Net OPEB liability	11,461,183	3,163,064	14,624,247
<b>Total liabilities</b>	<b>49,826,372</b>	<b>21,451,550</b>	<b>71,277,922</b>
<b>DEFERRED INFLOWS:</b>			
Pensions and OPEB	-	645,966	645,966
<b>Total net deferred inflows</b>	<b>-</b>	<b>645,966</b>	<b>645,966</b>
<b>NET POSITION:</b>			
Net investment in capital assets	37,625,589	24,396,503	62,022,092
Restricted:			
Impact fees:			
Water and sewer	-	2,349,692	2,349,692
General government	506,331	-	506,331
Recreation	182,851	-	182,851
Public safety	1,517,874	-	1,517,874
Grants	88,764	-	88,764
Building code costs	4,813,371	-	4,813,371
Debt service	-	711,736	711,736
Unrestricted	220,611	23,724,607	23,945,218
<b>Total net position</b>	<b>\$ 44,955,391</b>	<b>\$ 51,182,538</b>	<b>\$ 96,137,929</b>

See Notes to the Basic Financial Statements.

CITY OF DANIA BEACH, FLORIDA  
Statement of Activities  
Year Ended September 30, 2019

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:							
General government	\$ 7,267,443	\$ 7,726,310	\$ -	\$ -	\$ 458,867	\$ -	\$ 458,867
Public safety	27,349,962	8,783,650	193,074	-	(18,373,238)	-	(18,373,238)
Highways and streets	3,835,758	-	-	-	(3,835,758)	-	(3,835,758)
Physical environment	4,604,282	2,641,273	-	-	(1,963,009)	-	(1,963,009)
Community redevelopment	5,852,726	20,856	2,032,658	-	(3,799,212)	-	(3,799,212)
Culture and recreation	4,320,723	257,089	-	-	(4,063,634)	-	(4,063,634)
Interest on long-term debt	213,827	-	-	-	(213,827)	-	(213,827)
<b>Total governmental activities</b>	<b>53,444,721</b>	<b>19,429,178</b>	<b>2,225,732</b>	<b>-</b>	<b>(31,789,811)</b>	<b>-</b>	<b>(31,789,811)</b>
Business-type activities:							
Water	3,909,321	5,969,968	-	-	-	2,060,647	2,060,647
Sewer	4,840,610	7,104,089	-	-	-	2,263,479	2,263,479
Stormwater	1,114,442	2,004,790	-	-	-	890,348	890,348
Marina	802,576	1,050,666	-	-	-	248,090	248,090
Parking	819,848	1,285,446	-	-	-	465,598	465,598
Pier operations	466,893	295,290	-	-	-	(171,603)	(171,603)
<b>Total business-type activities</b>	<b>11,953,690</b>	<b>17,710,249</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,756,559</b>	<b>5,756,559</b>
<b>Total primary government</b>	<b>\$ 65,398,411</b>	<b>\$ 37,139,427</b>	<b>\$ 2,225,732</b>	<b>\$ -</b>	<b>(31,789,811)</b>	<b>5,756,559</b>	<b>(26,033,252)</b>
General revenues:							
Property taxes					24,372,949	-	24,372,949
Franchise fees based on gross receipts					2,936,311	-	2,936,311
Utility taxes					4,108,466	-	4,108,466
Unrestricted intergovernmental revenue					5,555,190	-	5,555,190
Unrestricted investment earnings					1,129,466	894,958	2,024,424
Miscellaneous					3,331,903	921,982	4,253,885
Transfers					3,754,484	(3,754,484)	-
Total general revenues and transfers					45,188,769	(1,937,544)	43,251,225
Change in net position					13,398,958	3,819,015	17,217,973
Net position - beginning					31,556,433	47,363,523	78,919,956
Net position - ending					\$ 44,955,391	\$ 51,182,538	\$ 96,137,929

See Notes to the Basic Financial Statements.

CITY OF DANIA BEACH, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
September 30, 2019

	Special Revenue Funds			
	General	Grants	Community Redevelopment Agency	Building Fund
<b>ASSETS:</b>				
Current assets				
Cash, cash equivalents and investments	\$ 34,744,253	\$ 248,015	\$ 760,190	\$ 5,260,352
Receivables, net:				
Franchise, utility and other taxes	903,396	-	-	-
Customer / other, net	248,368	216	15,500	-
Due from other funds	497,243	-	-	-
Due from other governmental agencies	1,084,898	4,632	-	-
Inventories	19,561	-	-	-
Property held for sale	52,499	-	37,700	-
Total assets	<u>\$ 37,550,218</u>	<u>\$ 252,863</u>	<u>\$ 813,390</u>	<u>\$ 5,260,352</u>
<b>LIABILITIES AND FUND BALANCES:</b>				
Liabilities				
Accounts payable and accrued liabilities	\$ 1,636,444	\$ -	\$ 36,738	\$ 407,034
Due to other funds	-	164,099	2,062	4,850
Due to other governmental agencies	157,116	-	-	35,097
Deposits	641,961	-	75	-
Unearned revenue	866,393	-	-	-
Total liabilities	<u>3,301,914</u>	<u>164,099</u>	<u>38,875</u>	<u>446,981</u>
Fund balance				
Nonspendable:				
Inventories	19,561	-	-	-
Property held for sale	52,499	-	37,700	-
Restricted:				
General government impact fees	506,331	-	-	-
Recreational impact fees	182,851	-	-	-
Public safety impact fees	1,517,874	-	-	-
Building code costs	-	-	-	4,813,371
Grants	-	88,764	-	-
Committed for:				
Community redevelopment	-	-	736,815	-
Maintenance of cemeteries	-	-	-	-
Capital projects	-	-	-	-
Tree preservation	-	-	-	-
Assigned to:				
Disaster recovery	8,397,697	-	-	-
Branding initiative	382,003	-	-	-
Firefighter's pension	2,227,115	-	-	-
Unassigned (deficit)	20,962,373	-	-	-
Total fund balances (deficit)	<u>34,248,304</u>	<u>88,764</u>	<u>774,515</u>	<u>4,813,371</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 37,550,218</u>	<u>\$ 252,863</u>	<u>\$ 813,390</u>	<u>\$ 5,260,352</u>

See Notes to the Basic Financial Statements.

Debt Service Fund	Capital Projects	Other Non Major Governmental Funds	Total Governmental Funds
\$ -	\$ 1,976,839	\$ 1,947,746	\$ 44,937,395
-	-	-	903,396
-	-	450	264,534
-	-	-	497,243
-	-	-	1,089,530
-	-	-	19,561
-	-	-	90,199
<u>\$ -</u>	<u>\$ 1,976,839</u>	<u>\$ 1,948,196</u>	<u>\$ 47,801,858</u>
\$ -	\$ -	\$ -	\$ 2,080,216
-	-	-	171,011
-	-	-	192,213
-	-	-	642,036
-	-	-	866,393
-	-	-	3,951,869
-	-	-	19,561
-	-	-	90,199
-	-	-	506,331
-	-	-	182,851
-	-	260,534	1,778,408
-	-	-	4,813,371
-	-	-	88,764
-	-	-	736,815
-	-	530,055	530,055
-	1,976,839	115,260	2,092,099
-	-	1,042,347	1,042,347
-	-	-	8,397,697
-	-	-	382,003
-	-	-	2,227,115
-	-	-	20,962,373
-	1,976,839	1,948,196	43,849,989
<u>\$ -</u>	<u>\$ 1,976,839</u>	<u>\$ 1,948,196</u>	<u>\$ 47,801,858</u>

CITY OF DANIA BEACH, FLORIDA  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
September 30, 2019

FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$	43,849,989
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources, and therefore are not reported in the governmental funds</p>		46,054,735
<p>Other assets used in governmental activities are not financial resources, and therefore, are not reported in the governmental funds.</p>		
Deferred outflows-pension and OPEB related		1,096,181
Interest payable, not reported in the government funds		(107,003)
<p>Long-term liabilities are not due and payable in the current period and therefore, are not reported at the fund level</p>		
<p>Long term debt including bonds, notes and capital leases</p>		
Lease obligations	(8,429,146)	
Net OPEB liability	(11,461,183)	
Net pension liability	(24,728,722)	
Compensated absences	(1,319,460)	(45,938,511)
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	44,955,391

See Notes to the Basic Financial Statements.

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CITY OF DANIA BEACH, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
For the Year Ended September 30, 2019

	Special Revenue Funds			
	General Fund	Grants	Community Redevelopment Agency	Building Fund
<b>REVENUES</b>				
Property taxes	\$ 24,372,949	\$ -	\$ -	\$ -
Special assessments	6,316,109	-	-	-
Franchise fees	2,936,979	-	-	-
Utility taxes	4,108,466	-	-	-
Licenses and permits	1,982,035	-	-	6,418,386
Intergovernmental	5,748,048	-	-	-
Charges for Services	4,649,862	-	-	-
Fines and forfeitures	496,691	-	-	-
Investment earnings	1,025,022	-	16,409	58,774
Grants	-	216	-	-
Miscellaneous	2,023,709	-	340,184	11,909
Total revenues	<u>53,659,870</u>	<u>216</u>	<u>356,593</u>	<u>6,489,069</u>
<b>EXPENDITURES</b>				
Current:				
General government	7,321,171	-	-	-
Public safety	33,616,978	-	-	-
Highways and streets	2,361,886	12,660	-	-
Physical environment	5,127,398	-	-	-
Community redevelopment	733,420	-	1,537,132	3,707,103
Culture and recreation	3,448,266	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>52,609,119</u>	<u>12,660</u>	<u>1,537,132</u>	<u>3,707,103</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>1,050,751</u>	<u>(12,444)</u>	<u>(1,180,539)</u>	<u>2,781,966</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	5,260,317	213,514	1,535,325	-
Transfers out	(3,859,312)	-	(387,398)	(776,028)
Total other financing sources (uses)	<u>1,401,005</u>	<u>213,514</u>	<u>1,147,927</u>	<u>(776,028)</u>
Net Change in Fund Balances	2,451,756	201,070	(32,612)	2,005,938
<b>FUND BALANCES (DEFICIT)</b>				
BEGINNING OF YEAR	<u>31,796,548</u>	<u>(112,306)</u>	<u>807,127</u>	<u>2,807,433</u>
<b>FUND BALANCES (DEFICIT)</b>				
END OF YEAR	<u>\$ 34,248,304</u>	<u>\$ 88,764</u>	<u>\$ 774,515</u>	<u>\$ 4,813,371</u>

See Notes to the Basic Financial Statements.

Debt Service Fund	Capital Projects	Other Non Major Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 24,372,949
-	-	-	6,316,109
-	-	-	2,936,979
-	-	-	4,108,466
-	-	2,998	8,403,419
-	-	-	5,748,048
-	-	38,264	4,688,126
-	-	58,211	554,902
900	-	28,361	1,129,466
-	-	-	216
-	-	481,555	2,857,357
<u>900</u>	<u>-</u>	<u>609,389</u>	<u>61,116,037</u>
-	42,354	-	7,363,525
-	202,125	-	33,819,103
-	287,841	-	2,662,387
-	-	-	5,127,398
-	-	-	5,977,655
-	-	-	3,448,266
-	282,671	-	282,671
838,574	-	-	838,574
225,827	-	-	225,827
<u>1,064,401</u>	<u>814,991</u>	<u>-</u>	<u>59,745,406</u>
<u>(1,063,501)</u>	<u>(814,991)</u>	<u>609,389</u>	<u>1,370,631</u>
1,063,501	755,187	-	8,827,844
-	-	(50,622)	(5,073,360)
<u>1,063,501</u>	<u>755,187</u>	<u>(50,622)</u>	<u>3,754,484</u>
-	(59,804)	558,767	5,125,115
-	2,036,643	1,389,429	38,724,874
<u>\$ -</u>	<u>\$ 1,976,839</u>	<u>\$ 1,948,196</u>	<u>\$ 43,849,989</u>



CITY OF DANIA BEACH, FLORIDA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
For the Year Ended September 30, 2019

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		\$ 5,125,115
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays, reported as expenditures in governmental funds, are shown as capital assets in the statement of net position.		1,279,442
Provision for depreciation on governmental capital assets is included in the governmental activities in the statement of net position.		(2,919,300)
Pension and OPEB contributions are reported as expenditures in the government funds and recorded as deferred outflows on the statement of net position		7,270,007
Principal payments on long-term debt are reported as expenditures in governmental funds, but as a reduction of long-term liabilities in the statement of net position.		838,574
Debt conversion to grant is reported as revenue in the statement of net position		1,973,158
Certain items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:		
Change in accrued interest	12,000	
Change in compensated absences	<u>(180,038)</u>	
		<u>(168,038)</u>
Change in net position - Governmental Activities		<u>\$ 13,398,958</u>

See Notes to the Basic Financial Statements.

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CITY OF DANIA BEACH, FLORIDA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
September 30, 2019

	<u>Business Type Activities - Enterprise Funds</u>		
	<u>Water</u>	<u>Sewer</u>	<u>Stormwater</u>
<b>ASSETS:</b>			
Current assets:			
Cash and cash equivalents	\$ 7,759,096	\$ 12,645,471	\$ 5,721,167
Receivables, net	794,971	879,333	6,600
Inventory	140,801	4,238	10,693
Total current assets	<u>8,694,868</u>	<u>13,529,042</u>	<u>5,738,460</u>
Noncurrent assets:			
Restricted cash, cash equivalents, and investments	2,310,468	1,556,893	50,324
Capital assets not being depreciated	255,497	796,938	760,632
Capital assets being depreciated, net	16,713,254	4,601,427	7,749,834
Total noncurrent assets	<u>19,279,219</u>	<u>6,955,258</u>	<u>8,560,790</u>
Total assets	<u>27,974,087</u>	<u>20,484,300</u>	<u>14,299,250</u>
<b>DEFERRED OUTFLOWS</b>			
Net pension outflows	-	-	-
Total net deferred outflows	<u>-</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES AND NET POSITION:</b>			
Current liabilities:			
Accounts payable and accrued liabilities	245,656	357,941	63,111
Accrued interest payable	60,865	15,707	4,246
Due to other funds	9,689	2,313	1,749
Due to other governmental agencies	6,519	-	-
Deposits payable	474,922	-	-
Unearned revenue	71,102	-	-
Other liabilities	41,618	6,553	-
Compensated absences-current	30,581	11,534	5,927
Current maturities of long term debt	741,366	160,151	48,108
Total current liabilities	<u>1,682,318</u>	<u>554,199</u>	<u>123,141</u>
Noncurrent liabilities:			
Compensated absences	173,295	65,361	33,585
Loans payable	7,089,489	1,861,101	856,327
Net pension liability	1,920,321	703,305	619,508
Net OPEB liability	1,616,745	1,015,369	530,950
Total noncurrent liabilities	<u>10,799,850</u>	<u>3,645,136</u>	<u>2,040,370</u>
Total liabilities	<u>12,482,168</u>	<u>4,199,335</u>	<u>2,163,511</u>
<b>DEFERRED INFLOWS</b>			
Net pensions inflows	332,491	373,110	113,517
Total net deferred inflows	<u>332,491</u>	<u>373,110</u>	<u>113,517</u>
<b>NET POSITION:</b>			
Net investment in capital assets	9,137,896	3,377,113	7,606,031
Restricted			
Debt service	552,521	119,284	39,931
Impact fees	1,676,910	672,782	-
Unrestricted	3,792,101	11,742,676	4,376,260
Total net position	<u>\$ 15,159,428</u>	<u>\$ 15,911,855</u>	<u>\$ 12,022,222</u>

See Notes to the Basic Financial Statements.

Business Type Activities - Enterprise  
Funds

Marina	Nonmajor Enterprise Funds	Total Enterprise Funds
\$ 880,924	\$ 3,804,071	\$ 30,810,729
190,364	22,827	1,894,095
-	-	155,732
<u>1,071,288</u>	<u>3,826,898</u>	<u>32,860,556</u>
-	-	3,917,685
124,200	-	1,937,267
<u>5,695,334</u>	<u>130,929</u>	<u>34,890,778</u>
<u>5,819,534</u>	<u>130,929</u>	<u>40,745,730</u>
<u>6,890,822</u>	<u>3,957,827</u>	<u>73,606,286</u>
-	173,152	173,152
-	173,152	173,152
144,398	80,195	891,301
28,367	-	109,185
293,389	19,092	326,232
11,855	3,255	21,629
50,262	9,806	534,990
10,986	32,685	114,773
-	-	48,171
-	6,332	54,374
145,000	-	1,094,625
<u>684,257</u>	<u>151,365</u>	<u>3,195,280</u>
-	35,883	308,124
1,530,000	-	11,336,917
-	531,263	3,774,397
-	-	3,163,064
<u>1,530,000</u>	<u>567,146</u>	<u>18,582,502</u>
<u>2,214,257</u>	<u>718,511</u>	<u>21,777,782</u>
-	-	819,118
-	-	819,118
4,144,534	130,929	24,396,503
-	-	711,736
-	-	2,349,692
532,031	3,281,539	23,724,607
<u>\$ 4,676,565</u>	<u>\$ 3,412,468</u>	<u>\$ 51,182,538</u>

CITY OF DANIA BEACH, FLORIDA  
STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
For the Year Ended September 30, 2019

	<u>Business Type Activities - Enterprise Funds</u>		
	<u>Water</u>	<u>Sewer</u>	<u>Stormwater</u>
<b>OPERATING REVENUES:</b>			
Charges for services	\$ 5,828,372	\$ 6,882,688	\$ 1,962,456
Fines and forfeitures	-	-	-
Miscellaneous	189,401	221,401	42,334
Total operating revenues	<u>6,017,773</u>	<u>7,104,089</u>	<u>2,004,790</u>
<b>OPERATING EXPENSES:</b>			
Operations and maintenance	2,653,826	4,400,321	676,567
Depreciation	1,041,765	394,288	409,144
Total operating expenses	<u>3,695,591</u>	<u>4,794,609</u>	<u>1,085,711</u>
Operating income (loss)	<u>2,322,182</u>	<u>2,309,480</u>	<u>919,079</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Gain on disposal of capital assets	14,500	22,650	6,600
Interest income	271,236	382,398	151,094
Interest (expense)	(213,730)	(46,001)	(28,731)
Total non-operating revenues (expenses) before transfers	<u>72,006</u>	<u>359,047</u>	<u>128,963</u>
Income (loss) before transfers	2,394,188	2,668,527	1,048,042
<b>TRANSFERS:</b>			
Transfers out	(1,450,325)	(746,111)	(462,632)
Total transfers	<u>(1,450,325)</u>	<u>(746,111)</u>	<u>(462,632)</u>
Change in net position	943,863	1,922,416	585,410
NET POSITION, beginning	<u>14,215,565</u>	<u>13,989,439</u>	<u>11,436,812</u>
NET POSITION, end of year	<u>\$ 15,159,428</u>	<u>\$ 15,911,855</u>	<u>\$ 12,022,222</u>

See Notes to the Basic Financial Statements.

Business Type Activities - Enterprise  
Funds

Marina	Nonmajor Funds	Totals
\$ 1,050,666	\$ 1,540,038	\$ 17,264,220
-	191,519	191,519
14,937	664,669	1,132,742
<u>1,065,603</u>	<u>2,396,226</u>	<u>18,588,481</u>
397,539	1,264,085	9,392,338
345,426	22,656	2,213,279
<u>742,965</u>	<u>1,286,741</u>	<u>11,605,617</u>
<u>322,638</u>	<u>1,109,485</u>	<u>6,982,864</u>
-	-	43,750
5,320	84,910	894,958
<u>(59,611)</u>	<u>-</u>	<u>(348,073)</u>
<u>(54,291)</u>	<u>84,910</u>	<u>590,635</u>
268,347	1,194,395	7,573,499
<u>(175,101)</u>	<u>(920,315)</u>	<u>(3,754,484)</u>
<u>(175,101)</u>	<u>(920,315)</u>	<u>(3,754,484)</u>
93,246	274,080	3,819,015
<u>4,583,319</u>	<u>3,138,388</u>	<u>47,363,523</u>
<u>\$ 4,676,565</u>	<u>\$ 3,412,468</u>	<u>\$ 51,182,538</u>

CITY OF DANIA BEACH, FLORIDA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Year Ended September 30, 2019

	Business-Type Activities					Totals
	Water	Sewer	Stormwater	Marina	Non-Major Funds	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>						
Receipts from customers and users	\$ 6,028,224	\$ 7,096,540	\$ 1,998,190	\$ 1,051,942	\$ 2,425,315	\$ 18,600,211
Payments to employees	(1,977,213)	(986,657)	(620,668)	-	(279,897)	(3,864,435)
Payments to suppliers	(1,041,806)	(3,795,129)	(163,856)	(248,223)	(866,476)	(6,115,490)
Net cash provided by operating activities	<u>3,009,205</u>	<u>2,314,754</u>	<u>1,213,666</u>	<u>803,719</u>	<u>1,278,942</u>	<u>8,620,286</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>						
Cash provided by (to) other funds	(1,448,114)	(745,943)	(463,079)	(175,101)	(919,526)	(3,751,763)
Net cash provided by (used in) non-capital financing activities	<u>(1,448,114)</u>	<u>(745,943)</u>	<u>(463,079)</u>	<u>(175,101)</u>	<u>(919,526)</u>	<u>(3,751,763)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>						
Purchase of capital assets	(67,772)	(756,314)	(163,643)	(124,200)	(27,308)	(1,139,237)
Proceeds from disposal of capital assets	14,500	22,650	6,600	-	-	43,750
Principal paid on long-term debt	(741,368)	(160,147)	(40,491)	(140,000)	-	(1,082,006)
Interest paid on long-term debt	(219,540)	(47,303)	(28,955)	(59,611)	-	(355,409)
Net cash provided by (used in) capital and related financing activities	<u>(1,014,180)</u>	<u>(941,114)</u>	<u>(226,489)</u>	<u>(323,811)</u>	<u>(27,308)</u>	<u>(2,532,902)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>						
Investment earnings	271,236	382,398	151,094	5,320	84,910	894,958
Net cash provided by investing activities	<u>271,236</u>	<u>382,398</u>	<u>151,094</u>	<u>5,320</u>	<u>84,910</u>	<u>894,958</u>
Net increase (decrease) in cash and cash equivalents	818,147	1,010,095	675,192	310,127	417,018	3,230,579
CASH AND CASH EQUIVALENTS, beginning of year	<u>9,251,417</u>	<u>13,192,269</u>	<u>5,096,299</u>	<u>570,797</u>	<u>3,387,053</u>	<u>31,497,835</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 10,069,564</u>	<u>\$ 14,202,364</u>	<u>\$ 5,771,491</u>	<u>\$ 880,924</u>	<u>\$ 3,804,071</u>	<u>\$ 34,728,414</u>
<b>RECONCILIATION TO STATEMENT OF NET POSITION:</b>						
Cash and cash equivalents	\$ 7,759,096	\$ 12,645,471	\$ 5,721,167	\$ 880,924	\$ 3,804,071	\$ 30,810,729
Restricted cash and cash equivalents	2,310,468	1,556,893	50,324	-	-	3,917,685
Cash and cash equivalents, end of year	<u>\$ 10,069,564</u>	<u>\$ 14,202,364</u>	<u>\$ 5,771,491</u>	<u>\$ 880,924</u>	<u>\$ 3,804,071</u>	<u>\$ 34,728,414</u>

See Notes to the Basic Financial Statements.

CITY OF DANIA BEACH, FLORIDIA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Year Ended September 30, 2019  
(continued)

	Business-Type Activities					Totals
	Water	Sewer	Stormwater	Marina	Non-Major Funds	
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:						
Operating income	\$ 2,322,182	\$ 2,309,480	\$ 919,079	\$ 322,638	\$ 1,109,485	\$ 6,982,864
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:						
Provision for allowance in doubtful accounts	8,015	3,640				
Provision for depreciation	1,041,765	394,288	409,144	345,426	22,656	2,213,279
(Increase) decrease in:						
Receivables	(15,708)	(11,189)	(6,600)	(30,251)	(3,656)	(67,404)
Prepays and other assets	(53,343)	7,125	2,897	-	-	(43,321)
Net deferred outflows/inflows	782,623	502,526	257,895	-	(15,032)	1,528,012
Increase (decrease) in:						
Accounts payable and accrued liabilities	(18,664)	(136,462)	14,790	134,120	28,394	22,178
Deposits	18,144	-	-	16,590	60	34,794
Due to other governmental agencies	-	-	-	8,077	864	8,941
Other liabilities	(7,056)	5,850	-	7,119	32,685	38,598
Net pension liability	(100,033)	(154,516)	(34,952)	-	96,642	(192,859)
Net OPEB liability	(953,547)	(599,401)	(313,434)	-	-	(1,866,382)
Compensated absences	(15,173)	(6,587)	(35,153)	-	6,844	(50,069)
Total adjustments	<u>687,023</u>	<u>5,274</u>	<u>294,587</u>	<u>481,081</u>	<u>169,457</u>	<u>1,625,767</u>
Net cash provided by operating activities	<u>\$ 3,009,205</u>	<u>\$ 2,314,754</u>	<u>\$ 1,213,666</u>	<u>\$ 803,719</u>	<u>\$ 1,278,942</u>	<u>\$ 8,608,631</u>



CITY OF DANIA BEACH, FLORIDA  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
September 30, 2019

	Totals
<b>ASSETS:</b>	
Cash	\$ 27,878
Investments, at fair value:	
Common stocks	52,246,548
Mutual funds	11,873,556
Corporate and foreign bonds	5,549,096
Money market funds	2,911,710
Partnership/Joint venture	2,449,869
Real estate	8,472,260
Government securities	11,784,242
Total investments	95,287,281
Receivables:	
State contributions	429,236
Employee contributions	15,379
Employer contributions	193,914
Accrued interest receivable	200,852
Loans to DROP participants	913,235
Total receivables	1,752,616
Other assets	162
Total assets	97,067,937
<b>LIABILITIES:</b>	
Accounts payable	33,619
Total liabilities	33,619
<b>NET POSITION:</b>	
Net position restricted for DROP benefits	1,141,323
Net position restricted for defined benefits	95,892,995
Total net position	\$ 97,034,318

See Notes to the Basic Financial Statements.

CITY OF DANIA BEACH, FLORIDA  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
For the Year Ended September 30, 2019

	Totals
ADDITIONS:	
Contributions:	
Employees	\$ 7,003,465
Employer	2,563,174
Buybacks	1,210,895
State	429,236
Total contributions	11,206,770
Investment income:	
Net appreciation in fair value of investments	197,961
Interest and dividends	3,456,039
Total investment income	3,654,000
Less: Investment expenses	(376,876)
Net investment income	3,277,124
Other income	76,022
Total additions	14,559,916
DEDUCTIONS:	
Pension benefits paid	6,379,774
Administrative expenses	471,739
Total deductions	6,851,513
Change in net position	7,708,403
Net position - beginning	89,325,915
Net position - ending	\$ 97,034,318

See Notes to the Basic Financial Statements.

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2019

**NOTE 1 – ORGANIZATION AND OPERATIONS**

The City of Dania Beach, Florida (the “City”) located in Broward County, is a political subdivision of the State of Florida. The legislative branch of the City is composed of a five-member elected commission. The City Commission is governed by the City Charter and by state and local laws and regulations. The City Commission is responsible for the establishment and adoption of policy. The execution of such policy is the responsibility of the Commission-appointed City Manager. In addition to the general government function, the City provides its residents with public works, public safety (police and fire), culture and recreation, building, zoning and planning functions, water, sewer and storm water management.

The financial statements of the City have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Reporting entity:

The financial statements were prepared in accordance with government accounting standards which establishes standards for defining and reporting on the financial reporting entity. The definition of the financial reporting entity is based upon the concept that elected officials are accountable to their constituents for their actions. One of the objectives of financial reporting is to provide users of the financial statements with a basis for assessing the accountability of the elected officials. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. In evaluating the City as a reporting entity, management has addressed all potential component units for which the City may or may not be financially accountable and, as such, be includable within the City’s financial statements. The City is financially accountable for a component unit if it appoints a voting majority of the organization’s board, and it is able to impose its will on that organization, or there is a potential for the organization to provide specific financial benefits, or impose specific financial burdens on the City.

The Dania Beach Community Redevelopment Agency (the “CRA”) is governed by the CRA Board which is substantially the same as the City Commission. Although it is legally separate from the City, the CRA is reported as part of the primary government because its sole purpose is to finance and redevelop the City’s designated redevelopment areas and provides services entirely to the primary government. The CRA is reported as a major special revenue fund type using the blended method.

Governmental-wide and fund financial statements:

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City. 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 to a significant extent on fees and charges for services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those expenses that are clearly identifiable with a specific function or segment. 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 or segment, and fines and forfeitures and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2019

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

Measurement focus, basis of accounting, and financial statement presentation:

Measurement focus is commonly used to describe the types of transactions and events that are reported in a fund's operating statement. Basis of accounting refers to the point at which revenues and expenditures/expenses are recognized in the accounts and reported in the financial statements and relates to the timing of the measurement made, regardless of the measurement focus applied.

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 are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

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. "Measurable" means the amount of the transaction can be determined. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers receivables collected within 60 days after the year-end to be available and recognizes them as revenues of the current year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, intergovernmental revenues, franchise fees, licenses and investment earnings 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. In applying the susceptible to accrual concept to intergovernmental revenues, revenues are recognized when all eligibility requirements are met. All other revenue items are considered to be measurable and available only when the City receives cash.

The City reports the following major governmental funds:

The General Fund is the primary operating fund of the City. It accounts for all financial resources of the general government except those required to be accounted for in a separate fund.

The Grants Fund accounts for the revenues and expenditures related to federal, state and local grants received by the City with the exception of FEMA reimbursements for hurricane-related expenses.

The Community Redevelopment Agency fund accounts for funds received to be used for eliminating slum and blight conditions existing in the community redevelopment area. The CRA does not receive tax incremental financing. Instead it is funded through the General Fund of the City.

The Building Fund accounts for all monies received from their issuance of building permits.

The Debt Service Fund accounts for the funds received to pay the city's long term debt as well as proceeds received from new debt issuances.

The Capital Projects Fund accounts for the resources accumulated for the completion of the five-year capital budget.

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2019

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The City reports the following major proprietary (enterprise) funds:

The City's water treatment, sewer and stormwater system are funded through user charges. The City's marina fund which accounts for the operation of the City's marina is also funded through user charges.

Additionally, the City reports the following fiduciary funds:

The Pension Trust Fund accounts for the activities of the General Employees Retirement System, the Police and Firefighter's Retirement System and OPEB Trust Plan. These funds accumulate resources for pension benefit payments to qualified employees and other post-employment benefits for qualified retirees.

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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. The principal operating revenues of the City's water, sewer, storm water and marina enterprise funds are charges to customers for sales and services.

The water and sewer funds also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non operating revenues and expenses.

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

Assets, liabilities and net position or fund balance:

1. Deposits and investments:

The City's cash and cash equivalents are considered to be cash on hand, time and demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Short-term investments, except the State Board Investment Pool, are reported at cost, which approximates fair value. The Investment Pool is recorded at its value of the pool shares (2A-7 Pool) which is fair value.

The nature of the City's investments is governed by the provisions of Florida Statutes Section 218. Under this statute, authorized investments are limited, unless otherwise authorized by law or ordinance, to the Local Government Surplus Funds Trust Fund, money market funds, direct or unconditionally guaranteed obligations of the United States Government, obligations of certain government agencies, interest bearing time deposits or savings accounts.

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2019

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

2. Receivables and payables:

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as due to/from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Property taxes are levied as of January 1 on property values assessed as of the same date. Assessment and collections are made on behalf of the City by Broward County. Property values are assessed as of January 1 of each year, at which time taxes become an enforceable lien on property. Tax bills are mailed for the City by Broward County on or about October 1 of each year and are payable with discounts of up to 4% offered for early payment. Taxes become delinquent on April 1 of the year following the year of assessment and State law provides for enforcement of collection of property taxes by seizure of the personal property or by the sale of interest-bearing tax certificates to satisfy unpaid property taxes. All trade and property tax receivables are shown net of an allowance for uncollectibles. Accounts receivable allowances are based on historical trends.

Operating revenues in the water and sewer enterprise funds are generally recognized on the basis of cycle billings rendered monthly. The Marina billings are also recognized when billed on a monthly basis. Revenues for services delivered during the last month of the fiscal year that have not been read by September 30 are accrued based on meter reading and docking fees (for the Marina fund) for the applicable consumption period and billed in October.

3. Inventories and prepaids:

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of government funds are recorded as expenditures when consumed. The reported governmental fund type inventories are offset by a nonspendable fund balance that indicates that they do not constitute available spendable resources.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements under the consumption method.

4. Restricted assets:

Certain assets of the Debt Service fund have been classified as restricted because their use is completely restricted by a bond indenture agreement for the city’s debt service requirements and by grant agreements.

Impact fees collected in the General, Water and Sewer Funds are also restricted for costs associated with improvements to recreational/administrative facilities as well as providing for increased capacity and expansion of the water and sewer system.

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2019

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

5. Capital assets:

Capital assets, which include land, buildings and improvements, furniture, fixtures and equipment, construction in progress, infrastructure (e.g., roads, bridges, sidewalks, and similar items) and utility systems are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. For infrastructure assets the City defines capital assets with an initial cost of more than \$10,000 and an estimated life in excess of five years. Purchased or constructed assets are recorded at historical cost or estimated historical cost. Donated capital assets, including works of art and similar items, and capital assets received in a concession arrangement are recorded at acquisition value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add value to the asset or materially extend its useful life are not capitalized.

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

Building and improvements	10-40 years
Infrastructure	20-30 years
Utility system	5-50 years
Furniture, fixtures, and equipment	3-10 years

6. Compensated absences:

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. An employee may, on an annual basis, or upon termination, cash in a portion of these unused benefits. Vacation and sick pay benefits are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported and recorded in governmental funds only if they have matured, for example, as a result of employee resignation and retirements. When the liability is liquidated it is expended in the General Fund and the Enterprise Funds.

7. Long-term Obligations:

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts, are amortized over the life of the bonds. Issuance costs are treated as expenditures. Bonds payable are reported net of the applicable bond premium or discount.

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

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2019

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

8. Equity classification:

*Government-Wide and Proprietary Fund Statements*

Equity is classified as Net Position and displayed in three components:

- a. Net investment in capital assets – consists of 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 improvements of those assets.
- b. 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 or enabling legislation.
- c. Unrestricted net position – all other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

*Fund Equity*

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* require that governmental fund financial statements present fund balances based on classification that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- a. Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be converted to cash (such as inventories and prepaid amounts) and items such as long-term amount of loans and notes receivable, as well as property acquired for resale. The corpus (or principal) or a permanent fund is an example of an amount that is legally or contractually required to be maintained intact.
- b. Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- c. Committed: This classification included amounts that can be used only for the specific purposes pursuant to constraints imposed by the City Commission usually through a resolution or ordinance, which are equally binding as the highest decision making authority. The action may only be undone by the Commission in the same manner.
- d. Assigned: This classification includes amounts that have been identified by the City Commission as being included in fund equity that should be assigned for a specific purpose or as required by certain funding sources. The categories of assigned fund equity are, insurance claims reserves, disaster recovery, firefighters’ pension and capital projects. The finance director, at the direction of the City Commission, is authorized to assign fund balances. The Commission may also assign fund balance. Assignments are generally temporary and no formal action is required to remove the assignment.
- e. Unassigned: This classification includes the residual fund balance 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 with the General Fund. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes.



CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2019

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The City uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

The City's informal policy is to maintain an adequate General Fund unassigned fund balance of at least three (3) months of operating expenditures (25% of unassigned revenue balance) in line with the Government Finance Officers' Association recommendations in the event of an economic turndown or a natural disaster.

9. Deferred inflows and outflows of resources:

Governmental Funds and Enterprise Funds report deferred inflows (below total liabilities) in connection with resources that have been received, but not yet earned. Deferred inflows at the government-wide level arise only when the City receives resources before it has a legal claim to them.

The statement of net position and enterprise funds includes a separate section, listed below "Total Assets", for deferred outflow of resources. This represents the expenses of net position applicable to future periods and will not be recognized as expenditures until the future period to which it applies. The City currently reports the pension contributions after the measurement date, which will be recognized in the following year.

10. Use of estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, disclosures of contingent liabilities, revenues and expenditures/expenses reported in the financial statements and accompanying notes. Although these estimates as well as all estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

**NOTE 3 – DEPOSITS AND INVESTMENTS**

Deposits:

In addition to insurance provided by the Federal Depository Insurance Corporation, all 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 a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as deposits are insured or collateralized with securities held by the entity or its agent in the entity's name.

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CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2019

**NOTE 3 – DEPOSITS AND INVESTMENTS (continued)**

Investments:

The City is authorized to invest in obligations of the United States Treasury, its agencies, instrumentalities and the Local Government Surplus Funds Trust Fund administered by the State Board of Administration. The investments follow the investment rules defined in Florida Statutes Chapter 218. The investment policy defined in the statutes attempts to promote, through state assistance, the maximization of net investment earnings on invested surplus funds of local units of governments while limiting the risk to which the funds are exposed.

The City invests surplus funds in an external investment pool, the Local Government Surplus Funds Trust Fund (the "State Pool"). The State Pool is administered by the Florida State Board of Administration ("SBA"), who provides regulatory oversight. The State Pool is known as Florida PRIME.

The Florida PRIME has adopted operating procedures consistent with the requirement for a 2a7-like pool. The City's investment in the Florida PRIME is reported at amortized cost in accordance with GASB 79 "*Certain External Investment Pools and Pool Participants*." As a result the Florida PRIME Investment is exempt from GASB 72 fair value hierarchy disclosures as of September 30, 2019 there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit the City's daily access to 100 percent of the account value.

The City also invests in the *Florida Municipal Investment Trust Pension Trust Fund* (the "Municipal Trust/FMIVT") which was created under the laws of the State of Florida to provide eligible units of local government with an investment vehicle to pool their surplus funds and to reinvest such funds in one or more investment portfolios under the direction and daily supervision of an investment advisor. The Florida League of Cities serves as the administrator, investment manager and secretary-treasurer of the Trust. The Municipal Trust is not a registrant with the Securities and Exchange Commission (SEC); however, the Board has adopted operating procedures consistent with the requirements for a "2a-like" pool.

GASB 72 requires governments to disclose the fair value hierarchy for each type of asset or liability measured at fair value in the notes to the financial statements. The standard also requires that the city disclose a description of the valuation techniques used in the fair value measurement and any significant changes in valuation techniques. GASB 72 establishes a three-tier hierarchy:

**Level 1 Inputs** – quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2 Inputs** – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs are derived from or corroborated by observable market data through correlation or by other means.

**Level 3 Inputs** – unobservable inputs used only when relevant Level 1 and Level 2 inputs are unavailable.

All but two (2) of the FMIVT Funds are considered as Level 2 since the value of the shares is based on market-corroborated data. The Core Plus Fixed Income Fund and the Expanded High Yield Bond Fund are considered Level 3 since the value is based on unobservable inputs.

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CITY OF DANIA BEACH, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
 For the Year Ended September 30, 2019

**NOTE 3 – DEPOSITS AND INVESTMENTS (continued)**

Investments – City:

As of September 30, 2019, the City had the following investments and maturities:

	Amortized Cost	Investment Maturities (In Years)	
		Less than 1	1-5
Florida PRIME	\$ 75,396,484	\$ 75,396,484	\$ -

*Interest Üate Üisk*

The dollar weighted average days to maturity (WAM) of Florida PRIME at September 30, 2019 is 37 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average life (WAL) of Florida PRIME at September 30, 2019, is 85 days. The prices of the fixed income securities in which Florida PRIME will invest rise and fall in response to changes in the interest rates paid by similar securities.

*Credit Üisk*

The City has a formal investment policy that mitigates credit risk by limiting investments to the safest types of securities; prequalifying the financial institutions, broker/dealers, intermediaries, and advisors with which the City will do business; and diversifies the investment portfolio so that potential losses on individual securities will be minimized. In addition, state law limits investments in bonds, stocks 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, unless the corporation is listed on any one or more of the recognized national stock exchanges or on the National Market System of the NASDAQ Stock Market and in the case of bonds only, holds a rating in one of the three highest classifications by a major rating service. The Florida PRIME is rated **AAAm** by Standard and Poor's.

*Foreign Currency Risk*

Florida PRIME or FMIvT were not exposed to any foreign currency risk during the period October 1, 2018 through September 30, 2019.

Investments – Fiduciary Funds:

As of September 30, 2019, the City's fiduciary funds had the following investments:

Common stocks	\$ 52,246,548
Mutual funds	11,873,556
Government securities	11,784,242
Corporate and foreign bonds	5,549,096
Money market funds	2,911,710
Real estate trust	8,472,260
Partnership / Joint Venture	2,449,869
	\$ 95,287,281

*Interest Üate Üisk*

State law does not limit maturity term on fixed income holdings. The term "interest rate risk" refers to the portfolio's exposure to fair value losses arising from increasing interest rates. As of September 30, 2019, the Police and Firefighters' Pension Plan and General Employees' Pension Plan held fixed income securities with the following maturities:

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2019

**NOTE 3 – DEPOSITS AND INVESTMENTS (continued)**

*Interest rate risk (Continued)*

Police and Firefighters' Pension Plan

	Fair Value	Investment Maturities (In Years)			
		Less than 1 Year	1-5	6-10	More Than 10
Corporate and foreign bonds	\$ 3,206,033	\$ 90,214	\$ 854,914	\$ 1,232,354	\$ 1,028,551
Municipal obligations	2,594,378	221,416	398,009	1,411,884	563,069
United States Government treasury notes	1,162,788	-	330,822	546,267	285,699
United States Government agency notes	4,900,958	-	199,949	686,807	4,014,202
	<u>\$ 11,864,157</u>	<u>\$ 311,630</u>	<u>\$ 1,783,694</u>	<u>\$ 3,877,312</u>	<u>\$ 5,891,521</u>

General Employees' Pension Plan

	Fair Value	Investment Maturities (In Years)		
		Less than 1 Year	1-5	6-10
United States Government agency notes	\$ 184,946	\$ -	\$ 184,946	\$ -
United States Government treasury notes	2,941,172	780,695	1,093,476	1,067,001
Corporate and foreign bonds	2,343,063	400,501	1,743,493	199,070
	<u>\$ 5,469,181</u>	<u>\$ 1,181,196</u>	<u>\$ 3,021,915</u>	<u>\$ 1,266,070</u>

OPEB Trust

FMIvT Interest Rate Risk Information in  
Years

<u>Fixed Income Funds</u>	<u>Modified Duration</u>	<u>WAM</u>
Broad Market High Quality Bond Fund	5.31	6.43
Core Plus Fixed income Fund	1.40	5.16

*Custodial Credit Risk*

Custodial risk is the risk that in the event of failure of the counterparty, the City and the Fiduciary Funds would not recover the value of its investments or collateral securities that are in possession of an outside party. State law limits investments in bonds, stocks 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, unless the corporation is listed on any one or more of the recognized national stock exchanges or on the National Market System of the NASDAQ Stock Market and in the case of bonds only, holds a rating in one of the three highest classifications by a major rating service. As of September 30, 2019 the Police and Firefighters' Pension Plan and the General Employees' Pension Plan investments subject to credit risk were rated by Moody's Investors Services as follows:

<u>Rating</u>	<u>Police and Fire Fighters' Fair Value</u>	<u>General Employees' Fair Value</u>
Aaa	\$ 2,421,760	\$ 3,230,290
Aa1	1,052,715	974,790
Aa2	843,053	833,959
Aa3	118,391	430,142
A1	351,711	-
A2	818,620	-
A3	400,651	-
Baa1	383,147	-
Baa2	338,631	-
No rating available	5,135,478	-
	<u>\$ 11,864,157</u>	<u>\$ 5,469,181</u>

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2019

**NOTE 3 – DEPOSITS AND INVESTMENTS (continued)**

Since the OPEB Trust investments are evidenced by shares of the pool, the City's investment is with the pool, not the securities that make up the pool and so no disclosure is required.

Credit Risk for FMLVT fixed incomes funds is as follows:

<u>Fixed Income Funds</u>	<u>Fitch Rating</u>
Broad Market High Quality Bond Fund	Aaf/S4
Core Plus Fixed Income Fund	Not Rated

*Concentration Risk*

The General Employees' Pension Plan investment Policy stipulates that not more than 5% of Plan assets can be invested in the common stock of any one issuing company nor can the aggregate investment in any one issuing company exceed 5% of the outstanding capital stock of any company. As of September 30, 2019, the value of each position held by the General Employees' Pension Plan portfolio comprised less than 5% of Plan assets and less than 5% of the value of the outstanding capital stock of the respective company.

The Police and Firefighters' Pension Plan limits investments that may be invested in any one issuer to no more than 5% of the Plan Net Position other than government and government agencies securities. There were no individual investments that represent 5% or more of Plan Net Position at September 30, 2019.

The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Board. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan. The investment policy statement was last amended on September 2013. The following was the Board's adopted asset allocation policy as of September 30, 2019:

<u>Type of Investment</u>	<u>General Employees' Target Allocation</u>	<u>Police and Fire Fighters' Target Allocation</u>
Large Cap Equity	15%-7.5%	30%
Mid Cap Equity	5%-0%	10%
Small Cap Equity	5%-0%	10%
Developed Markets Equity	10%-5%	11%
Emerging Markets Equity	10%-5%	4%
Real Estate	15-0%	15%
Hedge Funds	12%-0%	0%
Fixed income	35%-20%	20%
Cash and Cash Equivalents	Minimum	Minimum

*Foreign Credit Risk*

For an investment, foreign currency risk is the risk that fluctuations in currency exchange rate may affect transactions conducted in currencies other than U.S. dollars as well as the carrying value of foreign investments. The Fund's exposure to foreign currency risk derives mainly from its investments in international equity funds and foreign bonds. The total amount of foreign investments as of September 30, 2019 was \$8,553,420 for the Police and Firefighters' Pension Plan. The investment policy limits the foreign investments to no more than 25% of the fund's investment balance. As of September 30, 2019, foreign investments consisted of 14% of total investments for the Police and Firefighters' Pension Plan. The General Employees' plan contained no foreign investments. The FMLVT is not subject to foreign credit risk.

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2019

**NOTE 3 – DEPOSITS AND INVESTMENTS (continued)**

*Risks and uncertainties*

The Plans have investments that are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect balances and the amounts reported in the statement of Net Position available for benefits and the statement of changes in net position available for benefits. The Plans, through their investment advisors, monitor the Plans' investments and risk associated therewith on a regular basis, which the Plans believe minimizes their risks.

*Fair Value Measurements*

The Police and Firefighters' and General Employees' Pension Plan's equity securities have quoted prices in active markets and are all level 1 inputs. Additionally U.S. Treasury securities are also Level 1. U.S. Agency securities and Corporate and Foreign Bonds are level 2 inputs as have significant other observable inputs. Additionally as required by GAAP, certain investments are measured at net position value and are not included in the fair value hierarchy. These represent money market funds which are exempt and real estate holdings which totaled approximately \$5.6m for the Police and Firefighters' Pension Plan. The Hedge Funds in the General Employees' Plan fair value cannot be determined by using observable inputs such as market prices. Fair value therefore can only be calculated by using estimates or risk adjusted value ranges.

Fair value of Investments held by the City's Police and Firefighters' Pension Plan Investment Funds are classified at September 30, 2019 as follows:

<b>Investments</b>	<b>Fair Value</b>	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
U.S. Agency securities	\$ 4,900,958	\$ -	\$ 4,900,958	\$ -
U.S. Treasury Obligations	1,162,788	990,810	171,978	-
U.S. Government Agencies	2,594,378	-	2,594,378	-
Corporate and Foreign Bonds	3,206,033	-	3,206,033	-
Common Equity Securities	21,169,474	21,169,474	-	-
Mutual Funds	16,902,912	16,902,912	-	-
	<u>\$ 49,936,543</u>	<u>\$ 39,063,196</u>	<u>\$ 10,873,347</u>	<u>\$ -</u>

As required by GAAP, certain investments that are measured at net asset value have not been classified in the fair value hierarchy. These include real estate holdings in the amount of \$8,472,260. Additionally money market funds are exempt in the amount of \$2,911,710. Total investments including these amounts and those above total \$61,320,513.

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2019

**NOTE 3 – DEPOSITS AND INVESTMENTS (continued)**

Fair value of Investments held by the City's General Employees' Pension Plan Plan Investment Funds are classified at September 30, 2019 as follows:

<b>Investments</b>	<b>Fair Value</b>	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
Money Market Funds	\$ 1,155,384	\$ 5,175	\$ 1,150,209	\$ -
U.S. Treasury Obligations	2,941,172	-	2,941,172	-
U.S. Government Agencies	184,946	-	184,946	-
Corporate and Foreign Bonds	2,343,063	-	2,343,063	-
Common Equity Securities	14,201,200	14,201,200	-	-
Equity Mutual Funds	1,030,177	1,030,177	-	-
Options and Futures	(27,038)	(27,038)	-	-
Hedge Funds	2,449,869	-	-	2,449,869
	<u>\$ 24,278,773</u>	<u>\$ 15,209,514</u>	<u>\$ 6,619,391</u>	<u>\$ 2,449,869</u>

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 3.35% and 6.5% for the Police and Firefighters' and General Employees' Pension Plans, respectively. The money weighted rate of return for the OPEB investment plan was 5.94%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2019

**NOTE 4 – RECEIVABLES**

Receivables as of September 30, 2019 for the City's individual funds in the aggregate including the allowances for uncollectible receivables are as follows:

	General Fund	CRA	Non-Major Governmental	Water Fund	Sewer Fund	Marina	Non-Major Enterprise Funds	Total
Customers billed	\$ 452,430	\$ -	\$ -	\$ 911,291	\$ 995,239	\$ 190,364	\$ 29,427	\$ 2,578,751
Franchise fees	433,149	-	-	-	-	-	-	433,149
Utility taxes	344,914	-	-	-	-	-	-	344,914
Other	100,719	15,500	450	34,741	12,033	-	-	163,443
Gross receivable	1,331,212	15,500	450	946,032	1,007,272	190,364	29,427	3,520,257
Less: Allowance for uncollectibles	(179,232)	-	-	(151,061)	(127,939)	-	-	(458,232)
Net total receivables	<u>\$ 1,151,980</u>	<u>\$ 15,500</u>	<u>\$ 450</u>	<u>\$ 794,971</u>	<u>\$ 879,333</u>	<u>\$ 190,364</u>	<u>\$ 29,427</u>	<u>\$ 3,062,025</u>

**NOTE 5 – INTERFUND, RECEIVABLES, PAYABLES, AND TRANSFERS**

The balances between funds result mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

The composition of net interfund balances as of September 30, 2019, is as follows:

Funds	From	To
General Fund	\$ 497,243	\$ -
Grants Fund	-	164,099
CRA Fund	-	2,062
Building Fund	-	4,850
Water Fund	-	9,689
Sewer Fund	-	2,313
Stormwater Fund	-	1,749
Marina Fund	-	293,389
Other Non-Major Enterprise Funds	-	19,092
	<u>\$ 497,243</u>	<u>\$ 497,243</u>



CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2019

**NOTE 5 – INTERFUND ADVANCES, RECEIVABLES, PAYABLES, AND TRANSFERS (continued)**

The composition of interfund transfers for the year ended September 30, 2019 is as follows:

	<u>Transfers in</u>	<u>(Transfers out)</u>
<b>Governmental Funds</b>		
General	\$ 5,260,317	\$ 3,859,312
Community Redevelopment Agency	1,535,325	387,398
Grant	213,514	-
Capital Projects	755,187	-
Perpetual Care		50,622
Building Permit		776,028
Debt Service	1,063,501	-
<b>Enterprise funds</b>		
Water		1,450,325
Sewer		746,111
Stormwater		462,632
Marina		175,101
Parking		801,575
Pier Operations		118,740
<b>Total fund transfers</b>	<u>8,827,844</u>	<u>8,827,844</u>
<b>Government-wide</b>		
Governmental Activities	3,754,484	-
Business-Type Activities	-	3,754,484
<b>Total transfers</b>	<u>\$ 3,754,484</u>	<u>\$ 3,754,484</u>

Transfers are used to 1) move revenues from the fund with collection authorization to the Debt Service Fund as debt service principal and interest payments become due, 2) move restricted amounts from borrowings to the debt service fund to establish mandatory reserve accounts, 3) move unrestricted General Fund revenues to finance various programs that the government must account for in the other funds in accordance with budgetary authorizations.

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CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2019

**NOTE 6 – CAPITAL ASSETS**

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

	Balance, Beginning of Year	Additions	Decreases	Balance, End of Year
<b>Governmental Activities:</b>				
<u>Capital Assets, not being depreciated:</u>				
Land	\$ 16,184,221	\$ -	\$ -	\$ 16,184,221
Construction in Progress	306,983	341,613	-	648,596
Total Capital Assets, not being depreciated	16,491,204	341,613	-	16,832,817
 <u>Capital Assets, being depreciated:</u>				
Buildings and Improvements	24,712,731	6,495	-	24,719,226
Furniture, Fixtures, and Equipment	6,428,224	729,210	(196,825)	6,960,609
Infrastructure	49,477,345	202,125	-	49,679,470
Total Capital Assets, being depreciated	80,618,300	937,830	(196,825)	81,359,305
 <u>Less accumulated depreciation for:</u>				
Buildings and Improvements	11,709,776	1,020,525	-	12,730,301
Furniture, Fixtures, and Equipment	5,070,929	339,388	(196,825)	5,213,492
Infrastructure	32,634,206	1,559,388	-	34,193,594
Total accumulated depreciation	49,414,911	2,919,301	(196,825)	52,137,387
Total capital assets, being depreciated, net	31,203,389	(1,981,471)	-	29,221,918
Governmental activities capital assets, net	<u>\$ 47,694,593</u>	<u>\$ (1,639,858)</u>	<u>\$ -</u>	<u>\$ 46,054,735</u>
	Balance, Beginning of Year	Increases	Decreases	Balance, End of Year
<b>Business-Type Activities:</b>				
<u>Capital Assets, not being depreciated:</u>				
Land	\$ 220,976	\$ -	\$ -	\$ 220,976
Construction in Progress	704,118	1,012,173	-	1,716,291
Total Capital Assets, not being depreciated	925,094	1,012,173	-	1,937,267
 <u>Capital Assets, being depreciated:</u>				
Buildings and Improvements	4,969,138	-	-	4,969,138
Furniture, Fixtures, and Equipment	3,454,289	127,063	(279,690)	3,301,662
Utility System	59,987,058	-	-	59,987,058
Total Capital Assets, being depreciated	68,410,485	127,063	(279,690)	68,257,858
 <u>Less accumulated depreciation for:</u>				
Buildings and Improvements	1,634,262	248,765	-	1,883,027
Furniture, Fixtures, and Equipment	1,913,163	260,320	(279,690)	1,893,793
Utility System	27,886,067	1,704,193	-	29,590,260
Total accumulated depreciation	31,433,492	2,213,278	(279,690)	33,367,080
Total capital assets, being depreciated	36,976,993	(2,086,215)	-	34,890,778
Business-type activities capital assets, net	<u>\$ 37,902,087</u>	<u>\$ (1,074,042)</u>	<u>\$ -</u>	<u>\$ 36,828,045</u>

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2019

**NOTE 6 – CAPITAL ASSETS (Continued)**

Depreciation expense for the year ended September 30, 2019 was charged to functions/programs of the primary government as follows:

Governmental Activities:		Business-Type Activities:	
General government	\$ 338,427	Parking	\$ 21,656
Highways and streets	1,180,922	Pier and Marina	346,426
Public safety	284,700	Utilities	1,845,197
Community Redevelopment	151,577		
Culture and recreation	785,405		
Physical environment	178,269		
Total depreciation expense - governmental activities	\$ 2,919,300	Total depreciation expense - business-type activities	\$ 2,213,279

**NOTE 7 – LONG-TERM DEBT**

The following is a summary of changes in long-term debt of the city for governmental activities for the year ended September 30, 2019:

	Balance, Beginning of Year	Additions	Decreases	Balance, End of Year	Due Within One Year
Governmental Activities					
Bonds, notes, and capital					
Leases payable:					
Sales tax revenue bonds	\$ 835,000	\$ -	\$ (160,000)	\$ 675,000	\$ 165,000
General obligation bonds	7,342,745	-	(489,014)	6,853,731	499,014
Notes payable	2,595,034	-	(1,973,158)	621,876	41,458
Capital leases	468,098	-	(189,559)	278,539	189,559
Total bonds, notes and capital leases	11,240,877	-	(2,811,731)	8,429,146	895,031
Other liabilities:					
Compensated absences	1,139,422	192,097	(12,062)	1,319,457	197,919
Total long-term debt and liabilities	\$ 12,380,299	\$ 192,097	\$ (2,823,793)	\$ 9,748,603	\$ 1,092,950

*Bonds Payable*

The City previously issued \$3,500,000 of General Obligation Bonds, Series 2010 (Refunded in April 2016). The proceeds of the Series 2010 Bonds were used to finance a portion of the parking garage and entry road with associated infrastructure related to a downtown library facility and paying costs of issuance of the Bonds. The Bonds were payable in annual principal installments beginning October 15, 2010 through October 15, 2025.

The refunding of the series 2010 bonds reduced the City's debt service payments over the next 20 years by approximately \$417,942 and obtained an economic gain (difference between the present value of the debt service payments on the old and new debt) of approximately \$346,280 at a present value rate of approximately 2.279%. The bonds are payable in annual principal installments of various amounts based on the maturity of the bonds beginning October 15, 2016 through October 15, 2025, plus interest at 2.28% as accrued between each payment date with a final balloon payment of \$1,253,160.

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2019

**NOTE 7 – LONG-TERM DEBT (continued)**

In December 2012, the City issued the Sales Tax Revenue Refunding Bonds Series 2012 for \$1,615,000. The bonds were issued to refund the above Series 1994 Sales Tax Revenue Bonds. The refunding of the series 1994 Bonds will reduce the City’s debt service payments over the next 13 years by approximately \$968,700 and obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of approximately \$415,000. The bonds are payable in annual principal installments beginning October 1, 2013 through October 1, 2022. Interest at 1.65% is payable semiannually on the first day of each April and October. The Bonds are limited obligations of the City payable solely from sales tax revenues.

The City previously issued \$6,800,000 General Obligation Bonds, Series 2006 to fund the construction of a fire station in the annexed area, parks and recreation centers improvements, and neighborhood improvements for lighting projects, sidewalk improvements and traffic calming devices. These bonds were refunded in 2015 under a \$5,440,773 General Obligation Bonds, Series 2015 in order to save interest expense of more than \$1m. The new bonds are payable in semi-annual principal installments of \$139,507 beginning Oct 1, 2016 through October 1, 2035 including interest at 3.06% as accrued between each payment date. The installments are due on the first day of April and October. The bonds are collateralized by all ad-valorem revenue over the life of the debt.

Annual debt service requirements of the Sales Tax Revenue Bonds, Series 2012, the General Obligations Bonds, 2015 and the General Obligations Bonds, Series 2016 are as follows:

Fiscal year ending September 30:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 664,014	\$ 197,308	\$ 861,322
2021	664,014	178,268	842,282
2022	679,014	161,754	840,768
2023	684,014	146,528	830,542
2024	519,014	132,632	651,646
2025-2029	2,505,070	427,071	2,932,141
2030-2034	1,395,070	181,429	1,576,499
2035	418,521	12,404	430,925
	<u>\$ 7,528,731</u>	<u>\$ 1,437,394</u>	<u>\$ 8,966,125</u>

As of September 30, 2019, the City has complied with all of the provisions outlined within its Series 2012 Sales Tax Revenue Bond Indenture Agreement.

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CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2019

**NOTE 7 – LONG-TERM DEBT (continued)**

*Notes Payable - Governmental Funds*

On February 21, 2006, the City entered in to an interlocal agreement with Broward County to Fund specific projects totalling \$6,345,866 which was changed in March 2011 to to not exceed \$6,038,899. Between March 2009 and September 2013, the City entered into various loan agreements with the County under the inter-local agreement to borrow a \$5,343,024 for eligible projects in the County Redevelopment Capital Program. The City received the first draw in March 2009 in the amount of \$2,334,200 for the purchase of land parcel 109. The City received it's second draw in the amount of \$2,730,909 in September 2010 towards the construction of the Parking Facility Garage located on Parcel 109. The loan is held to conditions requiring the City to complete the project within five years of the first draw and to demonstrate a net increase in the tax base of the Community Redevelopment Area. If the conditions are met the note will be forgiven using a predetermined schedule. If the conditions are not met the note will be payable to the County over a fifteen-year period commencing at the end of the initial five-year interest free period (March 2019) with interest at the Municipal Market Data (MMD) "A" revenue bond rate in effect at the time repayment begins. As of September 30, 2019, a portion of the above conditions were met, and have formally been indicated as such by the County. The remaining balance outstanding as of September 30, 2019 was \$621,876. The remaining principal of the debt remains in full until formal forgiveness has been granted in the same manner as the above. Interest started accruing at the end of March 2019.

*Notes Payable - Enterprise Funds*

The following is a summary of the changes in long-term debt for business-type activities:

	Beginning of Year Balance	Additions	Decreases	Balance, End of Year	Due Within One Year
Business-Type Activities					
Revenue bonds payable	\$ 1,815,000	\$ -	\$ (140,000)	\$ 1,675,000	\$ 145,000
State revolving loans payable	11,706,169	-	(949,627)	10,756,542	949,625
Total long-term debt	<u>13,521,169</u>	<u>-</u>	<u>(1,089,627)</u>	<u>12,431,542</u>	<u>1,094,625</u>
Other liabilities:					
Compensated absences	405,953	6,844	(50,299)	362,498	54,374
Total long-term debt and other liabilities	<u>\$ 13,927,122</u>	<u>\$ 6,844</u>	<u>\$ (1,139,926)</u>	<u>\$ 12,794,040</u>	<u>\$ 1,148,999</u>

*State Revolving Loans Payable – Enterprise Funds*

During the year and in previous years, the City entered into loan agreements with the State Department of Environmental Protection's Clean Water State Revolving Fund Loan Program and Drinking Water State Revolving Fund Loan Program to borrow up to \$25,350,941. As of September 30, 2019, the City has \$10,756,542 outstanding which it has borrowed to finance the planning, design and construction of water, wastewater and stormwater infrastructure improvements. The City is required to maintain rates and charges for the services furnished by the water, sewer, and stormwater systems which will be sufficient to provide revenues equal to or exceed 1.15 times the sum of the semiannual loan payments (debt service). The loans payable in semi-annual payments are calculated based on the actual amount of the principal drawn under the agreements, as well as associated capitalized interest and loan issuance cost. The amount of semiannual payments made during the year amounted to \$949,627. These amounts are subject to change since the projects have not been completed; therefore, amortization schedules are not available at this time.

CITY OF DANIA BEACH, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
 For the Year Ended September 30, 2019

**NOTE 7 – LONG-TERM DEBT (continued)**

The financing interest rates and principal amounts of the loans are as follows:

Fund	Rate	Amount
Water Fund	2.50%-2.82%	\$ 7,830,855
Sewer Fund	0.905%-1.355%	2,021,252
Storm Water Fund	-	904,435
		<u>\$ 10,756,542</u>

In February 2013, the City issued the Taxable Marina Revenue Bonds, Series 2013 for \$2,400,000. The bond is issued for the purpose of financing a portion of the costs of rehabilitating the Dania Beach Municipal Marina. The principal on this Bond is due annually beginning October 15, 2013 through October 14, 2028. Interest at 3.41% is due semiannually on April 15 and October 15 of each year beginning on April 15, 2013.

Annual debt service requirements for the revenue bonds payable are as follows:

Fiscal Year Ending	Principal	Interest	Total
2020	\$ 145,000	\$ 54,645	\$ 199,645
2021	150,000	49,616	199,616
2022	150,000	49,616	199,616
2023	160,000	39,215	199,215
2024	165,000	33,674	198,674
2025-2029	905,000	68,197	973,197
	<u>\$ 1,675,000</u>	<u>\$ 294,963</u>	<u>\$ 1,969,963</u>

As of September 30, 2019, the City was in compliance with all of its bond covenants associated with the Taxable Marina Revenue Bonds as well as the State Revolving Fund Loan Program.

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CITY OF DANIA BEACH, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
 For the Year Ended September 30, 2019

**NOTE 8 – LEASES**

*Operating Leases*

The City leases parcels of real estate to private corporations. The leases, classified as operating leases, expire in years 2025 and 2040. The marina lease is subject to contingency rentals, which are calculated as a percentage of gross receipts. The pier restaurant lease payment is the greater of the base rent of 7% of the gross revenues for each lease year. The pier restaurant lease has the option to extend the initial term for up to four separate, consecutive additional renewal terms of five years each. Total City rental income of approximately \$710,507 is included as revenue in the General Fund and \$395,572 in the Pier Fund.

The following is a schedule of minimum future rental income of non-cancelable operating leases as of September 30, 2019:

Fiscal year ending September 30:	
2020	\$ 394,174
2021	401,425
2022	345,272
2023	269,266
2024	190,980
2025-2029	954,898
2030-2034	954,898
2035-2039	954,898
2040	<u>190,980</u>
 Total minimum future rentals	 <u><u>\$ 4,656,791</u></u>

*Capital Leases*

The City entered into two lease agreements for financing the acquisition of equipment for the Fire Department in the amounts of \$1,005,855 and \$889,744. These lease agreements qualify as capital leases for accounting purposes and therefore have been recorded at the present value of their future minimum lease payments as of inception date.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2019 are as follows:

<u>Fiscal year ending</u>	<u>Lease Payments</u>	<u>Interest</u>	<u>Present value of Minimum lease payments Total</u>
2020	\$ 189,559	\$ 5,571	\$ 195,130
2021	<u>88,980</u>	<u>1,304</u>	<u>90,284</u>
	<u><u>\$ 278,539</u></u>	<u><u>\$ 6,875</u></u>	<u><u>\$ 285,414</u></u>

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2019

**NOTE 9 – COMMITMENTS AND CONTINGENCIES**

*Litigation*

Various suits and claims arising in the ordinary course of operations are pending against the City. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of legal counsel, the City has sufficient insurance coverage to cover any claims and/or liabilities which may arise from such action. The effect of such losses would not materially affect the financial position of the City or the results of its operations. No such settlements exceeded insurance coverage in each of the past three (3) years.

*Interlocal Agreement with Broward County Sheriff's Office for Police Services*

A contract exists between the Broward County Sheriff's Office and the City, whereby the Broward County Sheriff's Office provides police officers to serve the City. These police officers are paid on the Broward County Sheriff's Office payroll. The City pays the Broward County Sheriff's Office for the police services based on the contract. The City paid the Broward County Sheriff's Office approximately \$13.9m for the year ended September 30, 2019.

*Interlocal Agreement with Broward County Sheriff's Office for Fire Rescue and Emergency Medical Services*

The City has an Interlocal Agreement with the Broward County Sheriff's Office to provide fire rescue and emergency medical services which expired in September 2015. Since expiring, services are being rendered on a month to month basis. All fire personnel are paid on the Broward County Sheriff's Office payroll. The City pays the Broward County Sheriff's Office for the fire rescue and emergency medical services based on the expired contract. The City paid the Broward County Sheriff's Office approximately \$12.2m for the year ended September 30, 2019.

*Interlocal Agreement with City of Hollywood*

The City has an Interlocal Agreement with the City of Hollywood for utilization of a common area-wide wastewater collection, treatment and disposal facility. The City of Hollywood is required to provide the City of Dania Beach an estimate of all costs at the beginning of each fiscal year. The annual estimate is the basis for monthly billings and is adjusted annually based upon actual flows and actual costs when known. Charges for services provided by the City of Hollywood include operation, maintenance and administrative costs, debt service charges, depreciation charges and renewal replacement and improvement account contributions. For the year ended September 30, 2019, the City recognized expenses of approximately \$3.7m under this agreement. The agreement will continue in existence until modified by mutual consent or termination by one of the parties after giving one year's notice. Should the City terminate the agreement, it would be required to pay all debt service charges which would otherwise have been chargeable to the City (based upon a weighted average for future years using projected flows) and a sum equal to the present value of five years of all other payments based on the annual payment in the year of termination. Management considers the chances of termination of this agreement to be remote. Future payments under this agreement cannot be estimated.

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CITY OF DANIA BEACH, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
 For the Year Ended September 30, 2019

**NOTE 9 – COMMITMENTS AND CONTINGENCIES (Continued)**

*Construction Commitments*

The City has numerous active construction projects as of September 30, 2019. The projects include a new lighting project, neighborhood improvements, public works facility, lift station rehabilitation and water tank membrane. At year end, the City's significant commitments with contractors are as follows:

<b>Capital Projects Fund</b>	<u>Remaining Commitment</u>
Beach Revitalization II	\$ 359,762
City Entrance Sign	175,500
Oasis XV	182,178
	<u>\$ 717,440</u>
<b>Water, Sewer, Stormwater Funds</b>	
NW 1st Water Main (Stirling Road- City Hall)	\$ 12,444
SW 43rd Terrace, SW 40th Court and SW 49th Street Project	71,622
Lift Rehabilitation Projects 5,7 and 10	555,152
SCADA System	43,218
Taylor Lane Drainage	81,936
Marina Dredging Project	138,000
	<u>\$ 902,372</u>

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CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2019

**NOTE 10 – DEFINED BENEFIT PENSION PLANS**

*Plan Description*

The City is the sponsor of two single-employer Public Employee Retirement Systems (“PERS”) defined benefit pension plans established to provide pension, disability and death benefits for its employees and beneficiaries. The two plans are the General Employees’ Pension Plan (GEPP) and the City of Dania Beach Retirement System for Police and Firefighters (P&F Plan). The Police and Firefighters’ Plan issues a publicly available financial report that includes financial statements and required supplementary information. Both plans are closed to new entrants. The financial reports for the Police and Firefighters’ Plan may be obtained by writing to the board of Trustees c/o City of Dania Beach, 100 West Dania Beach Boulevard, Dania Beach, Florida 33004.

Under the provisions of the General Employees’ Pension Plan, all full-time employees who were hired prior to March 1, 2006 were eligible to participate. Pension benefits are vested after six years of credited service. Members were eligible to retire at age 55 with 6 years of credited service or at age 50 with 25 years of credited service at a benefit of 2.5% (for each year of credited service) of final average salary based on the highest 3 years salary during the last 10 years of employment. The benefit multiplier was raised to 3% for those who retired after December 31, 1998. City ordinance established these benefit provisions. Amendments to the Plan must be authorized by the City Commission.

The governing boards for the plans have been set by City ordinance. The composition of the governing board for the General Employees’ Pension Fund is 1 City commissioner, 2 active employees of the City and 2 residents of the City. The board also serves as plan trustees. The composition of the governing board for the City of Dania Beach Retirement System for Police and Firefighters is 1 City commissioner, 2 active or DROP participant firefighters, 2 active or DROP participant police officers, 3 residents of the City and 1 other member voted on by these 8 appointed members.

*Summary of Significant Accounting Policies*

Basis of Accounting:

The Plans’ financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the Plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

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CITY OF DANIA BEACH, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
 For the Year Ended September 30, 2019

**NOTE 10 – DEFINED BENEFIT PENSION PLANS (continued)**

Method Used to Value Investments:

Plan investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price. Investments that do not have an establish market price are presented at estimated fair values as provided by the custodial bank and investment counsel.

At October 1, 2017, the date of the latest actuarial valuation, the Plan’s membership consisted of:

	General Employees'	Police and Firefighters'
Retirees and Beneficiaries	81	72
Inactive, Nonretired Members	-	-
Active Members	19	18
Total	100	90

*Funding Policy*

General Employee’s Pension Plan

City ordinance establishes the contribution requirements of GEPP members and the City. City employee members are required to contribute 19.74% of their annual covered salary of which 16.08% is contributed by the City on behalf of the employee. Additionally, the City is required to contribute at an actuarially determined rate of 142.81% for the year ended September 30, 2019, bringing the combined total pension contribution rate to 158.89%. City and employee contributions for the year ended September 30, 2019, were \$1,875,779 and \$266,554 respectively.

The annual required contribution for the current year was determined based on an October 1, 2017, actuarial valuation date. The aggregate actuarial cost method used was the *Aggregate Method*. The excess of the actuarial present value of projected benefits of the group included in the valuation over the sum of the actuarial value of assets and actuarial present value of future member contributions is allocated as a level percentage of earnings of the group as a whole. This is called the employer *Normal Cost*. Significant actuarial assumptions used in the actuarial valuation include (i) a rate of return on the investment of present and future assets of 6.5% a year compounded annually, net of investment-related expenses, (ii) projected salary increases of 4.00% a year attributable to historical events, including inflation, merit and seniority, (iii) normal retirement age based on experience-based table of rates that are specific to the type of eligibility condition. Both (i) and (ii) include an inflation component of 2.75%. The real rate of return over wage inflation is 3.75%. The actuarial value of assets phase in the difference between the expected return on actuarial value and actual return on market value of assets at the rate of 20% per year. During the periods when investment performance is less than assumed rate, actuarial value of assets will tend to be greater than market value.

Financial Reports - The GEPP does not issue a stand-alone financial report and is not included in the report of a public employee retirement system or a report of another entity. The Plan financial statements can be found within the Fiduciary Fund Financial statements contained within this report.

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2019

**NOTE 10 – DEFINED BENEFIT PENSION PLANS (continued)**

Police and Firefighters Retirement System

Firefighters currently make contributions to the Plan at a rate equal to 24.6% of earnings. Police officers make contributions to the Plan at a rate equal to 7% of their annual covered salary. Firefighters hired prior to September 30, 2001, and those hired on or after October 1, 2001 contribute 2% and 6.46%, respectively, of their earnings through payroll deductions. The remaining employee contributions are made by the City of Dania Beach on the firefighters' behalf. Effective January 29, 2011, and amended September 25, 2013, the City of Dania Beach and the Broward County Sheriff's Office (BSO) agreed that for the year ending September 30, 2013, and for all future fiscal years as long as annual employer pension contributions are required, BSO will contribute \$513,354 to both the City Fire Pension and the City General Employee Pension. The contributed amount of \$513,354 will be divided between the City Fire Pension and the City General Employee Pension by \$497,927 and \$15,427, respectively. In the event the annual required employer pension is less than \$513,354 in any fiscal year, BSO's annual required employer contribution shall be the lesser amount.

BSO refunds to the City of Dania Beach the amount that the Sheriff's office would have paid to the Florida Retirement System on behalf of those police officers who remained in the System. For the year ended September 30, 2019, no active police officers were participants in the Plan. The entire 7% contribution for the police officers would be made entirely by the City of Dania Beach on the police officers' behalf if the City had any remaining active officers in the Plan. Additionally, the City/BSO is required to contribute an actuarially determined rate of 304.26% for firefighters in the fiscal year. For active participants, BSO and City of Dania Beach make an annual contribution to the Plan in a percentage of pensionable wages determined by the actuary by taking into consideration the amounts contributed by employees and the State of Florida (the "State") under State law. City/BSO, Employer, Employee and State contributions for the year ended September 30, 2019, were \$6,736,911, \$412,395 and \$429,236 respectively.

Eligibility - Eligible for the Plan are the firefighters of the City of Dania Beach and certain police officers that were formerly employed by the City of Dania Beach but now are employed by BSO. As of October 1, 1988, the police officers of the City of Dania Beach became employees of BSO pursuant to a service agreement dated August 30, 1988, between the City of Dania Beach and the Sheriff of Broward County. As of January 29, 2011, the firefighters of the City of Dania Beach also became employees of BSO. The Plan became closed to new participants at that time. The plan covers 18 active employees as well as 72 retirees and beneficiaries currently receiving benefits.

Benefits - Normal Retirement Benefit - Police officers who have attained 55 years of age and completed 10 years of continuous service, and firefighters who have attained age 55 and completed 8 years of continuous service may retire with normal retirement benefits. Either firefighters or police officers that have completed 25 years of continuous service, regardless of age, may retire with normal retirement benefits. The monthly retirement benefit for firefighter members retiring before October 1, 1989, and for police officers who retire before October 1, 1991, shall equal 2.5% of average monthly earnings for each of the first 30 years of continuous service and 2% of average monthly earnings for each year of continuous service in excess of 37 and one-half years, subject to a maximum of 100% of average monthly earnings. Average monthly earnings are defined as one twenty-fourth of the arithmetic average of earnings for the highest consecutive 24-month period preceding the member's date of termination.

The monthly retirement benefit for firefighter members retiring after October 1, 1989, and for police officers who retire after October 1, 1991, shall equal 3% of average monthly earnings for each of the first 25 years of continuous service and 2% of average monthly earnings for each year of continuous service in excess of 37 and one-half years, subject to a maximum of 100% of average monthly earnings. The monthly retirement benefit for firefighter members retiring on or after January 1, 1999, shall equal 3% of average monthly earnings for each of the first 15 years of continuous service and 4% of average monthly earnings for each of the next 10 years of continuous service and 2% of average monthly earnings for each year of continuous service in excess of 37 and one-half years, subject to a maximum of 100% of average monthly earnings.

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2019

**NOTE 10 – DEFINED BENEFIT PENSION PLANS (continued)**

Police and Firefighters Retirement System (Continued)

Early Retirement Benefit - Early retirement date shall be when a member completes 20 years of continuous service or both attains 50 years of age and completes eight (8) years of continuous service. A member retiring on or after his early retirement date but before his normal retirement date shall receive their normal retirement benefits actuarially reduced to take into account the member's younger age and the earlier commencement of retirement income payments, but not by more than 3% for each year the retiree is younger than the normal retirement age.

Disability Retirement - Any member who receives a service-connected injury, disease or disability, which injury, disease or disability permanently incapacitates the member, physically or mentally from the member's regular and continuous duties as a firefighter or police officer shall receive a monthly disability benefit equal to the greater of the member's accrued retirement benefit or 68% of the member's average monthly earnings in effect as of the date of disability for a disabled firefighter and the greater of the member's accrued retirement benefit or 60% of the member's average monthly earnings in effect as of the date of disability for a disabled police officer. The disability shall be paid until recovery from disability or if the member does not recover, death. Any member with one year of continuous service who receives a non-service connected injury, disease or disability, and which injury, disease or disability permanently incapacitates him physically or mentally from gainful employment shall receive in equal monthly installments a benefit of not less than the members accrued retirement benefit or 25% of their average monthly earnings as follows:

With less than 2 years	40%
With less than 3 years	45%
With less than 4 years	50%
With less than 5 years	55%
With 5 or more years	60%

Pre-Retirement Death - A death benefit of the benefits otherwise payable at early or normal retirement but not less than 40% of average monthly earnings is payable to the member's designated beneficiary if a member dies in the performance of services. In addition, a benefit of 7.5% of average monthly earnings is paid to each of the member's dependent children. The total death benefits to be paid to designated beneficiary and children shall not exceed 75% of average monthly earnings. For members who die while not on active duty, the Plan provides a benefit otherwise payable at early or normal retirement but not less than 35% of average monthly earnings and 7.5% for the designated beneficiary and dependent children, respectively. The total non-service-related death benefits for designated beneficiary and children shall not exceed 50% of average monthly earnings.

These non-service incurred benefits are payable only until recovery as determined by the board or ten years certain and death thereafter for firefighter members or death for police officers.

Deferred Retirement Option Plan - A member may enter in the DROP Plan after 25 but less than 30 years of credited service. The maximum duration of participation in the DROP shall be limited to seven years. Election into the DROP Plan is voluntary; however the election is irrevocable once DROP payments begin. Members will cease to accrue a benefit and will not be eligible for disability or pre-retirement death benefits once the DROP election is made. Monthly normal retirement benefits that would be paid to members upon date of retirement are paid into the DROP account while the member is able to continue employment with the City.

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2019

**NOTE 10 – DEFINED BENEFIT PENSION PLANS (continued)**

Police and Firefighters Retirement System (Continued)

Health Insurance Subsidy - All firefighter retirees and firefighter survivors receiving benefits shall be eligible for an annual health insurance subsidy equal to 75% of the prior year's actuarial gain allocable to firefighters, firefighter retirees and firefighter survivors remaining after the annual cost of living adjustments are applied. Seventy-Five percent (75%) of any increase in the percentage of covered payroll received by the City of Dania Beach pursuant to Section 175.121, Florida Statutes, over the amount received by the City in 1997 shall be defined as the "available actuarial gain". The available actuarial gain for a fiscal year is to be used to subsidize up to one-year's payments for retiree health insurance due from each firefighter retiree and firefighter survivor who receives benefits from the system to cover one-third of the premium cost for such insurance or 100% of the cost if enough funds are made available. Should the available actuarial gain not be fully expended by the subsidy, then the balance together with any unexpended available actuarial gain from prior years shall be accrued by the retirement system. DROP participants shall receive credit for any such future benefits paid while participating in the DROP, but not for the health insurance subsidy.

The Police and Firefighters Retirement System issues a stand alone financial report which may be obtained from the plan administrator at 113 SW 1st Street, Dania Beach, FL 33004.

*Net Pension Liability, Pension Expense and Deferred Outflows and Inflows of Resources*

At September 30, 2019, the City reported a net pension liability of \$4,858,617 and \$15,400,398 in the GEPP and P&F Plans, respectively. The net pension liabilities for both plans were measured as of September 30, 2018, and the total pension liabilities used to calculate the net pension liabilities were determined by an actuarial valuation as of October 1, 2017. The City's net pension liability was based on the City's 2018-19 fiscal year contributions relative to the 2017-18 fiscal year contributions of all participating members.

Component of the Plans' expense for fiscal year ended September 30, 2019 (based on measurement period ended September 30, 2018) are as follows:

	<u>General Employees'</u>	<u>Police and Firefighters'</u>
Service cost	\$ 311,154	\$ 839,069
Interest on the total plan liability	1,813,975	4,709,586
Employee contributions	(253,205)	(680,994)
Projected earnings on plan investments	(1,451,585)	(3,391,113)
Pension plan administrative expense	92,540	209,337
Other (Change in state and health insurance reserves and present value of buybacks)	12,219	-
	-	447,835
Recognition of outflow (inflow) of resources due to liabilities	260,354	(922,961)
Recognition of outflow (inflow) of resources due to assets	180,081	(204,692)
Total pension expense	<u>\$ 965,533</u>	<u>\$ 1,006,067</u>

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2019

**NOTE 10 – DEFINED BENEFIT PENSION PLANS (continued)**

For the fiscal year ended September 30, 2019, the City recognized pension expense in the GEPP of \$965,533 and in the P&F Plan of \$1,006,067. These expenses are reported as part of general government and public safety within the functional program of activities. In addition the City reported deferred outflows of resources and deferred inflows of resources related to pension plans from the following sources.

	<u>General Employees</u>			<u>Police and Firefighters</u>		
	Deferred Outflow of Resources	Deferred Inflow of Resources	Net Deferred Outflow of Resources	Deferred Outflow of Resources	Deferred Inflow of Resources	Net Deferred Outflow of Resources
Difference between expected and actual experience	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Change of assumptions	-	-	-	-	-	-
Net difference between projected and actual earnings on pension plan investments	407,772	690,468	(282,696)	525,656	2,302,792	(1,777,136)
<b>Total</b>	<u>407,772</u>	<u>\$ 690,468</u>	<u>\$ (282,696)</u>	<u>\$ 525,656</u>	<u>\$ 2,302,792</u>	<u>\$ (1,777,136)</u>

The deferred outflows of resources related to the Pension Plans, totaling \$1,875,779 and \$6,928,856 resulting from City/State contributions to the GEPP and the P&F Plan respectively subsequent to the measurement date, but before the end of the City's current reporting period, will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than the current fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year End September 30:	General Employees	Police and Firefighters
2020	\$ 175,832	\$ (167,503)
2021	(186,018)	(693,160)
2022	(208,981)	(680,908)
2023	(63,529)	(235,565)
Thereafter	-	-
<b>Total</b>	<u>\$ (282,696)</u>	<u>\$ (1,777,136)</u>

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2019

**NOTE 10 – DEFINED BENEFIT PENSION PLANS (continued)**

*Actuarial Assumptions*

The total pension liability in the October 1, 2017, actuarial valuation was determined using the following actuarial assumption, applied to all period included in the measurement date of September 30, 2018. Methods and assumptions used to determine the total pension liability:

<b>Component</b>	<b>General Employees'</b>	<b>Police and Firefighters'</b>
<b>A. Total Pension Liability</b>		
Service cost	\$ 311,154	\$ 839,069
Interest	1,813,975	4,709,586
Benefit payments, including refunds of employee contributions	(2,061,387)	(4,497,632)
Differences between expected and actual experience	260,354	(922,961)
Other	-	447,835
Net change	324,096	575,897
Total Pension Liability - Beginning	28,626,840	71,181,391
Total Pension Liability - Ending	<u>28,950,936</u>	<u>71,757,288</u>
<b>B. Plan Fiduciary Net Position</b>		
Contributions - City	1,894,959	6,728,480
Contributions - State	-	395,992
Contributions - Employee (includes buyback contributions and picked up member contributions	253,205	680,994
Net investment income	1,769,230	4,568,934
Benefit payments, including refunds of employee contributions	(2,061,387)	(4,497,632)
Administrative expenses	(92,540)	(209,337)
Other	(12,219)	-
Net change	1,751,248	7,667,431
Total Pension Liability - Beginning	22,341,071	48,689,459
Total Pension Liability - Ending	<u>24,092,319</u>	<u>56,356,890</u>
C. Net Pension Liability	<u>\$ 4,858,617</u>	<u>\$ 15,400,398</u>



CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2019

**NOTE 10 – DEFINED BENEFIT PENSION PLANS (continued)**

**Police and Firefighter**

Actuarial Cost Method: Entry Age Normal  
Amortization Method: Level Dollar, Closed  
Remaining Amortization Period: 5 years  
Asset Valuation Method: 5-year smoothed market  
Inflation: 2.75%  
Salary Increases: 6.0%  
Investment Rate of Return 6.75%

Retirement Age Experience-based table of rates that are specific to the type of eligibility condition.

Mortality: RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvement projected to all future years after 2000 using Scale BB. For males, the base mortality rates include a 90% blue collar adjustment and a 10% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. These are the same rates currently in use for Special Risk Class members of the Florida Retirement System (FRS), as mandated by Florida House Bill 1309.

**General Employees**

Actuarial Cost Method: Entry Age Normal  
Amortization Method: N/A  
Remaining Amortization Period: N/A  
Asset Valuation Method: 5-year smoothed market  
Inflation: 2.75%  
Salary Increases: 4.00%  
Investment Rate of Return: 6.50%

Retirement Age Experience-based table of rates that are specific to the type of eligibility condition.

Mortality RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvements projected to all future years after 2000 using Scale BB. For males, the base mortality rates include a 50% blue collar adjustment and a 50% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. These are the same rates currently in use for Regular Class members of the Florida Retirement System (FRS), as mandated by Florida House Bill 1309.

*Discount Rate*

The discount rate used to measure the total pension liability was 6.50% and 6.75% for the GEPP and P&F plans, respectively. This single discount rate was based on the expected rate of return on Pension Plan investments of 6.50% and 6.75% for the GEPP and P&F plan, respectively. The projection of cash flows used to determine this single discount rate assumed that Plan member contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on pension plan investments (6.50% and 6.75% for the GEPP and P&F plan, respectively) was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF DANIA BEACH, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
 For the Year Ended September 30, 2019

**NOTE 10 – DEFINED BENEFIT PENSION PLANS (continued)**

*Sensitivity of the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate*

The following represents the City's proportionate share of the net pension liability calculated using the discount rates of 6.50% and 6.75% for the GEP and P&F Plans, respectively, as well as what the City's proportionate share of the net pension liability 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 Schedule of Investment Returns.

	1% Decrease 5.75%	Current Single Discount Assumption 6.75%	1% Increase 7.75%
Police and Firefighters'	\$ 23,878,472	\$ 15,400,398	\$ 8,317,111
	1% Decrease 5.50%	Current Single Discount Assumption 6.50%	1% Increase 7.50%
General Employees'	\$ 7,863,342	\$ 4,858,617	\$ 2,330,963

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CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2019

**NOTE 11 – FLORIDA RETIREMENT SYSTEM**

*General Information*

The City participates in the Florida Retirement System (FRS). The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan, and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing, multiple-employer defined benefit pension plan, to assist retired members of any state administered retirement system in paying the costs of health insurance.

The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other non-integrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Web site ([www.dms.myflorida.com](http://www.dms.myflorida.com)).

All general employees hired after March 1, 2006, participate in the Florida Retirement System (FRS). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, city government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

*Plan Description*

The Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program ("DROP") for eligible employees.

*Benefits Provided*

Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service, regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service or 25 years of service, regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service, regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service. Senior Management Service Class members who retire at or after age 62 with at least six years of credited service or 30 years of service, regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five (5) highest years of salary for each year of credited service. Elected Officers Class members who retire at or after age 62 with at least six years of credited service or 30 years of service, regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the five (5) highest years of salary for each year of credited service.

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2019

**NOTE 11 – FLORIDA RETIREMENT SYSTEM (continued)**

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular, Senior Management Service, and Elected Officers Class members, and to age 60 or 30 years of service, regardless of age, for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is three percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

*Contributions*

Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent (3.00%) of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2018 through June 30, 2019 and from July 1, 2019 through September 30, 2019, respectively, were as follows: Regular - 8.26% and 8.47%; Special Risk Administrative Support - 34.98% and 38.59%; Special Risk - 24.50% and 25.48%; Senior Management Service - 24.06% and 25.41%; Elected Officers - 48.70% and 48.82%; and DROP participants - 14.03% and 14.60%. These employer contribution rates include 1.66% HIS Plan subsidy and a 0.06% plan administrative and educational expense for the periods October 1, 2017 through June 30, 2019, and from July 1, 2018 through September 30, 2019, respectively.

The City's contributions to the Pension Plan and Investment Plans totaled \$529,505 and \$247,768 respectively, for the fiscal year ended September 30, 2019.

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

At September 30, 2019, the City reported a liability of \$6,133,104 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The City's proportionate share of the net pension liability was based on the City's 2018-19 fiscal year contributions relative to the 2017-18 fiscal year contributions of all participating members. At June 30, 2019, the City's proportionate share was 0.01781%, which was an increase of 0.018% from its proportionate share measured as of June 30, 2018.

*Basis of Accounting*

The cost-sharing defined benefit plans are prepared using the flow of economic resources measurement focus and the accrual basis of accounting and are prepared in accordance with accounting principles generally accepted in the United States.

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2019

**NOTE 11 – FLORIDA RETIREMENT SYSTEM (continued)**

For the fiscal year ended September 30, 2019, the City recognized pension expense of \$1,501,519 (collective) as well as employer specific expenses of \$278,645. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflow of Resources
Difference between expected and actual experience	\$ 363,772	\$ 3,806	\$ 359,966
Change in assumptions	1,575,245	-	1,575,245
Net difference between projected and actual earnings on pension plan investments	-	339,315	(339,315)
Change in proportion and differences between contributions and proportionate share	625,895	29,848	596,047
City pension plan contributions subsequent to the measurement date	159,207	-	159,207
<b>Total</b>	<b>\$ 2,724,119</b>	<b>\$ 372,969</b>	<b>2,351,150</b>

The deferred outflows of resources related to employer contributions paid resulting from City contributions paid subsequent to the measurement date and prior to September 30, 2019 in the amount of \$159,207, will be recognized as a reduction of the net pension liability during the subsequent fiscal period rather than the current fiscal period. The remaining service life expectancy of all employees in the pension plan was 6.4 years (the basis for amortization below). Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	Amount
2020	\$ 758,854
2021	286,495
2022	530,081
2023	420,010
2024	153,555
Thereafter	42,948
	<b>\$ 2,191,943</b>

**Actuarial Assumptions**

The total pension liability in the July 1, 2019, actuarial valuation was determined using the following actuarial assumption, applied to all period included in the measurement:

Inflation	2.60%
Salary increases	3.25%, average, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the July 1, 2019, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

CITY OF DANIA BEACH, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
 For the Year Ended September 30, 2019

**NOTE 11 – FLORIDA RETIREMENT SYSTEM (continued)**

*Actuarial assumptions (continued)*

The HIS plan is funded on a pay as you go basis and the actuarial assumptions are based on the most recent experience study of the FRS Pension Plan which was completed in 2014 for the period June 30, 2008 June 30, 2013. The total pension liability for each cost-sharing plan was determined using the actuarial cost method.

The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. Further information can be found in the FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

*Discount Rate*

The discount rate used to measure the total pension liability was 6.90%. The Pension Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation the total pension liability is equal to the long-term expected rate of return.

*Sensitivity of the City’s Proportionate Share of the Net Position Liability to Changes in the Discount Rate*

The following represents the City’s proportionate share of the net pension liability calculated using the discount rate of 6.90%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.9%) or one percentage point higher (7.90%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	5.90%	6.90%	7.90%
City's proportionate share of the net pension liability	\$ 10,602,094	\$ 6,133,104	\$ 2,400,741

*Pension Plan Fiduciary Net Position*

Detailed information regarding the Pension Plan’s fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

**HIS Plan**

*Plan Description*

The HIS Plan is a cost-sharing, multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time. The benefit is a monthly payment to assist retirees of state-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

*Benefits Provided*

For the fiscal year ended September 30, 2019, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month pursuant to section 112.363 Florida Statutes. To be eligible to receive these benefits, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2019

**NOTE 11 – FLORIDA RETIREMENT SYSTEM (continued)**

*Contributions*

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2019, the HIS contribution for the period October 1, 2018 through June 30, 2019 and from July 1, 2019 through September 30, 2019 was 1.66%, respectively. The City contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

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

At September 30, 2019, the City's reported a liability of \$2,111,000 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The City's proportionate share of the net pension liability was based on the City's 2018-19 fiscal year contributions relative to the 2017-18 fiscal year contributions of all participating members. At June 30, 2019, the City's proportionate share was 0.01887%, which was an increase of 0.00072734% from its proportionate share measured as of June 30, 2018.

For the fiscal year ended September 30, 2019, the City recognized pension expense of \$161,907 which included employer specific expenses of \$66,937. In addition, the City reported deferred outflows of resources and deferred in flows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflow of Resources
Difference between expected and actual experience	\$ 25,640	\$ 2,585	\$ 23,055
Change in assumptions	244,434	172,536	71,898
Net difference between projected and actual earnings on pension plan investments	1,362	-	1,362
Changes in proportion and differences between City pension plan contributions	220,616	-	220,616
City pension plan contributions subsequent to the measurement date	29,962	-	29,962
<b>Total</b>	<u>\$ 522,014</u>	<u>\$ 175,121</u>	<u>\$ 346,893</u>

The deferred outflows of resources related to the HIS Plan, resulting from City contributions to the HIS Plan subsequent to the measurement date in the amount of \$29,962, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2019. The remaining service life expectancy of all employees in the HIS was 7.2 years (the basis for amortization below). Other amounts reported as deferred outflows of resources and deferred (inflows) of resources related to the HIS Plan will be recognized in pension expense as follows:

CITY OF DANIA BEACH, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
 For the Year Ended September 30, 2019

**NOTE 11 – FLORIDA RETIREMENT SYSTEM (continued)**

Fiscal Year Ending September 30,	Amount
2020	\$ 107,983
2021	88,324
2022	59,790
2023	13,971
2024	18,443
Thereafter	28,419
	\$ 316,930

Actuarial Assumptions – The total pension liability in the July 1, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary increases	3.25%, average, including inflation
Municipal bond rate	3.50%

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the July 1, 2018, valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

*Discount Rate*

The discount rate used to measure the total pension liability was 3.50%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

*Sensitivity of the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate*

The following represents the City's proportionate share of the net pension liability calculated using the discount rate of 3.87%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.87%) or one percentage point higher (4.87%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	2.50%	3.50%	4.50%
City's proportionate share of the net pension liability	\$ 2,409,815	\$ 2,111,000	\$ 1,862,121

*Pension Plan Fiduciary Net Position*

Detailed information regarding the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

The system's CAFR and the actuarial valuation reports are available online at:

**[http://www.dms.myflorida.com/workforce\\_operations/retirement/publications](http://www.dms.myflorida.com/workforce_operations/retirement/publications)**.



CITY OF DANIA BEACH, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
 For the Year Ended September 30, 2019

**NOTE 11 – FLORIDA RETIREMENT SYSTEM (continued)**

*Payables to the Pension Plan*

The City reported no payables for outstanding contributions to the HIS plan as of September 30, 2019.

**NOTE 12 - DEFERED COMPENSATION**

The City offers its employees a deferred compensation plan (457b) with a financial institution. Upon employment, all full-time employees have a one-time benefit election to enroll in the plan, and will receive a match of up to a maximum of 1.8% of their compensation by the City. For the year ended September 30, 2019, the City contributed a total of \$82,810 to the Plan.

**NOTE 13 – OTHER POST-EMPLOYMENT BENEFITS**

In June 2015, the GASB issued Statement No. 74 *Financial Reporting for Post- Employment Benefit Plans Other than Pension Plans* and GASB Statement No. 75 *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions* which replaces GASB statement No. 43 and 45 as amended and No. 57, *OPEB Measurements by Agent-Employer and Agent Multiple-Employer Plans*.

*Plan Description*

The Employee Health Benefit Plan (the “Plan”) is fully insured by a third party on behalf of the City. Coverage under the Plan is a benefit available to retirees of the City and their eligible dependents. On July 28, 2009, the City adopted Ordinance 2009-010 creating the Other Post-Employment Benefits Trust Fund, a single employer post-employment benefit plan, in accordance with Florida Statutes Chapter 115. The City entered into a master trust agreement with Florida Municipal Pensions Trust Fund (“FMPTF”), a pooled trust fund established to provide retirement and other post-employment benefit plan administration.

As of October 1, 2018, the date of the latest actuarial valuation, employee membership data related to the Plan was as follows:

<u>Current retirees:</u>	
Under age 65	37
Over age 65	48
Dependents	51
Total current retirees	<u>136</u>
<u>Active employees:</u>	
Under age 65	128
Over age 65	7
Total active employees	<u>135</u>
Total number of participants	<u><u>271</u></u>

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2019

**NOTE 13 – OTHER POST-EMPLOYMENT BENEFITS (continued)**

*Financial Reports*

The Plan does not issue a stand-alone financial report and is not included in the report of a public employee retirement system or a report of another entity. However the financial statements are included in the Fiduciary Funds Financial Statements contained in this report.

*Actuarial Methods*

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Although the valuation results are based on values the actuarial consultant believes are reasonable assumptions, the valuation result is only an estimate of what future costs may actually be and reflect a long-term perspective. Deviations in any of several factors, such as future interest rate discounts, medical cost inflation, Medicare coverage risk and changes in marital status, could result in actual costs being greater or less than estimated.

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

*Investments*

The assets of the Trust are invested in the Florida Municipal Investment Trust Fund, a pooled trust fund considered to be a Local Government Investment Pool. (see note 3).

The following table provides information concerning actuarial methods and assumptions:

Valuation date:	September 30, 2018
Measurement date:	September 30, 2018
Actuarial cost method	Entry Age Normal
Valuation method:	Market Value
Discount rate:	4.18%
Assumed inflation rate:	2.30%
Salary increases	4.00% compounded annually
Mortality rates:	Healthy Pre-retirement Pub - 2010 General retirees Headcount - Weighted Mortality using MP 2018 scale
	Healthy Post-Retirement - Pub -2010 General retirees Headcount - Weighted Mortality using MP 2018
	Disabled Retirement Participants - Pub 2010 General Disabled Retirees Headcount - Weighted Mortality using MP 2018
	Mortality improvements are projected to all future years after 2010 using scale MP 2018

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CITY OF DANIA BEACH, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
 For the Year Ended September 30, 2019

**NOTE 13 – OTHER POST-EMPLOYMENT BENEFITS (continued)**

*Funding Policy*

The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits when earned and determined annually by the City's actuary. Pay-as-you-go financing is paid by the City and plan members and is accounted for in the City's General Fund. For the year ended September 30, 2019, the City made no contributions to the OPEB plan. It is the City's intent to base future OPEB Trust contributions on the actuarially determined annual required contribution (ARC) less pay-as-you-go financing; however, no future Trust contributions are legally or contractually required. The City shares the insurance premium costs by subsidizing two-thirds of the cost. Retiree plan members are responsible for the remaining portion. The contribution requirements of plan members are established and may be amended by the City Commission.

**Total OPEB Liability**

The City's total OPEB liability of \$14,624,247 was measured as of September 30, 2018, and was determined by the actuarial valuation on September 30, 2018.

**Changes in the Total OPEB Liability**

Beginning balance:	\$ 23,542,571
Changes for the year:	
Service cost	842,806
Interest on total OPEB liability	1,179,145
Effect of economic/demographic gains or losses	(7,935,537)
Effect of assumption changes or inputs	(1,750,814)
Benefit payments	(765,029)
Net investment income	(497,974)
Administrative expenses	9,079
Ending balance	<u>\$ 14,624,247</u>

The actuarial valuation for the calculation of OPEB involves estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information is designed to provide multi-year trend information to show whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. However, the City has not contributed assets to the plan at this time.

CITY OF DANIA BEACH, FLORIDA  
 NOTES TO FINANCIAL STATEMENTS  
 For the Year Ended September 30, 2019

**NOTE 13 – OTHER POST-EMPLOYMENT BENEFITS (continued)**

*Net OPEB Liability*

The total OPEB liability was determined as of September 30, 2018 (the valuation date) with a measurement date of September 30, 2019, the date as of which the total OPEB liability is determined

<b>Net OPEB Liability</b>	September 30, 2019
Total OPEB Liability	\$ 23,500,952
Fiduciary Net Position	8,876,705
Net OPEB Liability	14,624,247
Fiduciary Net Position as a % of total liability	37.77%
Covered Payroll	8,616,155
Net OPEB Liability as a % of covered payroll	169.73%

*Money Weight of Return*

For the year ended September 30, 2019 the net money weighted rate of return was 5.94%. The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of plan investments by the proportion of time they are available to earn a return during that period. External cash flows are determined on a monthly basis and are assumed to occur at the beginning of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow in each month. The money-weighted rate of return is calculated net of investment expenses.

*Discount Rate*

	September 30, 2019
Discount Rate	4.180%
Long-Term Expected Rate of Return, Net of Investment Expense	4.180%
20 Year Tax-Exempt Municipal Bond	4.180%

The plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payments, to the extent that the plan's fiduciary net position is not projected to be sufficient.

*Sensitivity Analysis*

The following presents the net OPEB liability of the City, calculated using the discount rate of 4.18%, as well as what the City of Dania Beach, Florida's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.18%) or 1 percentage point higher (5.18%) than the current rate.

	1% Decrease 3.18%		Current 4.18%		1% Increase 5.18%
Net OPEB Liability	\$ 18,044,953	\$	14,624,247	\$	11,875,812

CITY OF DANIA BEACH, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
For the Year Ended September 30, 2019

**NOTE 13 – OTHER POST-EMPLOYMENT BENEFITS (continued)**

The following presents the net OPEB liability of the City, calculated using the current healthcare cost trend rates as well as what the City's net OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates.

	1% Decrease	Current Trend Rate	1% Increase
Net OPEB Liability	\$ 11,741,741	\$ 14,624,247	\$ 18,210,521

**OPEB Expense and deferred outflows of resources and deferred inflows of resources related to OPEB**

For the year ended September 30, 2019, the City recognized OPEB expense of \$1,097,651. At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred inflows of resources	Deferred outflows of resources	Net deferred inflows of resources
Differences between expected and actual experience	\$ 6,361,026	\$ -	\$ (6,361,026)
Changes of assumptions	3,109,569	-	(3,109,569)
Change in proportion and differences between City's Plan Contributions and Proportionate share of contributions	-	-	-
Net difference between projected and actual earnings	556,102	-	(556,102)
contributions made subsequent to the measurement date	-	1,034,066	1,034,066
	\$ 10,026,697	\$ 1,034,066	\$ (8,992,631)

Contributions made after the measurement date of the Net OPEB liability but before the City's reporting period will be recognized as a reduction of the net OPEB liability in the subsequent fiscal period rather than the current fiscal period. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB expense are follows:

Year ended September 30,	
2020	\$ (2,823,528)
2021	(2,823,528)
2022	(2,342,305)
2023	(1,960,460)
2024	(76,876)
Thereafter	-
	\$ (10,026,697)

**NOTE 14- SUBSEQUENT EVENT**

Management evaluated subsequent events through March 31, 2020, the date at which these financial statements were available for issue.

In December 2019, a novel strain of coronavirus surfaced in Wuhan, China, and has spread around the world, with resulting business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. The operations and business results of the City could be significantly adversely affected. The extent to which the coronavirus may impact governmental activity, business activity or investment results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which, may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus or treat its impact, among others.

**REQUIRED SUPPLEMENTARY INFORMATION**

CITY OF DANIA BEACH, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For the Year Ended September 30, 2019

	Budgeted Amount		Actual	Variance
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 24,717,963	\$ 24,717,963	\$ 24,372,949	\$ (345,014)
Special assessments	6,192,919	6,192,919	6,316,109	123,190
Franchise Fees	2,873,362	2,873,362	2,936,979	63,617
Utility Taxes	3,911,176	3,911,176	4,108,466	197,290
Licenses and permits	1,003,006	1,003,006	1,982,035	979,029
Intergovernmental	5,136,726	5,136,726	5,748,048	611,322
Charges for Services	4,240,906	4,240,906	4,649,862	408,956
Fines and forfeitures	437,694	437,694	496,691	58,997
Investment earnings (loss)	674,530	674,530	1,025,022	350,492
Miscellaneous	1,188,124	1,188,124	2,023,709	835,585
Total revenues	<u>50,376,406</u>	<u>50,376,406</u>	<u>53,659,870</u>	<u>3,283,464</u>
<b>EXPENDITURES:</b>				
General government				
Legislative	677,506	722,730	634,910	87,820
Executive:				
City clerk	321,025	321,025	305,030	15,995
City manager	796,165	865,749	676,503	189,246
Finance and administration:				
Human resources	402,388	402,388	401,053	1,335
Finance & info. systems	2,126,406	2,170,864	1,960,030	210,834
General services	1,317,321	3,516,615	2,355,767	1,160,848
Legal	1,127,740	1,127,740	987,878	139,862
Total general government	<u>6,768,551</u>	<u>9,127,111</u>	<u>7,321,171</u>	<u>1,805,940</u>
Public safety				
Code enforcement	765,404	732,870	736,764	(3,894)
Police	14,878,136	14,802,136	15,053,211	(251,075)
Fire	17,637,729	17,712,848	17,827,003	(114,155)
Total public safety	<u>33,281,269</u>	<u>33,247,854</u>	<u>33,616,978</u>	<u>(369,124)</u>
Highways and streets	2,699,265	2,711,265	2,361,886	349,379
Physical environment	5,537,617	5,528,067	5,127,398	400,669
Community redevelopment	760,247	901,201	733,420	167,781
Culture and recreation	3,621,818	3,849,958	3,448,266	401,692
Total expenditures	<u>52,668,767</u>	<u>55,365,456</u>	<u>52,609,119</u>	<u>2,756,337</u>
Excess of revenues over expenditures	<u>(2,292,361)</u>	<u>(4,989,050)</u>	<u>1,050,751</u>	<u>6,039,801</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Appropriation of prior year reserves	953,772	4,211,995	-	(4,211,995)
Transfers in	4,602,857	4,602,857	5,260,317	657,460
Transfers out	(3,264,268)	(3,825,802)	(3,859,312)	(33,510)
Total other financing sources (uses)	<u>2,292,361</u>	<u>4,989,050</u>	<u>1,401,005</u>	<u>(3,588,045)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,451,756</u>	<u>\$ 2,451,756</u>

CITY OF DANIA BEACH, FLORIDA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE  
 GRANT FUND  
 For the Year Ended September 30, 2019

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 346,154	\$ 216	\$ (345,938)
Total revenues	<u>-</u>	<u>346,154</u>	<u>216</u>	<u>(345,938)</u>
<b>EXPENDITURES</b>				
Highways and streets	<u>-</u>	<u>559,668</u>	<u>12,660</u>	<u>547,008</u>
Total expenditures	<u>-</u>	<u>559,668</u>	<u>12,660</u>	<u>547,008</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(213,514)</u>	<u>(12,444)</u>	<u>201,070</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	<u>-</u>	<u>213,514</u>	<u>213,514</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>213,514</u>	<u>213,514</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 201,070</u>	<u>\$ 201,070</u>



CITY OF DANIA BEACH, FLORIDA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE  
 COMMUNITY REDEVELOPMENT AGENCY FUND  
 For the Year Ended September 30, 2019

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>				
Investment earnings (loss)	\$ 10,300	\$ 10,300	\$ 16,409	\$ 6,109
Miscellaneous	200,000	259,500	340,184	80,684
Total revenues	<u>210,300</u>	<u>269,800</u>	<u>356,593</u>	<u>86,793</u>
<b>EXPENDITURES</b>				
Community redevelopment	<u>1,979,017</u>	<u>2,278,338</u>	<u>1,537,132</u>	<u>741,206</u>
Total expenditures	<u>1,979,017</u>	<u>2,278,338</u>	<u>1,537,132</u>	<u>741,206</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,768,717)</u>	<u>(2,008,538)</u>	<u>(1,180,539)</u>	<u>827,999</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Appropriations of prior year reserves	658,490	898,311	-	(898,311)
Transfers in	1,497,625	1,497,625	1,535,325	37,700
Transfers out	<u>(387,398)</u>	<u>(387,398)</u>	<u>(387,398)</u>	<u>-</u>
Total other financing sources (uses)	<u>1,768,717</u>	<u>2,008,538</u>	<u>1,147,927</u>	<u>(860,611)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (32,612)</u>	<u>\$ (32,612)</u>

CITY OF DANIA BEACH, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
Building Fund  
For the Year Ended September 30, 2019

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>				
Licenses and permits	\$ 4,597,818	\$ 4,597,818	\$ 6,418,386	\$ 1,820,568
Investment earnings (loss)	10,000	10,000	58,774	48,774
Miscellaneous	3,000	3,000	11,909	8,909
Total revenues	<u>4,610,818</u>	<u>4,610,818</u>	<u>6,489,069</u>	<u>1,878,251</u>
<b>EXPENDITURES</b>				
Community redevelopment	<u>3,834,790</u>	<u>4,768,790</u>	<u>3,707,103</u>	<u>1,061,687</u>
Total expenditures	<u>3,834,790</u>	<u>4,768,790</u>	<u>3,707,103</u>	<u>1,061,687</u>
Excess (deficiency) of revenues over (under) expenditures	<u>776,028</u>	<u>(157,972)</u>	<u>2,781,966</u>	<u>2,939,938</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Appropriations of prior year reserves	-	934,000	-	(934,000)
Transfers out	<u>(776,028)</u>	<u>(776,028)</u>	<u>(776,028)</u>	<u>-</u>
Total other financing sources (uses)	<u>(776,028)</u>	<u>157,972</u>	<u>(776,028)</u>	<u>(934,000)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,005,938</u>	<u>\$ 2,005,938</u>

CITY OF DANIA BEACH, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO BUDGETARY COMPARISON SCHEDULE  
For the Year Ended September 30, 2019

**NOTE 1 – BUDGETS AND BUDGETARY ACCOUNTING**

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

- (a) The City Manager submits to the Commission a proposed operating budget for the ensuing fiscal year. The operating budget includes appropriations and the means of financing them with an explanation regarding each expenditure that is not of a routine nature.
- (b) Public hearings are conducted to obtain taxpayer comments.
- (c) Prior to October 1, the annual budget is legally adopted through passage of an resolution.
- (d) The City Commission, by motion may make supplemental appropriations to the budget. During the year ended September 30, 2019 there were \$2,696,689 supplemental appropriations for expenditures out of the General Fund of which \$323,446 related to rollover Purchase Orders, \$1,694,989 related to hurricane expenditures and \$583,871 to a rebranding campaign.
- (e) Formal budgetary integration is employed as a management control device for the General Fund.
- (f) The Annual Budgets for the General Fund, Capital Projects Fund, Building Permit Fund, Community Redevelopment Agency Fund and Debt Service Fund are legally adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP).
- (g) Annual budgets are prepared when required for the Grants Fund, Donations Fund, the Tree Preservation Fund, the Perpetual Care Fund, and the Law Enforcement Fund and RAC Traffic Mitigation Fund, but they are not legally adopted.
- (h) The City Manager is authorized to transfer part or all of an encumbered appropriation balance within departments within a fund; however, any revisions that alter the total appropriations of any department or fund must be approved by the City Commission. The Classification detail at which expenditures may not legally exceed appropriations is at the departmental level.

CITY OF DANIA BEACH  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY  
 Florida Retirement System  
 Last 10 Fiscal Years\*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014**</u>
City's proportion of the net pension liability (asset)	0.01781%	0.01602%	0.01467%	0.01387%	0.01444%	-
City's proportionate share of the net pension liability (asset)	\$ 6,133,104	\$ 4,824,802	\$ 4,338,181	\$ 3,503,415	\$ 1,865,110	\$ 1,341,034
City's covered payroll	4,969,544	4,350,123	4,086,957	3,676,377	3,518,245	2,863,691
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	123.41%	110.91%	106.15%	95.30%	53.01%	46.83%
Plan fiduciary net position as a percentage of the total pension liability	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

\*The amounts presented for each fiscal year were determined as of 6/30.

\*\* Information prior to 2014 is not available

CITY OF DANIA BEACH  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CONTRIBUTIONS  
 Florida Retirement System  
 Last 10 Fiscal Years\*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014**</u>
Contractually required contribution	\$ 529,505	\$ 419,948	\$ 364,784	\$ 332,870	\$ 298,897	\$ 237,071
Contributions in relation to the contractually required contribution	529,505	419,948	364,784	332,870	298,897	237,071
Contribution deficiency (excess)	-	-	-	-	-	-
City's covered payroll	5,129,222	4,462,931	4,165,705	3,976,972	3,543,934	2,936,276
Contributions as a percentage of covered-employee payroll	10.32%	9.41%	8.76%	8.37%	8.43%	8.07%

\* The amounts presented for each fiscal year were determined as of 6/30.

\*\* Information prior to 2014 is not available.

CITY OF DANIA BEACH  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY  
 Health Insurance Subsidy Plan  
 Last 10 Fiscal Years\*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014**</u>
City's proportion of the net pension liability (asset)	0.01867%	0.01814%	0.01788%	0.01716%	0.01600%	0.01492%
City's proportionate share of the net pension liability (asset)	\$ 2,111,000	\$ 1,919,895	\$ 1,912,155	\$ 1,999,651	\$ 1,631,743	\$ 1,395,192
City's covered payroll	5,129,222	4,462,931	4,165,705	3,976,972	3,543,934	2,936,276
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	41.16%	43.02%	45.90%	50.28%	46.04%	46.04%
Plan fiduciary net position as a percentage of the total pension liability	26.30%	2.15%	1.64%	0.97%	0.50%	0.99%

\* The amounts presented for each fiscal year were determined as of 6/30.

\*\* Information prior to 2014 is not available.

CITY OF DANIA BEACH  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CONTRIBUTIONS  
 Health Insurance Subsidy Plan  
 Last 10 Fiscal Years\*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014**</u>
Contractually required contribution	\$ 85,145	\$ 74,085	\$ 69,151	\$ 66,018	\$ 58,829	\$ 36,997
Contributions in relation to the contractually required contribution	85,145	74,085	69,151	66,018	58,829	36,997
Contribution deficiency (excess)	-	-	-	-	-	-
City's covered payroll	5,129,222	4,462,931	4,165,705	3,976,972	3,543,934	2,936,276
Contributions as a percentage of covered-employee payroll	1.66%	1.66%	1.66%	1.66%	1.66%	1.26%

\* The amounts presented for each fiscal year were determined as of 6/30.

\*\* Information prior to 2014 is not available.

CITY OF DANIA BEACH  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CONTRIBUTIONS  
 Last 10 Fiscal Years as of September 30,

**Police and Firefighters' Pension Plan**

<b>FY Ending September 30,</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Actual Contribution as a % of Covered Payroll</b>
2014*	\$ 2,987,487	\$ 2,987,487	\$ -	\$ 3,030,736	98.57%
2015	3,967,948	3,967,948	-	2,970,618	133.57%
2016	5,729,245	5,729,245	-	2,620,630	218.62%
2017	6,915,503	6,915,503	-	2,140,626	323.06%
2018	6,920,425	6,920,425	-	2,012,598	343.86%
2019	6,928,856	6,928,856	-	1,676,402	413.32%

**General Employees' Pension Plan**

<b>FY Ending September 30,</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Actual Contribution as a % of Covered Payroll</b>
2014*	\$ 1,123,817	\$ 1,123,817	\$ -	\$ 1,086,708	103.41%
2015	1,387,882	1,387,882	-	1,108,089	125.25%
2016	1,538,811	1,538,811	-	1,223,409	125.78%
2017	1,608,604	1,608,734	(130)	1,223,738	131.46%
2018	1,894,959	1,894,959	-	1,282,631	151.37%
2019	1,815,438	1,875,779	(60,341)	1,271,226	147.56%

Notes: Covered payroll was calculated by dividing total member contributions for the fiscal year (excluding buybacks) by the total member contribution rate of 24.6%.

The actuarially determined and actual contributions shown in the police and firefighters' schedule above include both City contributions and the portion of State Chapter 175/185 revenue used to offset the City's contribution requirement

\*Information prior to 2014 is not available..



## NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date: October 1, 2017

Notes: Actuarially determined contributions are calculated as of October 1, which is two years prior to the end of the fiscal year in which contributions are reported.

### Police and Fire Assumptions:

#### Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	5 years
Asset Valuation Method	5-year smoothed market
Inflation	2.75%
Salary Increases	6.0%
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	RP-2000 Combined Healthy Participant Mortality Table, with mortality improvement projected to all future years after 2000 using Scale BB.

### General Employees Assumptions:

#### Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	N/A
Remaining Amortization Period	N/A
Inflation	2.75%
Salary Increases	4.00%
Investment Rate of Return	6.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvements projected to all future years after 2000 using Scale BB.

**Notes:** See discussion of valuation results in the October 1, 2017, actuarial valuation report dated May 1, 2018.

Effective October 1, 2018 the actuarial cost method was changed from the Aggregate Method to the individual Entry Age Normal Cost Method.

CITY OF DANIA BEACH, FLORIDA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 POLICE AND FIREFIGHTERS' PENSION PLAN  
 SCHEDULES OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY  
 AND RELATED RATIOS  
 For the Year Ended September 30,

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014*</u>
<b>Total pension liability</b>						
Service cost	\$ 724,803	\$ 839,069	\$ 891,121	\$ 1,226,373	\$ 1,145,724	\$ 1,067,760
Interest	4,747,703	4,709,586	4,574,753	4,337,463	4,171,246	3,944,144
Difference between actual and expected experience	595,694	(922,961)	506,187	1,314,433	392,918	(23,067)
Assumption changes	-	-	1,869,158	(1,436,329)	1,666,373	2,894,544
Benefit payments	(4,291,509)	(4,497,632)	(4,299,948)	(3,122,665)	(3,803,361)	(2,922,426)
Other (increase in state and health insurance reserves) and present value of buybacks)	1,448,186	447,835	1,027,652	1,994,483	435,428	210,585
<b>Net change in total pension liability</b>	<u>3,224,877</u>	<u>575,897</u>	<u>4,568,923</u>	<u>4,313,758</u>	<u>4,008,328</u>	<u>5,171,540</u>
<b>Total pension liability -beginning</b>	<u>71,757,288</u>	<u>71,181,391</u>	<u>66,612,468</u>	<u>62,298,710</u>	<u>58,290,382</u>	<u>53,118,842</u>
<b>Total pension liability -ending (a)</b>	<u><u>74,982,165</u></u>	<u><u>71,757,288</u></u>	<u><u>71,181,391</u></u>	<u><u>\$ 66,612,468</u></u>	<u><u>\$ 62,298,710</u></u>	<u><u>\$ 58,290,382</u></u>
<b>Plan fiduciary net position</b>						
Contributions - employer	6,736,911	6,728,480	6,723,558	5,537,300	3,776,003	2,795,542
Contributions - employer (from State)	429,236	395,992	448,880	446,780	441,891	466,381
Contributions - member	412,395	495,099	526,594	644,675	730,772	745,561
Net investment income	2,067,568	4,568,934	5,074,159	2,582,275	(197,718)	2,435,693
Benefit payments	(4,291,509)	(4,497,632)	(4,299,948)	(3,122,665)	(3,803,361)	(2,922,426)
Administrative expense	(181,485)	(209,337)	(179,172)	(160,786)	(141,008)	(135,697)
Other (buybacks net of payments towards buyback balances)	1,210,895	185,895	(357,645)	966,824	58,192	173,969
<b>Net change in plan fiduciary net position</b>	<u>6,384,011</u>	<u>7,667,431</u>	<u>7,936,426</u>	<u>6,894,403</u>	<u>864,771</u>	<u>3,559,023</u>
<b>Plan fiduciary net position - beginning</b>	<u>56,356,890</u>	<u>48,689,459</u>	<u>40,753,033</u>	<u>33,858,630</u>	<u>32,993,859</u>	<u>29,434,836</u>
<b>Plan fiduciary net position - ending (b)</b>	<u><u>62,740,901</u></u>	<u><u>56,356,890</u></u>	<u><u>48,689,459</u></u>	<u><u>40,753,033</u></u>	<u><u>33,858,630</u></u>	<u><u>32,993,859</u></u>
<b>Net pension liability - ending (a) - (b)</b>	<u><u>\$ 12,241,264</u></u>	<u><u>\$ 15,400,398</u></u>	<u><u>\$ 22,491,932</u></u>	<u><u>\$ 25,859,435</u></u>	<u><u>\$ 28,440,080</u></u>	<u><u>\$ 25,296,523</u></u>
<b>Plan fiduciary net position as a percentage of total pension liability</b>	83.67%	78.54%	68.40%	61.18%	54.35%	56.60%
<b>Covered employee payroll</b>	\$ 1,676,402	\$ 2,012,598	\$ 2,140,626	\$ 2,620,630	\$ 3,020,808	\$ 3,002,671
<b>Net pension liability as a percentage of covered employee payroll</b>	730.21%	765.20%	1050.72%	986.76%	941.47%	842.47%

\*Information prior to 2014 is not available.

CITY OF DANIA BEACH  
REQUIRED SUPPLEMENTARY INFORMATION  
POLICE AND FIREFIGHTERS' PENSION PLAN  
SCHEDULE OF ANNUAL MONEY-WEIGHTED RATE OF RETURNS

<u>Year Ended September 30,</u>	<u>Annual Money-Weighted Rate of Return, Net of Investment Expense</u>
2019	3.35%
2018	9.45%
2017	12.67%
2016	7.47%
2015	(0.57)%
2014	8.49%
2013	11.69%
2012	17.28%
2011	0.95%
2010	4.7%

CITY OF DANIA BEACH  
 REQUIRED SUPPLEMENTARY INFORMATION  
 POLICE AND FIREFIGHTERS' PENSION PLAN  
 SCHEDULE OF EMPLOYER'S NET PENSION LIABILITY

Year Ending September 30,	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Fiduciary Net Position as a % of the Total Pension Liability	Covered Payroll	Net Pension Liability as a % of Covered Payroll
2014	\$ 58,290,382	\$ 32,993,859	\$ 25,296,523	56.6%	\$ 3,030,736	834.67%
2015	62,298,710	33,858,630	28,440,080	54.35%	2,970,618	957.38%
2016	66,612,468	40,753,033	25,859,435	61.18%	2,620,630	986.76%
2017	71,181,391	48,689,459	22,491,932	68.40%	2,140,626	1050.72%
2018	71,757,288	56,356,890	15,400,398	78.54%	2,012,598	765.20%
2019	74,982,165	62,740,901	12,241,264	83.67%	1,676,402	730.21%

CITY OF DANIA BEACH, FLORIDA  
REQUIRED SUPPLEMENTARY INFORMATION  
GENERAL EMPLOYEE'S PENSION PLAN  
SCHEDULES OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY  
AND RELATED RATIOS  
For the Year Ended September 30,

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Total pension liability</b>						
Service cost	\$ 329,480	\$ 311,154	\$ 295,811	\$ 272,229	\$ 245,645	\$ 237,731
Interest	1,828,705	1,813,975	1,798,696	1,761,138	1,796,159	1,788,524
Difference between actual and expected experience	32,010	260,354	185,259	225,302	(648,964)	(46,534)
Assumption changes	-	-	-	1,148,450	604,864	593,408
Benefit payments	(2,292,994)	(2,061,387)	(2,058,718)	(1,640,067)	(1,545,461)	(1,643,035)
<b>Net change in total pension liability</b>	(102,799)	324,096	221,048	1,767,052	452,243	930,094
<b>Total pension liability -beginning</b>	<u>28,950,936</u>	<u>28,626,840</u>	<u>28,405,792</u>	<u>26,638,740</u>	<u>26,186,497</u>	<u>25,256,403</u>
<b>Total pension liability -ending (a)</b>	<u>28,848,137</u>	<u>28,950,936</u>	<u>28,626,840</u>	<u>\$ 28,405,792</u>	<u>26,638,740</u>	<u>26,186,497</u>
<b>Plan fiduciary net position</b>						
Contributions - employer	1,875,779	1,941,463	1,608,734	1,538,811	1,387,882	1,123,817
Contributions - member	266,554	268,632	273,005	241,501	218,073	214,524
Net investment income	749,289	1,903,704	2,055,278	1,191,779	(425,789)	1,330,113
Benefit payments	(2,292,994)	(2,061,387)	(2,058,718)	(1,640,067)	(1,545,461)	(1,643,035)
Other	-	(74,150)	(29,967)	-	-	-
Administrative expenses	(85,525)	(227,014)	(83,809)	(84,542)	(77,849)	(90,200)
<b>Net change in plan fiduciary net position</b>	513,103	1,751,248	1,764,523	1,247,482	(443,144)	935,219
<b>Plan fiduciary net position - beginning</b>	<u>24,092,319</u>	<u>22,341,071</u>	<u>20,576,548</u>	<u>19,329,066</u>	<u>19,772,210</u>	<u>18,836,991</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 24,605,422</u>	<u>\$ 24,092,319</u>	<u>\$ 22,341,071</u>	<u>\$ 20,576,548</u>	<u>\$ 19,329,066</u>	<u>\$ 19,772,210</u>
<b>Net pension liability -ending (a) - (b)</b>	<u>\$ 4,242,715</u>	<u>\$ 4,858,617</u>	<u>\$ 6,285,769</u>	<u>\$ 7,829,244</u>	<u>\$ 7,309,674</u>	<u>\$ 6,414,287</u>
<b>Plan fiduciary net position as a percentage of total pension liability</b>	85.29%	83.22%	78.04%	72.44%	72.56%	75.51%
<b>Covered payroll</b>	\$ 1,271,226	\$ 1,282,631	\$ 1,223,738	\$ 1,223,409	1,108,089	1,086,708
<b>Net pension liability as a percentage of covered payroll</b>	333.75%	378.80%	513.65%	639.95%	659.66%	590.25%

CITY OF DANIA BEACH, FLORIDA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 GENERAL EMPLOYEES' PENSION PLAN  
 SCHEDULE OF ANNUAL MONEY-WEIGHTED RATE OF RETURNS

Year Ended September 30,	Annual Money-Weighted Rate of Return, Net of Investment Expense
2019	2.98%
2018	8.06%
2017	10.20%
2016	6.31%
2015	(2.35)%
2014	7.250%

*Note: This schedule is intended to present information for ten years. However, until a full ten-year trend is compiled, the pension plan will present information for those years for which the information is available.*

CITY OF DANIA BEACH FLORIDA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 GENERAL EMPLOYEES' PENSION PLAN  
 SCHEDULE OF THE EMPLOYER'S NET PENSION LIABILITY

Year Ending September 30,	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position as a % of Total Pension Liability	Covered Payroll	Net Pension Liability as a % of Covered Payroll
2014	\$ 26,186,497	\$ 19,772,210	\$ 6,414,287	75.51%	\$ 1,086,708	590.3%
2015	26,638,740	19,329,066	7,309,674	72.56%	1,108,089	659.66%
2016	28,405,792	20,576,548	7,829,244	72.44%	1,223,409	639.95%
2017	28,626,840	22,341,071	6,285,769	78.04%	1,223,738	513.65%
2018	28,950,936	24,092,319	4,858,617	83.22%	1,282,631	378.80%
2019	28,848,137	24,605,422	4,242,715	85.29%	1,271,226	333.75%

CITY OF DANIA BEACH, FLORIDA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 OTHER POST EMPLOYMENT BENEFITS  
 SCHEDULES OF CHANGES IN EMPLOYER CONTRIBUTIONS  
 AND CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

Fiscal Year Ending September 30	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	***Contribution as a % of Covered Payroll
2008-2016*	N/A	N/A	N/A	N/A	N/A
2017	\$ 1,036,583	\$ 982,376	\$ 54,477	\$ 3,914,405	25.10%
2018	1,806,102	1,033,310	772,792	3,454,112	29.92%
2019	765,029	765,029	-	8,616,155	8.88%

\*Information not available

	Total OPEB Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
<b>Changes in Net OPEB Liability:</b>			
Balances as of September 30, 2017	\$ 31,930,381	\$ 8,387,810	\$ 23,542,571
<b>Changes for the year:</b>			
Service cost	842,806		842,806
Interest on total OPEB liability	1,179,145		1,179,145
Effect of plan changes	-		-
Effect of economic/demographic gains or losses	(7,935,537)		(7,935,537)
Effect of assumption changes or inputs	(1,750,814)		(1,750,814)
Benefit Payments	(765,029)	(765,029)	-
Employer contributions		765,029	(765,029)
Member contributions		-	-
Net investment Income		497,974	(497,974)
Administrative expenses		(9,079)	9,079
Balances as of September 30, 2018	<u>\$ 23,500,952</u>	<u>\$ 8,876,705</u>	<u>\$ 14,624,247</u>

Fiscal Year Ending September 30	Net Money-Weighted Rate of Return
2010-2017*	N/A
2018	2.00%
2019	5.94%

\*Information not available



CITY OF DANIA BEACH  
REQUIRED SUPPLEMENTARY INFORMATION  
OTHER POST EMPLOYMENT BENEFITS  
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

Total OPEB Liability	FISCAL YEAR ENDING SEPTEMBER 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Service cost	\$ 842,806	\$ 1,507,395	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Interest on total OPEB liability	1,179,145	1,056,799	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of plan changes	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic (gains) or losses	(7,935,537)	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	(1,750,814)	(3,164,379)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments	(765,029)	(1,033,310)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net change in total OPEB liability	(8,429,429)	(1,633,495)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability, beginning	31,930,381	33,563,876	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability, ending (a)	23,500,952	31,930,381	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Fiduciary Net Position</b>										
Employer contributions	765,029	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Member contributions	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Investment income	497,974	898,862	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments	(765,029)	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative expenses	(9,079)	(8,300)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net change in plan fiduciary net position	488,895	890,562	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary net position, beginning	8,387,810	7,497,228	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary net position, ending (b)	8,876,705	8,387,790	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net OPEB liability, ending = (a) - (b)	\$ 14,624,247	\$ 23,542,591	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary net position as a % of total OPEB liability	37.77%	26.27%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Covered payroll	\$ 8,616,155	\$ 3,454,112	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net OPEB liability as a % of covered payroll	169.73%	681.58%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported.

## **OTHER SUPPLEMENTARY INFORMATION**

## NON - MAJOR GOVERNMENTAL FUNDS

### **Special Revenue Funds**

Special Revenue Funds are used to account for the proceeds of specific revenue sources or to finance specified activities as required by law or administrative regulation. The City's Special Revenue Funds and their purposes are:

**Donations Fund** - Accounts for contributions from local civic organizations for the administration of cultural and recreational activities within the City.

**Perpetual Care Fund** – Accounts for contributions from local civic organizations for the administration of cultural and recreational activities within the City.

**Tree Preservation Fund** – Accounts for the collection of tree removal fees to be used for the preservation, maintenance, relocation, or restoration of tree ecosystems.

**Law Enforcement Trust Fund** – Accounts for funds received from forfeitures to be used for the police equipment, training or crime prevention programs.

**RAC Traffic Mitigation Fund** – Accounts for a transportation mitigation fee for new development in the Regional Activity Center.

**Payment in Lieu of Parking Fund** – Accounts for funds generated by developers used to support the provision of parking structures and facilities.

CITY OF DANIA BEACH, FLORIDA  
 COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 September 30, 2019

	Special Revenue Funds						Total Non-major Governmental Funds
	Donations	Perpetual Care	Tree Preservation	Law Enforcement	RAC Traffic Mitigation	Payment In-Lieu of Parking	
<b>ASSETS:</b>							
Current assets							
Cash, cash equivalents and investments	\$ 17,760	\$ 529,605	\$ 1,042,347	\$ 202,727	\$ 57,807	\$ 97,500	\$ 1,947,746
Receivables, net							
Customer / other, net	-	450	-	-	-	-	450
Total assets	<u>17,760</u>	<u>530,055</u>	<u>1,042,347</u>	<u>202,727</u>	<u>57,807</u>	<u>97,500</u>	<u>1,948,196</u>
<b>LIABILITIES AND FUND BALANCES:</b>							
Fund balance							
Restricted							
Public safety impact fees	-	-	-	202,727	57,807	-	260,534
Committed for:							
Maintenance of cemeteries	-	530,055	-	-	-	-	530,055
Capital projects	17,760	-	-	-	-	97,500	115,260
Tree preservation	-	-	1,042,347	-	-	-	1,042,347
Total fund balances (deficit)	<u>17,760</u>	<u>530,055</u>	<u>1,042,347</u>	<u>202,727</u>	<u>57,807</u>	<u>97,500</u>	<u>1,948,196</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 17,760</u>	<u>\$ 530,055</u>	<u>\$ 1,042,347</u>	<u>\$ 202,727</u>	<u>\$ 57,807</u>	<u>\$ 97,500</u>	<u>\$ 1,948,196</u>

CITY OF DANIA BEACH, FLORIDA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NON-MAJOR GOVERNMENTAL FUNDS  
 For the year ended September 30, 2019

	Special Revenue Funds					Total Non-major Governmental Funds	
	Donations	Perpetual Care	Tree Preservation	Law Enforcement	RAC Traffic Mitigation		Payment In-Lieu of Parking
REVENUES:							
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ 2,998	\$ -	\$ 2,998
Charges for services	-	38,264	-	-	-	-	38,264
Fines and forfeitures	-	-	-	58,211	-	-	58,211
Investment earnings (loss)	-	13,998	11,622	2,741	-	-	28,361
Miscellaneous	-	-	481,555	-	-	-	481,555
Total revenues	-	52,262	493,177	60,952	2,998	-	609,389
OTHER FINANCING SOURCES (USES):							
Transfers out	-	(50,622)	-	-	-	-	(50,622)
Total other financing sources (uses)	-	(50,622)	-	-	-	-	(50,622)
Net change in fund balances	-	1,640	493,177	60,952	2,998	-	558,767
FUND BALANCES, beginning of year	17,760	528,415	549,170	141,775	54,809	97,500	1,389,429
FUND BALANCES, end of year	<u>\$ 17,760</u>	<u>\$ 530,055</u>	<u>\$ 1,042,347</u>	<u>\$ 202,727</u>	<u>\$ 57,807</u>	<u>\$ 97,500</u>	<u>\$ 1,948,196</u>

## NON-MAJOR ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that costs of providing goods and services to the general public on a continuing basis be financed or recovered determination of revenues earned, expenses incurred, and /or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City maintains two non-major enterprise funds.

**Parking Fund:** to account for revenues and expenses of the City's parking-related operations. The Parking Fund includes all parking costs of the City's beach and marina parking areas as well as operation of the City's downtown parking garage facility and future on-street metered parking. Annual expenses include parking compliance staff and automotive equipment, equipment and banking collection costs, direct costs of collection equipment and facility insurance and allocation of the City's common administrative costs.

**Pier Operations Fund:** To account for revenues and expenses of the City's public Pier that is located at Dania Beach on the Atlantic Ocean. The Pier Fund includes revenues and expenses from Pier areas open for public fishing and spectator access; it does not reflect rental operations of the City's restaurant facility located at the Pier entrance. Annual expenses include contracted staffing, direct merchandise sales, equipment and bank collection costs and an allocation of the City's common administrative costs.

CITY OF DANIA BEACH, FLORIDA  
 COMBINING STATEMENT OF NET POSITION  
 NON-MAJOR PROPRIETARY FUNDS  
 September 30, 2019

	Parking	Pier Operations	Total Non-major Proprietary Funds
<b>ASSETS:</b>			
Current assets:			
Cash and cash equivalents	\$ 3,350,871	\$ 453,200	\$ 3,804,071
Receivables, net	22,827	-	22,827
Total current assets	3,373,698	453,200	3,826,898
Non-current assets:			
Capital assets being depreciated, net	127,346	3,583	130,929
Total non-current assets	127,346	3,583	130,929
Total assets	3,501,044	456,783	3,957,827
<b>DEFERRED OUTFLOW</b>			
Net pension outflows	173,152	-	173,152
Total net deferred outflow	173,152	-	173,152
<b>LIABILITIES AND NET POSITION:</b>			
Current liabilities:			
Accounts payable and accrued liabilities	59,131	21,064	80,195
Due to other funds	2,092	17,000	19,092
Due to other governmental agencies	-	3,255	3,255
Deposits payable	9,806	-	9,806
Unearned revenue	6,070	26,615	32,685
Compensated absences	6,332	-	6,332
Total current liabilities	83,431	67,934	151,365
Non-current liabilities:			
Compensated absences	35,883	-	35,883
Net pension liability	531,263	-	531,263
Total non-current liabilities	567,146	-	567,146
Total liabilities	650,577	67,934	718,511
<b>NET POSITION</b>			
Net investment in capital assets	127,346	3,583	130,929
Unrestricted	2,896,273	385,266	3,281,539
Total net position	\$ 3,023,619	\$ 388,849	\$ 3,412,468

CITY OF DANIA BEACH, FLORIDA  
 COMBINING STATEMENT OF REVENUES, EXPENSES and  
 CHANGES IN NET POSITION  
 NON-MAJOR PROPRIETARY FUNDS  
 For the year Ended September 30, 2019

	<u>Parking</u>	<u>Pier Operations</u>	<u>Total Non-major Proprietary Funds</u>
<b>OPERATING REVENUES:</b>			
Charges for services	\$ 1,244,748	\$ 295,290	\$ 1,540,038
Fines and forfeitures	191,519	-	191,519
Miscellaneous	40,698	623,971	664,669
Total operating revenues	<u>1,476,965</u>	<u>919,261</u>	<u>2,396,226</u>
<b>OPERATING EXPENSES:</b>			
Operations and maintenance	798,192	465,893	1,264,085
Depreciation	21,656	1,000	22,656
Total operating expenses	<u>819,848</u>	<u>466,893</u>	<u>1,286,741</u>
Operating income	<u>657,117</u>	<u>452,368</u>	<u>1,109,485</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>			
Interest income	84,910	-	84,910
Total non-operating revenues (expenses)	<u>84,910</u>	<u>-</u>	<u>84,910</u>
Income before transfers	742,027	452,368	1,194,395
<b>TRANSFERS:</b>			
Transfers out	(801,575)	(118,740)	(920,315)
Total transfers	<u>(801,575)</u>	<u>(118,740)</u>	<u>(920,315)</u>
Change in net position	(59,548)	333,628	274,080
NET POSITION, beginning of year	<u>3,083,167</u>	<u>55,221</u>	<u>3,138,388</u>
NET POSITION, end of year	<u>\$ 3,023,619</u>	<u>\$ 388,849</u>	<u>\$ 3,412,468</u>



CITY OF DANIA BEACH, FLORIDA  
 COMBINING STATEMENT OF CASH FLOWS  
 NON-MAJOR PROPRIETARY FUNDS  
 For the year ended September 30, 2019

	Parking	Pier Operations	Total Non-major Proprietary Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers and users	\$ 1,467,846	\$ 957,469	\$ 2,425,315
Payments to employees	(279,897)	-	(279,897)
Payments to suppliers	(401,434)	(465,042)	(866,476)
Net cash provided by operating activities	<u>786,515</u>	<u>492,427</u>	<u>1,278,942</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>			
Cash provided to other funds	(800,786)	(118,740)	(919,526)
Net cash (used in) non-capital financing activities	<u>(800,786)</u>	<u>(118,740)</u>	<u>(919,526)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase of capital assets	(27,308)	-	(27,308)
Net cash (used in) capital and related financing activities	<u>(27,308)</u>	<u>-</u>	<u>(27,308)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment earnings	84,910	-	84,910
Net cash provided by investment earnings	<u>84,910</u>	<u>-</u>	<u>84,910</u>
Net increase in cash and cash equivalents	43,331	373,687	417,018
CASH AND CASH EQUIVALENTS, beginning of year	<u>3,307,540</u>	<u>79,513</u>	<u>3,387,053</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 3,350,871</u>	<u>\$ 453,200</u>	<u>\$ 3,804,071</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>			
Operating income	\$ 657,117	\$ 452,368	\$ 1,109,485
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Provision for depreciation	21,656	1,000	22,656
(Increase) decrease in:			
Receivables	(15,249)	11,593	(3,656)
Deferred outflows	(15,032)	-	(15,032)
Increase (decrease) in:			
Accounts payable and accrued liabilities	28,407	(13)	28,394
Due to other governmental agencies		864	864
Unearned revenue	6,070	26,615	32,685
Deposits	60	-	60
Net pension liability	96,642	-	96,642
Compensated absences	6,844	-	6,844
Total adjustments	<u>129,398</u>	<u>40,059</u>	<u>169,457</u>
Net cash provided by operating activities	<u>\$ 786,515</u>	<u>\$ 492,427</u>	<u>\$ 1,278,942</u>

## TRUST FUNDS

### Pension Trust Funds

Trust fund accounts for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments and/or funds. The City has two pension trust funds:

**General Employees' Pension Fund** – To account for the accumulation of resources to be used for retirement benefit payments to the City's general employees.

**Police and Firefighters' Pension Fund** – To account for the accumulation of resources to be used for retirement benefit payments to the City's police officers and firefighters.

**OPEB Trust Fund** - To account for the accumulation of resources to be used for other post-employment benefit payments on behalf of the City's employees. Resources are contributed by the City at rates determined by the City's actuary.

CITY OF DANIA BEACH, FLORIDA  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 September 30, 2019

	General Employees' Pension	Police and Firefighters' Pension	Other Post- Employment Benefits	Total
<b>ASSETS:</b>				
Cash	\$ 21,699	\$ 6,179	\$ -	\$ 27,878
Investments, at fair value:				
Common stocks	14,174,162	38,072,386	-	52,246,548
Mutual funds	2,185,561	-	9,687,995	11,873,556
Corporate and foreign bonds	2,343,063	3,206,033	-	5,549,096
Money market funds	-	2,911,710	-	2,911,710
Partnership/Joint venture	2,449,869	-	-	2,449,869
Real estate	-	8,472,260	-	8,472,260
Government securities	3,126,118	8,658,124	-	11,784,242
Total investments	24,278,773	61,320,513	9,687,995	95,287,281
Receivables:				
State contributions	-	429,236	-	429,236
Employee contributions	15,379	-	-	15,379
Employer contributions	193,914	-	-	193,914
Accrued interest receivable	95,657	105,195	-	200,852
Loans to DROP participants	-	913,235	-	913,235
Total receivables	304,950	1,447,666	-	1,752,616
Other assets	-	162	-	162
Total assets	24,605,422	62,774,520	9,687,995	97,067,937
<b>LIABILITIES:</b>				
Accounts payable	-	33,619	-	33,619
Total liabilities	-	33,619	-	33,619
<b>NET POSITION:</b>				
Net position restricted for DROP benefits	69,115	1,072,208	-	1,141,323
Net position restricted for defined benefits	24,536,307	61,668,693	9,687,995	95,892,995
	\$ 24,605,422	\$ 62,740,901	\$ 9,687,995	\$ 97,034,318

CITY OF DANIA BEACH, FLORIDA  
 COMBINING STATEMENT OF CHANGES TO FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 For the Year Ended September 30, 2019

	General Employees' Pension	Police and Firefighters' Pension	Other Post- Employment Benefits	Total
<b>ADDITIONS:</b>				
Contributions:				
Employees	\$ 266,554	\$ 6,736,911	\$ -	\$ 7,003,465
Employer	1,875,779	412,395	275,000	2,563,174
Buybacks	-	1,210,895	-	1,210,895
State	-	429,236	-	429,236
Total contributions	<u>2,142,333</u>	<u>8,789,437</u>	<u>275,000</u>	<u>11,206,770</u>
Investment income:				
Net appreciation in fair value of investments	240,937	849,450	( 892,426)	197,961
Interest and dividends	576,390	1,450,934	1,428,715	3,456,039
Total investment income	<u>817,327</u>	<u>2,300,384</u>	<u>536,289</u>	<u>3,654,000</u>
Less: Investment expenses	<u>( 136,404)</u>	<u>( 240,472)</u>	<u>-</u>	<u>( 376,876)</u>
Net investment income	<u>680,923</u>	<u>2,059,912</u>	<u>536,289</u>	<u>3,277,124</u>
Other income	<u>68,366</u>	<u>7,656</u>	<u>-</u>	<u>76,022</u>
Total additions	<u>2,891,622</u>	<u>10,857,005</u>	<u>811,289</u>	<u>14,559,916</u>
<b>DEDUCTIONS:</b>				
Pension benefits paid	2,292,994	4,086,780	-	6,379,774
Administrative expenses	85,525	386,214	-	471,739
Total deductions	<u>2,378,519</u>	<u>4,472,994</u>	<u>-</u>	<u>6,851,513</u>
Change in net position	513,103	6,384,011	811,289	7,708,403
Net position - beginning	<u>24,092,319</u>	<u>56,356,890</u>	<u>8,876,706</u>	<u>89,325,915</u>
Net position - ending	<u>\$ 24,605,422</u>	<u>\$ 62,740,901</u>	<u>\$ 9,687,995</u>	<u>\$ 97,034,318</u>

CITY OF DANIA BEACH, FLORIDIA  
 BUDGETARY COMPARISON SCHEDULE  
 BUILDING PERMIT FUND  
 For the Year Ended September 30, 2019

	<u>Budget Amount</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Licenses and permits	\$ 4,597,818	\$ 4,597,818	\$ 6,418,386	\$ 1,820,568
Interest income	10,000	10,000	58,774	48,774
Miscellaneous revenues	3,000	3,000	11,909	8,909
Total revenues	<u>4,610,818</u>	<u>4,610,818</u>	<u>6,489,069</u>	<u>1,878,251</u>
<b>EXPENDITURES</b>				
Community redevelopment	3,805,022	4,739,022	3,707,103	1,031,919
Total expenditures	<u>3,805,022</u>	<u>4,739,022</u>	<u>3,707,103</u>	<u>1,031,919</u>
Excess (deficiency) of revenues over expenditures	<u>805,796</u>	<u>(128,204)</u>	<u>2,781,966</u>	<u>2,910,170</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Appropriation of prior year balance	-	934,000	-	(934,000)
Transfers out	(805,796)	(805,796)	(776,028)	29,768
Total other financing sources (uses)	<u>(805,796)</u>	<u>128,204</u>	<u>(776,028)</u>	<u>(904,232)</u>
Excess (deficiency) in revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,005,938</u>	<u>\$ 2,005,938</u>

CITY OF DANIA BEACH, FLORIDA  
 BUDGETARY COMPARISON SCHEDULE  
 DEBT SERVICE FUND  
 For the Year Ended September 30, 2019

	Budgeted Amount		Actual	Variance
	Original	Final		
REVENUES:				
Investment earnings	\$ -	\$ -	\$ 900	\$ 900
Total revenues	<u>-</u>	<u>-</u>	<u>900</u>	<u>900</u>
EXPENDITURES				
Debt Service:				
Principal	838,574	838,574	838,574	-
Interest and fiscal charges	224,927	224,927	225,827	(900)
Total expenditures	<u>1,063,501</u>	<u>1,063,501</u>	<u>1,064,401</u>	<u>(900)</u>
Excess (deficiency) of revenues over expenditures	<u>(1,063,501)</u>	<u>(1,063,501)</u>	<u>(1,063,501)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	1,063,501	1,063,501	1,063,501	-
Total other financing sources (uses)	<u>1,063,501</u>	<u>1,063,501</u>	<u>1,063,501</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF DANIA BEACH, FLORIDA  
 BUDGETARY COMPARISON SCHEDULE  
 CAPITAL PROJECTS FUND  
 For the Year Ended September 30, 2019

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
<b>EXPENDITURES</b>				
General government-capital outlay	\$ 200,000	\$ 289,880	\$ 42,354	\$ 247,526
Police services-capital outlay	-	202,156	202,125	31
Highways and streets-capital outlay	-	1,265,841	361,991	903,850
Physical environment-capital outlay	-	-	-	-
Culture and recreation-capital outlay	200,000	1,119,316	208,521	910,795
Total expenditures	<u>400,000</u>	<u>2,877,193</u>	<u>814,991</u>	<u>2,062,202</u>
 Excess (deficiency) of revenues over expenditures	 <u>(400,000)</u>	 <u>(2,877,193)</u>	 <u>(814,991)</u>	 <u>(2,062,202)</u>
 <b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	-	-	-
Appropriations from prior year reserves	-	2,117,816	-	(2,117,816)
Transfers in	400,000	759,377	755,187	(4,190)
Total other financing sources (uses)	<u>400,000</u>	<u>2,877,193</u>	<u>755,187</u>	<u>(2,122,006)</u>
 Net change in fund balance	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ (59,804)</u>	 <u>\$ (59,804)</u>

## **STATISTICAL SECTION**



CITY OF DANIA BEACH, FLORIDA

STATISTICAL SECTION

For the Year Ended September 30, 2019

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

CONTENTS	PAGES
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	110-115
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property taxes.	116-119
<b>Debt Capacity</b> These schedules contain information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	120-124
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	125-126
<b>Operating Information</b> These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	127-129

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

CITY OF DANIA BEACH, FLORIDIA  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS

TABLE 1

	2010	2011	2012	2013	2014	2015	2016	2017 (Restated)	2018	2019
<b>GOVERNMENTAL ACTIVITIES:</b>										
Net investment in capital assets	\$ 36,452,629	\$ 36,656,751	\$ 39,096,333	\$ 42,228,983	\$ 37,188,106	\$ 35,872,543	\$ 35,651,910	\$ 35,068,858	\$ 36,453,713	\$ 37,625,589
Restricted	3,575,974	2,262,284	2,534,322	3,242,162	2,496,639	3,218,810	2,761,211	2,866,963	3,545,448	7,109,191
Unrestricted	28,265,537	25,366,659	23,978,864	22,886,462	27,902,454	6,163,046	7,077,800	(11,743,455)	(29,521,847)	220,611
Total governmental activities net position	<u>68,294,140</u>	<u>64,285,694</u>	<u>65,609,519</u>	<u>68,357,607</u>	<u>67,587,199</u>	<u>45,254,399</u>	<u>45,490,921</u>	<u>26,192,366</u>	<u>10,477,314</u>	<u>44,955,391</u>
<b>BUSINESS-TYPE ACTIVITIES:</b>										
Net investment in capital assets	20,685,775	22,529,051	19,997,679	20,527,954	25,368,100	23,941,609	23,740,182	24,413,244	24,041,233	24,396,503
Restricted	2,955,589	3,239,786	2,911,547	3,195,927	2,557,073	4,300,285	2,027,747	2,315,284	2,698,432	3,061,428
Unrestricted	3,513,512	6,980,922	10,864,400	9,774,194	16,455,631	16,768,701	21,253,404	17,111,228	15,066,192	23,724,607
Total business-type activities net position	<u>27,154,876</u>	<u>32,749,759</u>	<u>33,773,626</u>	<u>33,498,075</u>	<u>44,380,804</u>	<u>45,010,595</u>	<u>47,021,333</u>	<u>43,839,756</u>	<u>41,805,857</u>	<u>51,182,538</u>
<b>PRIMARY GOVERNMENT</b>										
Net investment in capital assets	57,138,404	59,185,802	59,094,012	62,756,937	62,556,206	59,814,152	59,392,092	59,482,102	60,494,946	62,022,092
Restricted	6,531,563	5,502,070	5,445,869	6,438,090	5,053,712	7,519,095	4,788,958	5,182,247	6,243,880	10,170,619
Unrestricted	31,779,049	32,347,581	34,843,264	32,660,655	44,358,085	22,931,747	28,331,204	5,367,773	(14,455,655)	23,945,218
Total primary government net position	<u>\$ 95,449,016</u>	<u>\$ 97,035,453</u>	<u>\$ 99,383,145</u>	<u>\$ 101,855,682</u>	<u>\$ 111,968,003</u>	<u>\$ 90,264,994</u>	<u>\$ 92,512,254</u>	<u>\$ 70,032,122</u>	<u>\$ 52,283,171</u>	<u>\$ 96,137,929</u>

CITY OF DANIA BEACH  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS

TABLE 2

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>EXPENSES:</b>										
<b>Governmental activities:</b>										
General government	\$ 8,147,507	\$ 9,167,195	\$ 8,741,494	\$ 7,404,873	\$ 6,097,585	\$ 6,112,551	\$ 6,337,517	\$ 6,653,185	\$ 8,817,587	\$ 7,267,443
Public safety	20,775,149	22,604,730	22,030,147	22,673,356	24,070,777	25,400,964	28,314,440	28,842,274	30,850,159	27,349,962
Highways and streets	2,250,950	1,616,983	1,795,574	2,165,939	2,454,846	2,717,458	3,346,142	3,135,336	3,510,801	3,835,758
Physical environment	2,812,528	3,019,840	2,905,797	3,133,648	3,846,522	3,774,582	3,915,075	5,210,822	4,191,203	4,604,282
Culture and recreation	3,284,918	3,912,623	3,663,648	3,253,312	3,299,230	3,147,016	3,934,643	4,903,343	3,985,340	4,320,723
Community redevelopment	1,318,685	1,688,410	1,513,049	3,808,510	3,298,782	3,539,737	3,928,473	3,785,536	4,268,391	5,852,726
Interest expense	503,330	675,607	620,546	962,465	484,334	208,425	317,545	256,483	239,327	213,827
<b>Total governmental activities expenses</b>	<b>39,093,067</b>	<b>42,685,388</b>	<b>41,270,255</b>	<b>43,402,103</b>	<b>43,552,076</b>	<b>44,900,733</b>	<b>50,093,835</b>	<b>52,786,979</b>	<b>55,862,808</b>	<b>53,444,721</b>
<b>Business-type activities:</b>										
Water	2,981,620	3,000,283	4,086,778	3,884,997	3,947,252	4,117,523	4,138,087	4,332,499	4,108,462	3,909,321
Sewer	4,525,526	4,662,042	5,120,193	5,345,282	4,422,730	3,693,787	4,561,554	4,496,988	4,689,446	4,840,610
Stormwater	850,813	904,739	1,315,519	1,010,648	904,203	877,269	1,052,413	1,244,627	1,097,556	1,114,442
Parking	2,791	481,255	227,461	273,966	340,574	548,092	573,544	633,638	736,788	819,848
Pier operations	-	63,279	243,403	330,729	275,754	415,719	463,596	459,381	449,187	466,893
Marina operations	-	-	-	169,614	351,774	718,044	827,467	833,373	804,092	802,576
<b>Total Business-type activities expenses</b>	<b>8,360,750</b>	<b>9,111,598</b>	<b>10,993,354</b>	<b>11,015,236</b>	<b>10,242,287</b>	<b>10,370,434</b>	<b>11,616,661</b>	<b>12,000,506</b>	<b>11,885,531</b>	<b>11,953,690</b>
<b>Total primary government expenses</b>	<b>\$ 47,453,817</b>	<b>\$ 51,796,986</b>	<b>\$ 52,263,609</b>	<b>\$ 54,417,339</b>	<b>\$ 53,794,363</b>	<b>\$ 55,271,167</b>	<b>\$ 61,710,496</b>	<b>\$ 64,787,485</b>	<b>\$ 67,748,339</b>	<b>\$ 65,398,411</b>
<b>PROGRAM REVENUES:</b>										
<b>Governmental activities:</b>										
<b>Charges for services:</b>										
General government	\$ 3,394,372	\$ 3,339,702	\$ 3,948,721	\$ 3,714,622	\$ 3,440,054	\$ 4,550,523	\$ 3,370,035	\$ 4,703,252	\$ 5,333,266	\$ 7,726,310
Community redevelopment	-	-	-	-	-	-	57,120	17,858	19,672	20,856
Public safety	3,829,501	5,089,902	5,286,026	5,297,301	6,824,324	6,656,338	7,314,079	7,858,423	8,259,288	8,783,650
Highways and streets	449,083	36,487	26,973	-	-	957	2,998	13,000	78,000	-
Physical environment	2,134,197	1,843,507	1,904,606	2,037,219	2,012,046	2,064,089	2,512,473	2,561,659	2,589,596	2,641,273
Culture and recreation	285,498	293,613	403,927	128,635	121,649	240,469	164,541	208,602	250,727	257,089
Operating grants and contributions	330,046	739,742	866,809	265,678	486,672	1,001,165	395,138	-	2,506,200	2,225,732
Capital grants and contributions	3,263,346	320,526	525,236	603,553	4,895,611	205,326	136,075	175,491	135,492	-
<b>Total governmental activities program revenues</b>	<b>13,686,043</b>	<b>11,663,479</b>	<b>12,962,298</b>	<b>12,047,008</b>	<b>17,780,356</b>	<b>14,718,867</b>	<b>13,952,459</b>	<b>15,538,285</b>	<b>19,172,241</b>	<b>21,654,910</b>

CITY OF DANIA BEACH  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(Continued)

TABLE 2  
(continued)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Business-type activities:										
Charges for services:										
Water	4,259,810	4,905,537	5,335,472	5,479,402	5,518,175	5,619,733	5,550,941	5,783,284	6,085,312	5,969,968
Sewer	4,814,985	5,325,944	6,285,784	6,771,028	7,035,606	6,653,703	6,651,066	6,597,427	6,817,314	7,104,089
Stormwater	1,146,489	2,034,254	2,083,596	1,949,507	1,927,483	2,033,947	1,949,987	2,029,035	1,975,809	2,004,790
Parking	-	623,950	699,946	1,052,362	1,421,597	1,644,600	1,378,063	1,454,663	1,289,059	1,285,446
Pier operations	-	93,847	373,536	362,849	356,454	463,542	268,694	279,128	291,993	295,290
Marina operations	-	-	-	162,114	307,557	775,742	861,501	902,157	983,120	1,050,666
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	2,550,000	-	-	-	-	-	-	-	-
Total business-type activities program revenues	10,221,284	15,533,532	14,778,334	15,777,262	16,566,872	17,191,267	16,660,252	17,045,694	17,442,607	17,710,249
Total primary government program revenue	\$ 23,907,327	\$ 27,197,011	\$ 27,740,632	\$ 27,824,270	\$ 34,347,228	\$ 31,910,134	\$ 30,612,711	\$ 32,583,979	\$ 34,108,648	\$ 37,139,427
NET EXPENSE/REVENUE:										
Governmental activities	\$ (25,407,024)	\$ (31,021,909)	\$ (28,307,957)	\$ (31,355,094)	\$ (25,771,720)	\$ (30,181,866)	\$ (36,141,376)	\$ (37,248,694)	\$ (36,690,567)	\$ (31,789,811)
Business-type activities	1,860,534	6,421,934	3,784,980	4,762,025	6,324,585	6,820,833	5,043,591	5,045,188	5,557,076	5,756,559
Total primary government net expense	\$ (23,546,490)	\$ (24,599,975)	\$ (24,522,977)	\$ (26,593,069)	\$ (19,447,135)	\$ (23,361,033)	\$ (31,097,785)	\$ (32,203,506)	\$ (31,133,491)	\$ (26,033,252)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION:										
Governmental activities:										
Taxes:										
Property taxes	\$ 16,750,836	\$ 15,872,847	\$ 15,604,005	\$ 15,467,882	\$ 16,135,270	\$ 16,650,291	\$ 17,835,092	\$ 19,429,124	\$ 23,028,779	\$ 24,372,949
Franchise fees	2,068,527	2,123,895	2,238,321	2,292,448	2,619,934	2,614,609	2,571,950	2,673,255	2,755,614	2,936,311
Utility taxes	4,364,708	4,288,639	4,300,248	4,617,269	3,543,297	3,582,609	3,627,385	3,834,189	3,909,123	4,108,466
Intergovernmental	3,054,591	3,189,370	3,494,027	3,669,786	5,165,694	5,379,885	5,428,609	5,567,441	5,537,821	5,555,190
Investment earnings	512,983	126,727	183,364	81,131	63,049	111,579	253,495	534,207	729,344	1,129,466
Miscellaneous	334,933	563,009	1,029,975	3,393,790	2,020,684	1,898,046	2,987,140	3,556,073	2,671,201	3,331,903
Transfers	338,980	848,976	2,781,842	5,050,838	(4,546,616)	3,380,840	3,380,840	3,347,969	3,422,752	3,754,484
Total governmental activities	27,425,558	27,013,463	29,631,782	34,573,144	25,001,312	33,617,859	36,084,511	38,942,258	42,054,634	45,188,769
Business-type activities:										
Investment earnings	23,031	21,925	20,729	13,261	11,528	24,821	67,555	161,320	581,905	894,958
Miscellaneous	-	-	-	-	-	-	573,819	517,550	807,539	921,982
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Transfers	(338,980)	(848,976)	(2,781,842)	(5,050,838)	4,546,616	(3,380,840)	(3,380,840)	(3,347,969)	(3,422,752)	(3,754,484)
Total business-type activities	(315,949)	(827,051)	(2,761,113)	(5,037,577)	4,558,144	(3,356,019)	(2,739,466)	(2,669,099)	(2,033,308)	(1,937,544)
Total primary government general revenue	\$ 27,109,609	\$ 26,186,412	\$ 26,870,669	\$ 29,535,567	\$ 29,559,456	\$ 30,261,840	\$ 33,345,045	\$ 36,273,159	\$ 40,021,326	\$ 43,251,225
CHANGE IN NET POSITION:										
Governmental activities	2,018,534	(4,008,446)	1,323,825	3,218,048	(770,408)	3,435,993	(56,865)	1,693,564	5,364,067	13,398,958
Business-type activities	1,544,585	5,594,883	1,023,867	(275,551)	10,882,729	3,464,814	2,304,125	2,376,089	3,523,768	3,819,015
Total primary government	\$ 3,563,119	\$ 1,586,437	\$ 2,347,692	\$ 2,942,497	\$ 10,112,321	\$ 6,900,807	\$ 2,247,260	\$ 4,069,653	\$ 8,887,835	\$ 17,217,973

CITY OF DANIA BEACH, FLORIDA  
FUND BALANCES  
GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS

TABLE 3

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund:										
Reserved	\$ 8,925,423	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	13,177,602	-	-	-	-	-	-	-	-	-
Nonspendable	-	4,086,792	906,147	936,147	124,952	36,549	29,499	109,914	119,840	72,060
Restricted	-	411,886	329,498	635,544	699,319	860,150	541,405	628,431	1,193,954	2,207,056
Committed	-	913,808	-	-	125,051	128,567	397,856	567,560	229,894	-
Assigned	-	2,126,437	3,375,944	2,884,649	2,966,278	2,732,145	2,246,576	4,227,115	8,607,252	11,006,815
Unassigned	-	9,832,009	11,040,070	14,349,377	17,234,790	20,416,162	23,475,784	22,431,697	21,645,608	20,962,373
<b>Total General Fund</b>	<b>\$ 22,103,025</b>	<b>\$ 17,370,932</b>	<b>\$ 15,651,659</b>	<b>\$ 18,805,717</b>	<b>\$ 21,150,390</b>	<b>\$ 24,173,573</b>	<b>\$ 26,691,120</b>	<b>\$ 27,964,717</b>	<b>\$ 31,796,548</b>	<b>\$ 34,248,304</b>
All other government funds:										
Reserved	\$ 3,217,527	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in										
Special revenue funds	(1,277,415)	-	-	-	-	-	-	-	-	-
Capital projects funds	4,757,542	-	-	-	-	-	-	-	-	-
Nonspendable										37,700
Restricted	-	1,850,398	2,204,824	1,495,442	1,797,320	2,376,070	2,456,989	3,274,537	3,004,017	5,162,669
Committed	-	694,796	2,482,732	1,836,528	2,591,068	7,619,905	5,579,582	4,484,518	4,036,615	4,401,316
Assigned	-	5,180,507	7,686,301	6,367,074	4,618,785	-	-	-	-	-
Unassigned	-	1,226,673	(1,970,335)	(2,983,873)	(180,049)	(88,798)	(178,991)	(63,348)	(112,306)	-
<b>Total all other governmental funds</b>	<b>\$ 6,697,654</b>	<b>\$ 8,952,374</b>	<b>\$ 10,403,522</b>	<b>\$ 6,715,171</b>	<b>\$ 8,827,124</b>	<b>\$ 9,907,177</b>	<b>\$ 7,857,580</b>	<b>\$ 7,695,707</b>	<b>\$ 6,928,326</b>	<b>\$ 9,601,685</b>

Note: Information for fiscal years 2010 to 2013 have not been restated for Governmental Accounting Standards Board (GASB) Statement No. 54 classifications.

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CITY OF DANIA BEACH, FLORIDA  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS

TABLE 4

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>REVENUES:</b>										
Property taxes	\$ 16,750,836	\$ 15,872,847	\$ 15,604,005	\$ 15,467,882	\$ 16,135,270	\$ 16,650,291	\$ 17,835,092	\$ 19,429,124	\$ 23,028,779	\$ 24,372,949
Special assessments	2,789,488	3,937,523	4,082,820	4,065,279	5,052,071	5,081,535	5,821,427	6,356,104	6,249,500	6,316,109
Franchise fees	2,068,527	2,123,895	2,238,321	2,292,448	2,619,934	2,614,609	2,571,950	2,673,255	2,755,614	2,936,979
Utility taxes	4,364,708	4,288,639	4,300,248	4,617,269	3,543,297	3,582,609	3,627,385	3,834,189	3,909,123	4,108,466
Licenses and permits	1,871,371	1,968,915	2,188,191	3,280,797	3,301,706	4,195,456	3,380,233	4,824,367	5,832,071	8,403,419
Intergovernmental	3,054,591	3,189,370	3,494,027	3,669,786	5,165,694	5,379,885	5,428,609	5,567,441	5,537,821	5,748,048
Charges for services	3,916,010	3,235,985	3,277,333	3,455,651	3,582,482	3,669,894	4,219,586	4,162,467	4,429,307	4,688,126
Fines and forfeitures	562,067	445,980	738,356	376,050	461,816	565,491	512,683	538,478	386,951	554,902
Investment earnings	512,983	126,727	183,364	81,131	63,047	111,579	253,495	534,207	729,344	1,129,466
Grants	311,969	3,939,790	1,736,388	869,231	5,382,283	1,206,491	531,213	175,491	-	216
Contributions	7,811	3,540	-	-	-	-	-	-	-	-
Miscellaneous	1,164,276	1,577,817	2,313,528	4,687,533	2,071,530	1,944,997	2,474,457	3,037,453	2,335,922	2,857,357
<b>Total revenues</b>	<b>\$ 37,374,637</b>	<b>\$ 40,711,028</b>	<b>\$ 40,156,581</b>	<b>\$ 42,863,057</b>	<b>\$ 47,379,130</b>	<b>\$ 45,002,837</b>	<b>\$ 46,656,130</b>	<b>\$ 51,132,576</b>	<b>\$ 55,194,432</b>	<b>\$ 61,116,037</b>
<b>EXPENDITURES:</b>										
General government	\$ 8,483,735	\$ 9,021,525	\$ 7,586,634	\$ 6,541,309	\$ 5,917,429	\$ 5,787,355	\$ 9,262,106	\$ 7,257,708	\$ 8,145,004	\$ 7,363,525
Public safety	20,553,073	22,073,028	21,664,048	22,369,619	23,550,421	25,363,517	28,087,146	30,583,369	31,676,478	33,819,103
Highways and streets	1,684,765	1,487,793	2,048,198	3,190,349	1,621,968	1,599,671	2,684,886	1,790,893	2,237,310	2,662,387
Physical environment	2,750,208	2,700,705	2,826,999	2,857,462	3,502,300	3,697,428	4,689,865	4,754,850	4,931,826	5,127,398
Community redevelopment	1,315,063	1,668,422	2,635,972	6,671,194	3,288,017	3,534,196	3,754,678	3,625,693	4,394,759	5,977,655
Culture and recreation	3,468,938	3,119,180	4,780,910	3,154,702	6,297,054	2,897,830	3,424,775	2,585,809	2,993,706	3,448,266
Capital outlay	12,310,518	2,982,416	-	-	-	-	-	1,112,135	741,369	282,671
Debt service:	-	-	-	-	-	-	-	-	-	-
Principal	905,491	1,095,106	1,042,551	3,066,126	1,065,831	6,300,947	659,064	773,574	838,574	838,574
Interest and fiscal charges	503,330	676,297	621,236	597,424	500,815	457,262	181,798	367,170	246,820	225,827
Bond issuance costs	25,000	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>\$ 52,000,121</b>	<b>\$ 44,824,472</b>	<b>\$ 43,206,548</b>	<b>\$ 48,448,185</b>	<b>\$ 45,743,835</b>	<b>\$ 49,638,206</b>	<b>\$ 52,744,318</b>	<b>\$ 52,851,201</b>	<b>\$ 56,205,846</b>	<b>\$ 59,745,406</b>

TABLE 4  
(cOntinued)

CITY OF DANIA BEACH, FLORIDA  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(Continued)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Excess (deficiency) of Revenues over Expenditures	\$ (14,625,484)	\$ (4,113,444)	\$ (3,049,967)	\$ (5,585,130)	\$ 3,138,342	\$ (4,635,369)	\$ (6,088,188)	\$ (1,718,625)	\$ (875,922)	\$ 1,370,631
OTHER FINANCING SOURCES (USES):										
Note proceeds	7,236,764	787,095	-	-	-	5,440,773	2,881,909	-	-	-
Debt issuance costs						(83,008)	-	-	-	-
Transfers in	12,029,648	6,553,593	13,214,460	13,145,974	10,642,062	8,548,499	9,299,410	7,250,819	11,252,069	8,827,844
Transfers out	(11,690,668)	(5,704,617)	(10,432,618)	(8,095,137)	(9,323,778)	(5,167,659)	(5,918,570)	(3,902,850)	(7,829,317)	(5,073,360)
Transfer from reserves	-	-	-	-	-	-	-	-	-	-
Capital lease proceeds	-	-	-	-	-	-	-	-	-	-
Total other financing Sources (Uses)	7,575,744	1,636,071	2,781,842	5,050,837	1,318,284	8,738,605	6,262,749	3,347,969	3,422,752	3,754,484
Net change in fund balances	\$ (7,049,740)	\$ (2,477,373)	\$ (268,125)	\$ (534,293)	\$ 4,456,626	\$ 4,103,236	\$ 174,561	\$ 1,629,344	\$ 2,546,830	\$ 5,125,115
Debt service as a % of non-capital Expenditure	3.55%	4.23%	4.26%	8.18%	3.55%	3.71%	1.62%	1.62%	2.09%	2.09%

\*Note: Capital outlay was no longer treated as a separate line item after 2011 but is included in the natural classification. refer to footnote 6 for the number which is backed out of the total expenditures.

\*\* In 2016 the City refunded debt in the amount of \$2,935,000 which is included in the debt fund general government expenditures and is not included under the principal line item. The balance is included in the above calculation.



CITY OF DANIA BEACH, FLORIDA  
VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS

TABLE 5

Fiscal Year Ended September 30,	Taxable Value of Personal and Real Property(1) For Operating Purposes	Taxable Value of Centrally Assessed Property for Operating Purposes	Gross Taxable Value	Less Tax-Exempt Property	Total Taxable Assessed Value	Millage Rate
2010	\$ 3,559,009,784	\$ 2,943,777	\$ 3,561,953,561	\$ 622,764,458	\$ 2,939,189,103	6.1557
2011	3,266,278,557	2,370,745	3,268,649,302	579,843,129	2,688,806,173	6.2450
2012	3,208,220,545	2,426,840	3,210,647,385	583,229,819	2,627,417,566	6.2507
2013	3,172,675,082	2,244,996	3,174,920,078	575,693,985	2,599,226,093	6.2678
2014	3,312,446,134	2,562,196	3,315,008,330	565,619,140	2,749,389,190	6.2688
2015	3,477,989,835	3,044,295	3,481,034,130	588,004,832	2,893,029,298	6.2593
2016	3,661,796,706	3,721,620	3,665,518,326	572,809,972	3,092,708,354	6.2432
2017	3,992,030,478	4,024,741	3,996,055,219	575,164,817	3,420,890,402	6.2462
2018	4,702,225,529	4,165,263	4,706,390,792	603,201,053	4,103,189,739	6.1909
2019	4,950,622,924	4,283,788	4,954,906,712	622,397,462	4,332,509,250	6.1758

\* Annexation took place in November 2001.

Source: Broward County Property Appraiser (Form DR-403)

Notes: The Millage Rate is the rate used in the calculation for property taxes. One mil equals \$ 1 per \$ 1,000 of taxable value. A millage of 6.1758 which is the current rate in effect of the City of Dania Beach is equal to \$ 6.1758 per each \$ 1,000 of taxable value on real property.

- (1) Except for the Save Our Homes cap noted below, Florida State Law requires all property to be assessed at current fair market value. The Save Our Homes cap provides that property qualifying for, and receiving Homestead Exemption, is assessed at the lower of the annual percentage change in the Consumer Price Index or 3% of the previous year's assessment.

Estimated Actual Value (Just Value) obtained from the Broward County Appraiser.

CITY OF DANIA BEACH, FLORIDA  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS

TABLE 6

<u>Fiscal Year</u>	<u>Basic Rate</u>	<u>Voted Debt Service</u>	<u>Total Direct</u>	<u>Broward County</u>	<u>Broward County Schools</u>	<u>Children's Services Council</u>	<u>South Florida Water Management District</u>	<u>Florida Inland Navigation District</u>	<u>South Broward Hospital District</u>	<u>Total Direct and Overlapping</u>
2010	6.0043	0.1514	6.1557	5.2163	7.4310	0.4243	0.6240	0.0345	1.2732	21.1590
2011	5.9998	0.2452	6.2450	5.5530	7.6310	0.4696	0.6240	0.0345	1.2732	21.8303
2012	5.9998	0.2509	6.2507	5.5530	7.4180	0.4789	0.4363	0.0345	0.7500	20.9214
2013	5.9998	0.2680	6.2678	5.5530	7.4560	0.4902	0.4289	0.0345	0.6000	20.8304
2014	5.9998	0.2690	6.2688	5.7230	7.4800	0.4882	0.4110	0.0345	0.4000	20.8055
2015	5.9998	0.2595	6.2593	5.7230	7.4380	0.4882	0.3842	0.0345	0.1863	20.5135
2016	5.9998	0.2434	6.2432	5.7230	7.2740	0.4882	0.3551	0.0320	0.1737	20.2892
2017	5.9998	0.2464	6.2462	5.6690	6.9063	0.4882	0.3307	0.0320	0.1615	19.8339
2018	5.9998	0.1911	6.1909	5.6690	6.5394	0.4882	0.3100	0.0320	0.1496	19.3791
2019	5.9998	0.1760	6.1758	5.6690	6.4029	0.4882	0.2936	0.0320	0.1414	19.2029

Source: Broward County Property Appraiser

Notes: The Millage Rate is the rate used in the calculation for property taxes. One mil equals \$ 1 per \$ 1,000 of taxable value. A millage of 6.1758 which is the current rate in effect of the City of Dania Beach is equal to \$ 6.1758 per each \$ 1,000 of taxable value on real property.

CITY OF DANIA BEACH, FLORIDA  
 PRINCIPAL PROPERTY TAXPAYERS  
 CURRENT YEAR AND TEN YEARS AGO

TABLE 7

	2019			2009		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
FLORIDA POWER & LIGHT CO	\$ 827,145,267	1	24.18%	\$ 334,266,739	1	30.65%
SCG ATLAS SHERIDAN OCEAN CLUB LLC	80,644,298	2	2.36%	-	-	0.00%
DANIA ENTERTAINMENT CENTER LLC	60,878,210	3	1.78%	90,890,890	2	8.34%
DESIGN CENTER OF THE AMERICAS	53,114,380	4	1.55%	-	-	0.00%
EC-DANIA BEACH CLUB LLC	34,955,915	5	1.02%	-	-	0.00%
DANIA LIVE 1748 LLC	32,452,660	6	0.95%	-	-	0.00%
BRE POLYGON PROPERTY OWNER LLC	31,770,596	7	0.93%	-	-	0.00%
SOUTH FLORIDA MATERIALS	29,826,601	8	0.87%	5,321,560	-	0.49%
VILLAGE AT DANIA BEACH LLC	29,696,000	9	0.87%	-	-	0.00%
AQUA ISLES OWNER LLC	29,306,947	10	0.71%	-	-	0.00%
WILSON HOLLYWOOD SHOWROOM LLC	-	-	0.00%	30,594,350	3	2.81%
THE ARAGON GROUP, INC.	-	-	0.00%	29,901,830	4	2.74%
EC-SHERIDAN LAKE LLC	-	-	0.00%	27,842,990	5	2.55%
HEI FT. LAUDERDALE AIRPORT, LLC	-	-	0.00%	26,717,970	6	2.45%
FT. LAUDERDALE OWNER, LLC	-	-	0.00%	24,817,320	7	2.28%
INLAND SOUTHEAST DANIA LLC	-	-	0.00%	23,245,500	8	2.13%
CITY OF DANIA BEACH - HARBOUR TOWNE MARINA	-	-	0.00%	17,835,090	9	1.64%
TRAFALGAR ASSOCIATES OF SHERIDAN	-	-	0.00%	17,018,800	10	1.56%
Total	<u>\$ 1,209,790,874</u>		<u>34.51%</u>	<u>\$ 628,453,039</u>		<u>57.63%</u>

Source: Broward County Revenue Collection Division

(1) Property values assessed as of January 1, 2019

(2) Property values assessed as of January 1, 2009

CITY OF DANIA BEACH, FLORIDA  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS

TABLE 8

Fiscal Year Ended September 30,	Taxes Levied for the Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of the Levy		Amount	Percentage of the Levy
2010	\$ 17,978,399	\$ 15,735,773	87.53%	\$ 1,015,063	\$ 16,750,836	93.17%
2011	16,654,408	14,973,597	89.91%	899,250	15,872,847	95.31%
2012	16,112,498	14,824,418	92.01%	779,588	15,604,005	96.84%
2013	16,141,294	14,886,515	92.23%	581,367	15,467,882	95.83%
2014	16,850,215	15,617,070	92.68%	518,200	16,135,270	95.76%
2015	17,474,301	16,124,560	92.28%	525,731	16,650,291	95.28%
2016	18,530,248	17,273,014	93.22%	562,078	17,835,092	96.25%
2017	20,150,609	18,916,142	93.87%	511,982	19,428,124	96.41%
2018	23,987,957	22,551,633	94.01%	477,146	23,028,779	96.00%
2019	25,481,959	23,566,015	92.48%	806,933	24,372,949	95.65%

Source: Broward County Revenue Collector

CITY OF DANIA BEACH, FLORIDA  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS

TABLE 9

Fiscal Year	Governmental Activities				Business-Type Activities				Total Government	Per Capita For Government Activities*	Per Customer for Business Activities**
	Sales Tax Revenue Bonds	General Obligation Bonds	Notes Payable	Capital Leases Payable	Capital Leases Payable	Sewer Revenue Bonds	Notes/Bonds Payable	State Revolving Loan Payable			
2010	\$ 2,175,000	\$ 9,630,000	\$ 7,786,925	\$ 1,005,855	\$ -	\$ -	\$ 34,549	\$ 8,489,981	\$ 29,122,310	727	1,814
2011	2,075,000	9,430,000	7,091,636	1,795,014	-	-	16,605	11,652,178	32,060,433	689	2,483
2012	1,970,000	9,230,000	6,438,646	1,605,454	-	-	-	13,919,426	33,163,526	644	2,962
2013	1,615,000	8,595,000	5,944,144	1,415,894	-	-	2,673,790	13,648,761	33,892,589	581	3,473
2014	1,455,000	8,295,000	5,585,553	1,226,334	-	-	2,598,790	13,754,837	32,915,514	546	3,479
2015	1,305,000	8,375,773	5,243,729	1,036,775	-	-	2,478,790	14,547,371	32,987,438	525	3,623
2016	1,150,000	8,273,866	5,069,234	847,216	-	-	2,353,790	13,532,157	31,226,262	493	3,380
2017	995,000	7,831,759	5,069,234	657,657	-	-	2,223,790	12,624,541	29,401,981	462	3,159
2018	835,000	7,342,745	2,868,824	468,098	-	-	1,815,000	11,698,548	25,028,215	363	2,920
2019	675,000	6,853,731	621,876	278,539	-	-	1,675,000	10,756,542	20,860,688	263	2,645

\* Total debt for Governmental Activities reflected as a percentage of personal income is 1.15%.

\*\*The majority of outstanding debt for Business-Type Activities is applicable to only 15.7% of the City's overall population.

CITY OF DANIA BEACH, FLORIDA  
RATIOS OF GENERAL BONDED DEBT  
LAST TEN FISCAL YEARS

TABLE 10

Fiscal Year	General Obligation Bonds	Total	Percentage of Actual Taxable Value	Per Capita
2010	\$ 9,630,000	\$ 9,630,000	0.3276%	340
2011	9,430,000	9,430,000	0.3507%	319
2012	9,230,000	9,230,000	0.3513%	309
2013	8,595,000	8,595,000	0.3307%	284
2014	8,295,000	8,295,000	0.3017%	273
2015	8,375,773	8,510,773	0.2942%	278
2016	8,260,773	8,260,773	0.2671%	266
2017	7,831,759	7,831,759	0.2289%	249
2018	7,342,745	7,342,745	0.1790%	231
2019	6,853,731	6,853,731	0.1582%	216

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Amounts restricted to debt service can be found on the Statement of Net Position, restricted for debt service.

CITY OF DANIA BEACH, FLORIDA  
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
 For the Year Ended September 30, 2019

TABLE 11

GOVERNMENTAL UNIT:	<u>Debt Outstanding (1)</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Broward County General Obligation Debt	\$ 164,580,000	2.178%	\$ 3,584,211
Other debt:			
Broward County Revenue Bonds	3,280,881,000	2.178%	71,450,785
Broward County COP Debt	-		-
Broward County Other Debt	341,497,000	2.178%	7,437,097
School Board of Broward County COP Debt	1,252,251,000	2.010%	25,166,706
School Board of Broward County Other Debt	392,451,000	2.010%	<u>7,887,156</u>
Subtotal, overlapping debt			115,525,955
City direct debt	8,429,146	100.00%	<u>8,429,146</u>
Total direct and overlapping debt			<u>\$ 123,955,101</u>

Source: Broward County and the School Board of Broward County

(1) The percentage of overlapping debt applicable is using taxable assessed property values. Taxable value that is within the City's boundaries is divided by the County and School Board's total taxable assessed value (Source: Form DR-420)

CITY OF DANIA BEACH, FLORIDA  
 PLEDGED REVENUE COVERAGE -  
 ELECTRIC UTILITY TAX  
 LAST TEN FISCAL YEARS

TABLE 12

Fiscal Year Ended September 30	Electric Utility Tax	Principal	Interest	Total Debt Service	Debt Coverage
2010	\$ 2,251,162	\$ 100,800	\$ 44,058	\$ 139,397	16.15
2011	2,284,989	106,648	32,675	139,323	16.40
2012	2,284,368	112,835	26,560	139,395	16.39
2013	2,497,523	119,382	20,014	139,397	17.92
2014	2,744,101	126,309	13,049	139,358	19.69
2015	2,750,822	133,637	5,698	139,335	19.74

Note: Electric utility tax revenues were not pledged to any outstanding debt iafter 2015.



CITY OF DANIA BEACH, FLORIDA  
 PLEDGED REVENUE COVERAGE -  
 ELECTRIC FRANCHISE FEES  
 LAST TEN FISCAL YEARS

TABLE 13

Fiscal Year Ended September 30,	Electric Utility Tax	Principal	Interest	Total Debt Service	Debt Coverage
2011	\$ 2,022,391	\$ 312,718	\$ 23,384	\$ 336,103	6.02
2012	1,950,481	275,608	6,473	282,081	6.91
2013	1,949,911	34,975	865	35,841	54.40

Note: Electric franchise fees revenues were not pledged to any outstanding debt after 2013.

CITY OF DANIA BEACH, FLORIDA  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 LAST TEN FISCAL YEARS

TABLE 14

Year	Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal (2)	School Enrollment (3)	Unemployment Rate (4)
2010	28,331	\$ 72,731,461	\$ 41,511	1,914	11.7%
2011	29,596	76,133,577	42,768	1,905	9.6%
2012	29,873	78,687,882	43,351	1,778	7.7%
2013	30,233	80,525,783	43,792	1,627	7.3%
2014	30,351	80,905,552	43,283	1,603	6.1%
2015	30,644	85,167,498	44,429	1,503	5.6%
2016	31,093	89,572,271	46,906	1,576	4.9%
2017	31,473	94,239,376	48,680	1,540	4.1%
2018	31,755	98,087,689	50,269	1,485	3.3%
2019	31,768	N/A	N/A	1,484	2.2%

Sources:

- (1) Bureau of Economic and Business Research, University of Florida.
- (2) Bureau of Economic Analysis, U.S. Department of Commerce. Information was not available at the City level. Totals are for all of Broward County.
- (3) School Board of Broward County. 20th day counts.
- (4) Bureau of Labor Statistics, U.S. Department of Labor. Miami-Ft. Lauderdale-Pompano Beach, FL Metropolitan Statistical Area (Not Seasonally Adjusted)
- N/A Information is not available

CITY OF DANIA BEACH, FLORIDA  
 PRINCIPAL EMPLOYERS  
 CURRENT YEAR AND TEN YEARS AGO

TABLE 15

Taxpayer	2019			2010		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Bass Pro Shops - Outdoor World	337	1	2.14%	285	3	1.78%
Publix Supermarkets, Inc.	309	2	1.97%	180	5	1.13%
Dania Jai-Alai	299	3	1.90%	341	1	2.13%
School Board of Broward County	205	4	1.30%	250	3	1.56%
Uniweld Products, Inc.	164	5	1.04%	171	7	1.07%
American Maritime Officers	150	6	0.95%	160	8	1.00%
City of Dania Beach	132	7	0.84%	182	4	1.14%
Wyndham Hotel	101	8	0.64%	148	9	0.93%
Kenan Transport	2	9	0.01%	175	6	1.10%
Sheraton Ft. Lauderdale Airport	-	-	0.00%	120	10	0.75%
<b>Total</b>	<b>1,699</b>		<b>10.82%</b>	<b>2,012</b>		<b>11.84%</b>

Note: Data for the nine years preceeding the current period is not attainable.

CITY OF DANIA BEACH, FLORIDA  
GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS

TABLE 16

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
FUNCTION/PROGRAM:										
General government:										
Management	16.00	15.50	15.50	15.50	17	16.50	16.50	16.50	16.50	18.50
Finance	8.00	9.00	8.00	9.00	9.00	10.00	10.00	10.00	10.00	10.00
Human resources	3.50	3.50	2.50	2.50	2.50	2.50	3.00	3.00	3.00	3.00
Community development	11.00	10.00	10.00	10.00	10	10.00	11.75	11.65	11.75	13.75
Public safety /Code	68.00	77.00	10.00	9.00	11	10.50	11.75	11.85	11.75	11.75
Highways and streets	9.00	8.00	7.00	8.00	8.00	8.00	9.00	9.00	10.00	10.00
Physical environment	12.00	15.62	12.45	11.45	12.45	14.45	14.90	14.90	18.90	18.15
Culture and recreation	20.06	20.34	20.19	22.09	21.09	22.10	23.22	23.22	25.42	27.32
Water	14.50	14.75	16.95	16.95	16.95	17.95	17.50	17.50	17.50	18.95
Sewer	8	7.75	5.05	5.05	5.05	4.05	5.20	5.20	4.20	5.85
Stormwater	5.00	5.50	6.55	6.55	5.55	5.55	6.65	6.65	3.65	5.30
<b>Total</b>	<u>175.06</u>	<u>186.96</u>	<u>114.19</u>	<u>116.09</u>	<u>118.59</u>	<u>121.60</u>	<u>129.47</u>	<u>129.47</u>	<u>132.67</u>	<u>142.57</u>

Notes:

- (1) Prior to fiscal year 2004, no part-time positions were included. After fiscal year 2004, part time positions are reported as full-time equivalents.
- (2) Part-time equivalent to full-time positions are not available prior to fiscal year 2004.
- (3) Beginning in fiscal year 2006, Building Official and Plumbing Inspector positions are contracted with Broward County.
- (4) Beginning in fiscal year 2009, the Business Tax Division was reclassified from Community Development to the Code Compliance Unit.
- (5) Beginning in fiscal year 2011, the Fire Department positions are contracted with BSO.

Source: City of Dania Beach

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

TABLE 17

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
FUNCTION/PROGRAM:										
Police:										
Physical arrests	1,777	1,180	3,700	1,343	1,492	1,240	935	799	1,110	1,035
Parking violations	602	204	40	69	n/a	46	466	9	-	-
Traffic violations	4,060	4,575	4,106	3,377	4,541	5,659	5,428	2,439	2,267	5,359
Fire protection/prevention:										
Emergency responses	7,479	5,099	4,844	6,249	6,176	6,338	6,617	4,666	4,636	6,416
Fires extinguished (approx.)	116	1,493	N/A	N/A	N/A	47	69	75	82	74
Fire inspections	3,360	3,010	1,802	1,830	3,124	1,647	2,514	2,704	862	4,652
Community development:										
Building permits issued	1,876	2,448	2,094	2,758	2,514	2,546	2,840	1,860	2,200	2,406
Building permits										
Construction value	19,031,723	32,610,526	32,780,227	85,945,041	37,857,133	101,960,569	27,498,593	202,768,230	128,199,228	237,511,151
Number of cited code violations	1,931	1,792	612	538	1,642	663	1,729	1,663	1,786	1,738
Parking violations	-	-	-	-	-	-	-	7,293	7,723	6,520
Public works:										
Miles of roads resurfaced	4	-	-	-	-	4	5	4	4	3
Potholes repaired	12	336	680	823	560	250	316	16,000	16,000	30
Parks and recreation:										
Facility rentals	8,975	10,500	10,000	9,000	10,500	140	175	155	195	480
Parks/sports attendance	25,975	57,500	55,227	58,398	71,048	4,500	8,500	6,500	3,725	8,000
Programs attendance	21,960	13,910	6,730	15,060	14,385	11,850	16,297	16,809	8,995	36,750
Water:										
Average daily consumption (thousands of gallons)	2,293	2,230	1,875	1,926	1,889	1,891	1,937	2,035	2,041	2,020
Peak daily consumption (thousands of gallons)	2,679	2,860	3,600	2,640	2,235	2,361	2,333	2,805	2,491	2,470
Sewer:										
Average daily sewage treatment (thousands of gallons)	3,518	3,240	3,200	3,325	3,417	3,200	3,200	3,200	3,200	3,300

Notes:

\*City performs majority of parking violations

Source: City of Dania Beach, Public Works Department; Broward County Sheriff's Office

CITY OF DANIA BEACH, FLORIDA  
CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS

TABLE 18

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
FUNCTION/PROGRAM:										
Police:										
Stations	2	2	2	2	2	2	2	2	2	2
Fire protection:										
Stations	2	2	2	2	2	2	2	2	2	2
Rescue units	8	4	4	4	4	2	2	2	2	2
Public works:										
Streets (miles)	150.4	150.4	150.4	97	97	97	97	97	97	97.265
Length of sidewalks	61.9	61.9	61.9	86	86	87	88	89	89	63
Parks and recreation:										
Parks acreage	56.63	56.63	56.63	56.5	60.56	60	60.2	60.2	60.9	128
Baseball diamonds	7	7	6	5	6	6	6	6	4	6
Community centers	5	5	4	5	5	5	5	5	5	4
Water:										
Length of water mains (miles)	70.58	70.58	76	76.06	76	76	76	77	77	81
Sewer/stormwater:										
Length of sewer mains (miles)	43.60	44.00	44.00	46.00	46.00	46.00	45.00	47.00	47.00	62.00
Length of storm drains (miles)	14.30	14.00	14.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00

Source: City of Dania Beach, Public Services Dept; Parks and Recreation Dept.

## **COMPLIANCE SECTION**

## I – FINDINGS FINANCIAL STATEMENT AUDIT

### Prior Year

#### 18-MLC-01 – Recommendation – Employees Annual Evaluation

**Condition** – The City does not have a formal process for employees to receive an annual evaluation that included a City form with the employee’s name, the period under evaluation, and the supervisor’s/department head’s rating and scoring based on a rating matrix.

**Cause** – Best practice by large for employers in the governmental and private sectors require employees to receive an annual evaluation irrespective of merit raises or bonus pay.

**Recommendation** – We recommend that the City institute an annual employee evaluation process during fiscal year 2019.

**Current Year Status** – Not implemented in FY 2019.

#### 18-MLC-02 – Recommendation – Cash Handling Procedures for Parks and Recreation Department

**Condition** – The City’s Parks and Recreation Department should have a manual for cash handling procedures that includes the various types of transactions that may be encountered.

**Cause** – The City’s Finance Department does not have an instituted cash handling procedure for the parks and recreation monetary transactions that has been vetted and approved by the elected and/or appointed officials.

**Recommendation** – We recommend that the Finance Department implement through the elected and appointment officials a cash handling procedure and manual for the Parks and Recreation Department during fiscal year 2019.

**Current Year Status** – Implemented in FY 2019.

#### 18-MLC-03 – Recommendation – Payments for Lobbyist Registrations

**Condition** – The City Clerk’s Office operates a detached payment system for accepting cash and checks from lobbyist registrations. The City Clerk’s Office directly collects cash and checks for the lobbyist registration process. The City Clerk’s Office should have a procedures manual for handling the various types of transactions that may be encountered.

**Cause** – The City Finance Department does not have instituted lobbyist cash and check handling procedures for the monetary transactions that occur with the lobbyist registrations that have been vetted and approved by the elected and/or appointed officials.

**Recommendation** – We recommend that the Finance Department implement through the elected and appointment officials a procedures manual for the City Clerk’s Office during fiscal year 2019.

**Current Year Status** – Implemented in FY 2019.



18-MLC-04– Recommendation – Information Technology gap with Lobbyist Registrations

**Condition** – The City’s Information Technology Department must update the system so that lobbyist registrations only reflect or accept for the amount of represented corporate entities paid for in advance. For example, a lobbyist can pay for one (1) client via the City Clerk and subsequently once approved – can log-in onto the system as ADD in multiple clients.

**Cause** – The City’s technology has not been updated or revisited in a manner that will close this gap in lobbyist registrations and lobbyist payments based on the number of registered clients.

**Recommendation** – We recommend that the City institute a module upgrade or patch to eliminate the ability of any lobbyist to register more clients than are paid for at any time during the calendar year.

**Current Year Status** – Implemented in FY 2019.

18-MLC-05– Recommendation – Monthly and Quarterly Financial Closing Checklist Forms

**Condition** - The Finance Department performs a month-end and a quarter-end closing of the accounting records at no certain time during the subsequent month/quarter. The Finance Department employs a month-end checklist form and a quarter-end checklist form. The form is completed with a manual check on a line next to the procedure performed. The month and quarter-end form does not include a sign off by initiating or reviewing staff. The form should reflect the dates that the month-end and quarter-end procedures were performed, the person performing each step by their initials and then a sign off by the department finance director or designee as the approving City representative.

**Cause** – The Finance Department does not require that any finance staff member performing the month-end or quarter-end procedures sign-off in any capacity – not as initiator, not as reviewer, and not as department head approver.

**Recommendation** – We recommend that the City’s Finance Department institute a practice that the month-end and quarter-end form include a initiator sign-off, reviewer sign-off, and departmental head sign-off, with a date included on each. The completed month-end and quarter-end form should be retained in accordance with the records as maintained by the City Clerk.

**Current Year Status** – Implemented in FY 2019.

18-MLC-06 – Finding – Accounting and Disclosure Checklist

**Condition** - City finance staff does not use an up-to-date accounting and disclosure checklist to ensure that all relevant financial information is disclosed in the appropriate accounting period in accordance with GAAP and the entity’s accounting and disclosure policies at month end or year end.

**Cause** – The City’s Finance Department does not subscribe or employ a consistent method of using the GFOA checklist or AICPA governmental checklist to ensure that all GASBs and FASBs have been employed based on the latest AICPA guidance and pronouncements.

**Recommendation** – We recommend that the Finance Department institute using an accounting and disclosure checklist for all monthly and year-end reporting.

**Current Year Status** – Implemented in FY 2019.

18-MLC-07– Material Weakness Finding – Errors in Employee Personnel Files

**Condition** - Based on our audit inspection of the Human Resource Department employee files, we noted a high rate of errors. 3 of 6 (50%) of the new hire files were noted to have errors and 4 out of 5 (80%) newly terminated employee files were noted to have errors. We selected 28 current and active employee files for audit inspections and noted that 7 out of 28 (25%) files contained errors. We selected 12 prior terminated EEs for audit inspections and noted that 8 out of 12 (66%) files contained errors.

We noted that several executive level City staff employee files did not contain key documents such as a signed Code of Ethics form or signed job descriptions.

**Cause** – The employee files are not subject to an annual internal inspection that includes a random selection of files with an appropriate level of initiator sign-offs, reviewer sign-offs, and department head signatures as to approval of the procedures performed.

**Recommendation** – We recommend that all employee files are reviewed and all noted corrective actions are taken during fiscal year 2019 to ensure all required HR documents are associated with each personnel file.

**Current Year Status** – Partially implemented in FY 2019.

18-MLC-08 – Finding – Discretionary Selection and Expenditures with Contracted Law Firms

**Condition** - The Legal Department selected various law firms to represent the City without a formal committee vetting process.

**Cause** – The Legal Department employs with an annual budget of over \$1.1 million of which approximately \$250,000 is expended to procure contracted legal services. The City’s legal department is not forced to follow the normal and routine procurement process for the contracted legal services.

**Recommendation** – We recommend that all legal vendors be required to follow the normal and routine vetting and procurement process for any other goods and services hired by the City.

**Current Year Status** – Partially implemented in FY 2019.

18-MLC-09– Recommendation – Notice of Award and Notice to Proceed for all Procurements

**Condition** - The City’s procurements should include a notice of award and a notice to proceed for every selected vendor after the formal award process has concluded.

**Cause** - The City does not employ a method or any forms for notice to proceed and notice of award.

**Recommendation** - We recommend that the City implement a notice of award and notice to precede letters for all procurements during fiscal year 2019 and prospectively.

**Current Year Status** – Partially implemented in FY 2019.

18-MLC-10– Recommendation – City’s Policies and RFQ standards related to any Procurement Process

**Condition** - The City’s procurements should follow all City’s policies and RFQ standards, maintain objectivity and avoid irregularities.

**Cause** - The City did not follow its own policies in preparing RFQs. Communication of any procurement standards for evaluation must match the standards that is used for evaluation of bidders.

**Recommendation** - We recommend that the City implement procedural steps and guidelines to ensure adherence by all involved City Staff of all City policies and procurement standards are maintained at all times coupled with objectivity.

**Current Year Status** – Not implemented in FY 2019.

**Current Year**

NONE

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*

To the Honorable Mayor and Members of the City Commission  
City of Dania Beach, 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 Dania Beach, Florida (the ‘City’), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City’s, basic financial statements, and have issued our report thereon dated March 31, 2020.

Our report includes a reference to other auditors who audited the financial statements of the City of Dania Beach Police and Firefighters Pension Plan, as described in our report on City’s financial statements. This report includes our consideration of the results of the other auditor’s testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City’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’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 18-MLC-07 to be a material weakness.

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. We consider the deficiencies described in the accompany schedule of findings and questioned costs as item 18-MLC-08 to be significant deficiencies.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and 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*.

### **City of Dania Beach, Florida Response to Findings**

City's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this 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.

*HCT Certified Public Accountants & Consultants, LLC*

Hollywood, Florida  
March 31, 2020

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE REQUIREMENTS  
OF SECTION 218.415, FLORIDA STATUTES, REQUIRED BY RULE 10.556(10) OF THE  
AUDITOR GENERAL OF THE STATE OF FLORIDA

To the Honorable Mayor and Members of the City Commission  
City of Dania Beach, Florida

We have examined the City of Dania Beach's (the City's) compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended September 30, 2019. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the fiscal 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 the Florida House of Representatives, the Florida Auditor General, management, and the City Commission, and is not intended to be and should not be used by anyone other than these specified parties.

We did not audit the financial statements of the City of Dania Beach Police and Firefighters Pension Plan which represents aggregate remaining fund information. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the fiduciary funds, is based solely on the report of the other auditors.

*HCT Certified Public Accountants & Consultants, LLC*

Hollywood, Florida  
March 31, 2020

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

To the Honorable Mayor and Members of the City Commission  
City of Dania Beach, Florida

**Report on the Financial Statements**

We have audited the financial statements of the City of Dania Beach, Florida (the ‘City’), as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated March 31, 2020.

**Auditor’s Responsibility**

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

**Other Reporting Requirements**

We have issued our Independent Auditor’s Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; 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 March 31, 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 annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report except for as listed on the following page.

<b>Tabulation of Uncorrected Audit Findings</b>		
<b>Current Year Finding</b>	<b>2017-18 FY Findings</b>	<b>2016-17 FY Findings</b>
None	18-MLC-01	None
	18-MLC-07	
	18-MLC-08	
	18-MLC-09	
	18-MLC-10	

**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. All related disclosures have been made in the notes to the financial statements.

**Financial Condition and Management**

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether or not the City 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 did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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. It is management’s responsibility to monitor the City’s financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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**

Sections 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 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 Section 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 which warrants the attention of those charged with governance. In connection with our audit, we did not 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 Mayor, Members of the City Council, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*HCT Certified Public Accountants & Consultants, LLC*

Hollywood, Florida  
March 31, 2020