

# C omprehensive A nnual F inancial R eport



*City of Oakland Park, Florida*  
ENGAGED • INSPIRED • UNITED

*For Fiscal Year Ended  
September 30, 2013*



# Comprehensive Annual Financial Report

*of the*



**Fiscal Year Ended September 30, 2013**

*Prepared by the*  
**Financial Services Department**

# City Of Oakland Park, Florida

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April 10, 2014

The Honorable Mayor, City Commissioners, and  
Citizens of the City of Oakland Park:

It is our pleasure to submit the Comprehensive Annual Financial Report (CAFR) for the City of Oakland Park, Florida (the "City"), for the fiscal year ended September 30, 2013, pursuant to Section 218.39 of the Florida Statutes and City Charter. The financial statements included in this report conform to the generally accepted accounting principles in the United States (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. The financial statements have been audited by BCA Watson Rice LLP, Certified Public Accountants. The independent auditor has issued an unmodified opinion that provides a reasonable basis for an opinion that the City's basic financial statements are fairly presented and complies with all reporting standards noted above.

The contents of the financial report have been influenced by compliance with GASB pronouncements, including GASB Statement 34 that requires the preparation of government-wide financial statements on a full accrual basis of accounting for all funds as well as the Management Discussion and Analysis (MD&A). The MD&A can be found immediately following the independent auditors' report.

#### The Reporting Entity and Services

The City was originally incorporated as the Town of Floranada in 1925, and reincorporated as the City of Oakland Park June 7, 1929. The City's Charter was adopted by the State Legislature on July 15, 1959. The City operates under the Commission-Manager form of government where five members, one of whom is the Mayor, are elected at large. The City Commission determines the policies that guide the City's operations, hiring a City Manager to implement and administer these policies on a full-time basis.

In accordance with GASB Statement 14, as amended by GASB 61, the City has included the Oakland Park Community Redevelopment Agency (CRA), a blended component unit, in its report since the City is financially accountable for and is able to impose its will on the agency or there is a potential for the agency to provide specific financial benefits to, or impose specific financial burdens on, the City. The nature and significance of its relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete.

Oakland Park provides a full range of municipal services including fire, emergency medical and police services contracted through the Broward Sheriff's Office, library, parks and leisure facilities, solid waste collection, water/wastewater, and stormwater management. Oakland Park is one of the few small cities that operates its own library, a wonderful resource for both City residents and Broward County residents. Oakland Park is also home to many wonderful parks, such as Royal Palm Park, Jaco Pastorius Park and Veterans Park that overlooks beautiful Blue Heron Lake. In addition, Oakland Park has many beautiful lakes, waterways and canals running through the City, making it an attractive place to live and work.

## Economic Condition and Outlook

The City of Oakland Park comprises approximately eight square miles and is located in the eastern portion of central Broward County, a major metropolitan area. Numerous major attractions are situated in close proximity to the City, such as the Broward Center for Performing Arts and the Broward Convention Center, with the Atlantic Ocean less than three miles away. Local businesses benefit from the sizeable tourist trade the region generates. Residents and visitors have many transportation resources available, access to all major airlines at three nearby international airports, as well as access to rail service, shipping ports, and interstate highways.

Oakland Park, with a population of approximately 42,301, reflects a diverse residential community. Of the total population, 62.63% of our residents are white, 25.65% are black and 11.72% are of other races. Close to 60% of our residents are under the age of 45 with the median age being 38.8. Although Oakland Park is primarily a residential community with slightly over 40% of land use dedicated to residences, the City also has a relatively high proportion devoted to commercial, light industrial and community facility uses, close to 20%, as well as a significant amount of land use, nearly 40%, dedicated to parks, roads, waterways, canals, and lakes.

In 2013, the housing market and the economy continued to stabilize with an increase in permitting activity. The Building Division of the Engineering and Community Development Department served approximately 13,519 counter customers and issued 3,318 permits, an increase of approximately 9%, with a construction value of \$39.7 million. The Local unemployment rate in the Tri-county area was down to 6% from 8% at year end and continues to improve. Overall real property taxable value has increased slightly. The City's tax base is comprised of 54% residential, 26% commercial and 14% industrial use and 6.4% miscellaneous. The value of new construction, together with the taxable value of the property located within Oakland Park, over the past nine years is shown below:

<u>Year</u>	<u>(\$ millions)</u> <u>Construction Value</u>	<u>(\$ billions)</u> <u>Property Taxable Value</u>
2005	38.9	1.9
2006	71.7	2.6
2007	107.2	3.2
2008	62.3	3.5
2009	47.7	3.2
2010	34.8	2.3
2011	22.3	2.3
2012	40.6	2.1
2013	39.7	2.2

### Major Initiatives

The City of Oakland Park has been aggressively pursuing funds to continue its revitalization program over the past several years. From drainage to street, park improvements and redevelopment, "A City on the Move" embraces the City Commission's direction of an "Engaged, Inspired and United" community. An expanded revitalization program has begun and will address infrastructure upgrades to water and waste water distribution and collection systems. The following milestones are a testament to the City's progress:

- Completed the NW 39 Street Greenway from NW 21<sup>st</sup> Avenue to the west city limit at NW 29<sup>th</sup> Avenue. It includes a multipurpose trail, landscaping and site amenities to the area. The total project cost of \$0.9 million was funded partially by a FDOT Transportation Enhancement grant.

- Completed west zone water system improvement in the area west of I-95 and south of Oakland Park Blvd. Total project cost of \$2.2 million was funded by bond proceeds.
- Completed Garden Acres area improvements included water, sewer, drainage and streetscape improvements to the Garden Acres Neighborhood. Total project cost of \$3.4 million was funded by a grant from Environmental Protection Agency and the bond proceeds.
- Designed and built Features to Enhance Neighborhood Integrity Entryway improvements for the Royal Palm Isle neighborhood and the South Palm Acres neighborhood. This project provides a sense of added security to the neighborhood.
- Completed the hardening of a City's municipal building at a cost of \$0.7 million.
- Completed the "Art Park" located at 1110 NE 34 Ct. that includes a plaza with open space, landscape, art wall, paving and lighting and provides a place for arts, culture and culinary events. Project cost was \$0.3 million, mainly funded by Redevelopment Capital Program funds.
- Began stabilization of the northern area of Jaco Pastorius Park to include parking, landscape, hardscape and the installation of a well for irrigation of the park. The project will be funded by Broward County Redevelopment Capital Program.
- Secured additional \$5.2 million grant funding for additional drainage improvements to the Lloyd Estates Neighborhood drainage basin and roadway improvements to Park Lane East and NE 34<sup>th</sup> Court.
- Completed the rehabilitation of Lift Stations 1, 2, 5, and 7, as part of Bid Pack 6 project. Total cost to date was \$0.9 million, funded mostly by bond proceeds.
- Completed the Park Lane West project on NW 38<sup>th</sup> Street from Andrews Avenue to Powerline Road that includes landscape, hardscape, lighting, roadway and pedestrian improvements. Total project cost was \$0.7 million, funded by a LAP grant from the Department of Transportation.
- Completed Phase 2 of the Bid Pack 1 Sanitary Sewer Relining project to reduce inflow and infiltration. Total project cost of \$2.6 million was funded mostly by bond proceeds.
- Began construction, along with Broward County, of the Twin Lakes South neighborhood improvement project to facilitate installation of new sewer lines, sidewalks, storm drainage, park connector, landscaping, traffic calming, and new street lighting throughout the subdivision.

#### Relevant Financial Policies and Long-Term Financial Planning

City management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of



reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal, state and local financial assistance, the government is also responsible for ensuring that an adequate internal control structure is in place to ensure and document compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluation by management.

In addition, the City maintains extensive budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Commission. A five-year capital improvement plan is also provided to City Commission with the current year of the capital plan appropriated by the City Commission, similar to the other funds. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is the departmental level within each fund. The City also maintains an encumbrance accounting system.

The City Commission adopted and updated several fiscal policies during the year that have an impact over ongoing City operations. These policies establish the framework for sound financial management. The revised fiscal policies provide guidelines for budgeting, accounting records, investment and debt management. The policy provides for adequate fund balances and net assets in the City's various operating funds. The City's minimum fund balance policy was in place to maintain unassigned fund balance or net assets for fiscal contingency of the current year operating appropriation including transfers at a minimum of 20% and a maximum of 25% for the General Fund, and a minimum of 10% with a maximum of 25% for enterprise funds. This will serve to maintain the City's financial health, maintain excellent credit ratings and ensure that sufficient funds will be available to cover unforeseen events. The City's General Fund and enterprise funds have met the minimum balance requirement. In addition, the City continued to refine its implementation of GASB 54 *Fund Balance Reporting and Governmental Fund Type Definitions* which require governments to report fund balance classifications by the relative strength of the spending constraints placed on the purposes for which resources can be used. Five classifications are used to depict the funds availability and purposes. These classifications include nonspendable, restricted, committed, assigned and unassigned. This information is presented in the financial section of this report.

The Commission also adopted an investment policy that follows recommended practices by GFOA and complies with Florida Statutes. The investment policy provides more flexibility and expands the City's ability to improve its investment returns safely and securely. The policy focuses on the primary objectives of safety, liquidity and yield with stronger emphasis on safety and liquidity. The policy also requires exercising a standard of prudence in investing City funds and establishing sufficient internal control. The investment policy lays out the criteria for authorized investments with minimum credit rating of not lower than AAA by Standard & Poor's rating with the exception for U.S. Treasury issues, a maximum maturity of not longer than five years and the proportion of each vehicle to the portfolio not to exceed a maximum of 50%. The portfolio will be reviewed and rebalanced on a quarterly basis. Currently, the City's investments are in highly liquid cash equivalent instruments due to near term outlook of upward trend in interest rate. However, other investment options are being considered.

A debt policy was also adopted to provide guidance for near- or long-term borrowings. The City's capital structure shall consist of fixed rate or variable rate debt. Total variable rate debt as a percent of total debt should preferably remain below 20%. The City has no variable debt at the present time. Long term debt will be used to finance essential capital projects and equipment where it is cost effective and prudent and will not be used to finance current operating expenditures. To keep the issuance of new bonds on a parity basis, the City will need to demonstrate that revenues will be sufficient to cover the existing and new debt service by at least 1.50 times and for non-ad valorem debt secured by a covenant to budget and appropriate pledge at minimum of 1.20 times. The City's staff will monitor the municipal bond market for opportunities to obtain interest savings by refunding outstanding debt. As a general rule, the present value savings of a particular

refunding should exceed 3% of the refunded maturities. Bond insurance will be used when it provides an economic savings for the City.

The City has traditionally issued tax-exempt debt which results in significant interest cost savings compared with the interest cost on taxable debt. However, in August 2010, under the American Recovery and Reinvestment Act, the City took advantage of the tax credit under the program and issued \$11.5 million of Build America Bonds to finance its water and wastewater systems. Along with that bond issuance was \$3.7 million in tax-exempt bonds to retire \$1.5 million of Series 1994 bonds and to provide new money for the water and wastewater systems improvements. The City's underlying credit rating for the bond issue was AA-. Phase two of the borrowing for \$17.2 million tax-exempt bonds was completed in September 2012. The Series 2012 bonds consist of serial and term bonds with coupon rates ranging 3% ~ 3.875%. The Build America Bonds (BAB) Series 2010B bonds was negatively impacted by sequester federal legislation that reduced the interest funding subsidy on this series; however, its impact was less than \$20,000 for this fiscal year. The proceeds are being utilized to finance major utility projects including repairs and replacement of the aging water distribution system and reducing infiltration and inflow into the wastewater system. The City was able to achieve AA- rating for this issuance without the purchase of insurance.

In August 2013, the City entered into a bank qualified loan agreement with U.S. Bancorp Governmental Leasing and Finance, Inc. The note was issued to finance the acquisition of a new fire apparatus. The loan agreement was issued in the amount of \$697,394 with the beginning payment starting in September 2013. The note provides for eighty-four monthly payments at a rate of interest at 1.83%.

The business environment nationwide including the City itself has been through a turbulent time in recent years. Despite the gradual recovery of housing market, the City is still facing an unprecedented challenge due to property tax reform. The City continues to re-examine the way it does its business and strives to reduce operational costs without a huge impact to the services it provides to residents. The City is committed to explore all avenues to ensure that residents continue to be provided excellent services in the most cost-efficient manner. Under the City Commission guidance, five Strategic Performance Areas (SPAs) have been identified:

- Financial stability and sustainability
- Infrastructure needs
- Protecting neighborhood safety and integrity
- Smart growth and redevelopment
- Maintaining parks, leisure facilities, and activities

Each of these areas has its performance goals and key intended results. The actions taken in the preceding paragraphs demonstrate the City's progress toward these goals. In FY13, the City added one (1) sergeant, and one (1) motorcycle deputy sheriff to increase its neighborhood protection. Downtown redevelopment is slowly, but surely, improving despite the current economic condition. Construction on the north anchor of the Culinary Arts District was completed in 2013 with the opening of a brewery and a city plaza. The new public plaza will offer residents a relaxing place to enjoy the Culinary Arts District, a central market and restaurants.

During a community dialogue for updating the FY14 strategic plan, it became evident that community appearance is an overarching theme that touches everyone that lives in, works in, plays in, and visits the City of Oakland Park. A safe, clean, attractive City is a fundamental economic driver, as well as a source of pride for those who call Oakland Park home. The Oakland Park staff created a comprehensive program, Proud Oakland Park (POP), endorsed by the Commission that engages staff and the community in the implementation of 100 business plan activities that provide a framework to maintain, improve, and regulate the appearance of our main corridors, city facilities and properties, and private property.

In addition, the City continues implementing major changes in its information technology system. The City Commission approved a four-phase strategic plan modifying the manner in which the City will handle its technological requirements into the future. The four phases are to (1) eliminate the single point of network infrastructure failure, (2) eliminate in-house email systems, (3) move software applications from in-house servers to industrial strength data centers (4) identify a new enterprise resource plan (ERP) that can be provided to the City in a Software-as-a-Service (SaaS) model. Phases 1 and 2 were completed and phase 3 has significantly reduced the number of in-house hardware servers. The migration to industrial strength data centers will continue through the next fiscal year. As phase 4 began, the City identified the SaaS provider for the City's ERP system, completed contract negotiations, and began the implementation of the system. The financial and accounting function implementation including the general ledger, project ledger, accounts payable and other functionality was near completion by the end of September and payroll and human resources migration began in October 2013. Other ERP implementation phases will continue over the next two years.

#### Independent Audit

In accordance with Florida Statutes Section 218.39, the City has engaged the firm of BCA Watson Rice LLP to perform the independent audit of the City's financial statements. The Independent Certified Public Accountant's report is included in the financial section of this Comprehensive Annual Financial Report.

#### Awards

The Governmental Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2012. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.


A Certificate of Achievement is valid for a period of one year only. We believe that our current 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.

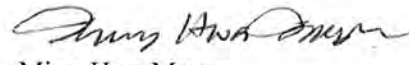
#### Acknowledgments

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Financial Services Department and the City's audit firm, BCA Watson Rice LLP. We express our appreciation to them for their interest and support in planning, conducting and attesting to the financial operations of the City in a responsible and progressive manner. We would also like to thank the various operating departments for their timely contributions in the writing of this report.

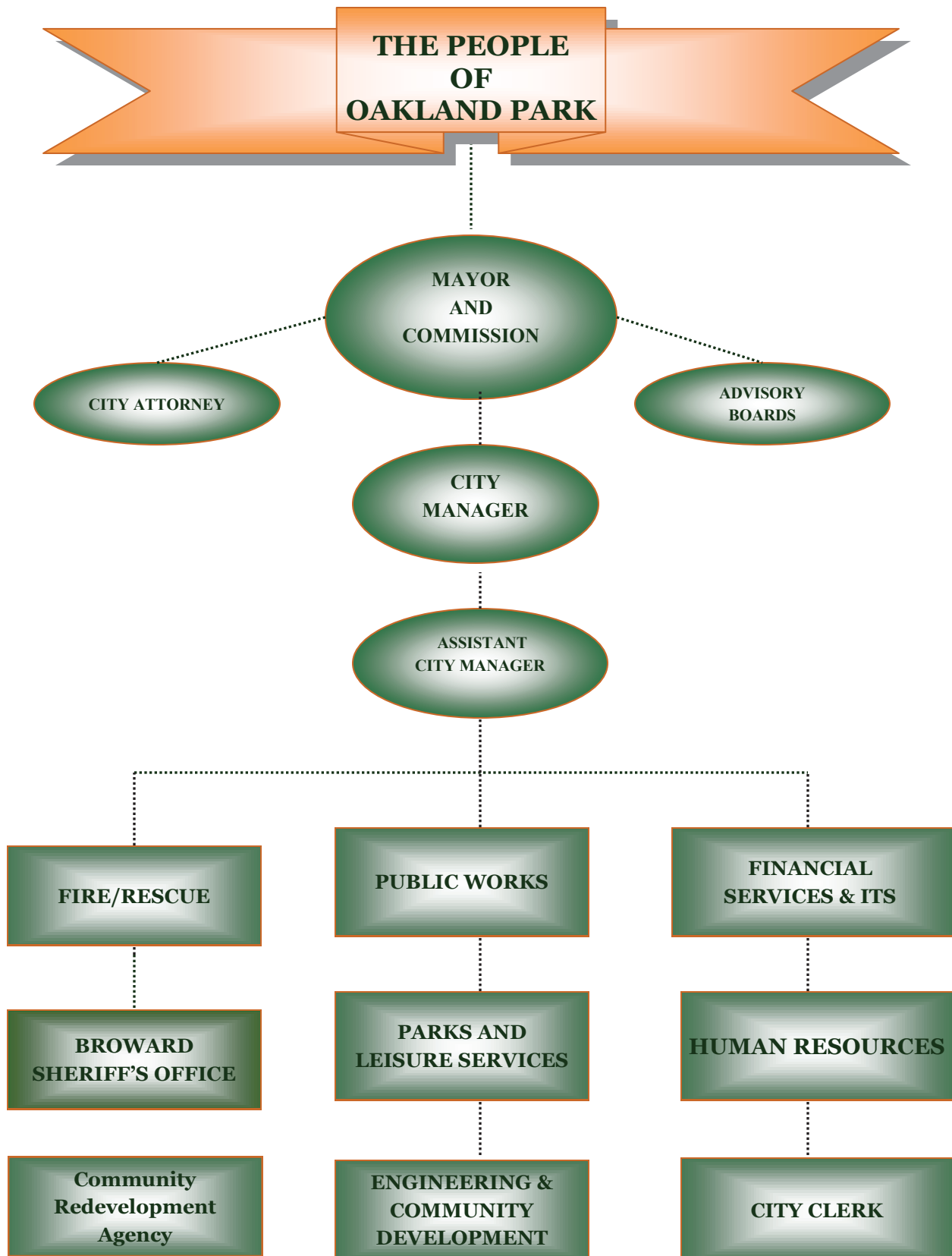
Respectfully submitted,

  
John Stunson  
City Manager

  
William F. Underwood, II  
Financial Services and ITS Director

  
Ming-Hwa Meyer  
Comptroller

# CITY OF OAKLAND PARK ORGANIZATIONAL CHART



# CITY OF OAKLAND PARK, FLORIDA

## COMMISSION - MANAGER FORM OF GOVERNMENT

### LIST OF PRINCIPAL OFFICIALS

As of September 30, 2013

## CITY COMMISSION

**JOHN ADORNATO, III**

Mayor

**SHARI L. MCCARTNEY**

Vice Mayor

**JEDIDIAH SHANK**

Commissioner

**TIM LONERGAN**

Commissioner

**SARA GUEVREKIAN**

Commissioner

## CITY MANAGER

John Stunson

## ASSISTANT CITY MANAGER

Horace McHugh

## FINANCIAL SERVICES & ITS DIRECTOR

William F. Underwood, II

## CITY ATTORNEY

Donald J. Doody

## HUMAN RESOURCES DIRECTOR

Lynn McCaffrey

## POLICE CHIEF - BSO

Al Hubrig

## PUBLIC WORKS DIRECTOR

Kenneth Resor

## FIRE CHIEF

Don Widing

## ENGINEERING AND COMMUNITY DEVELOPMENT DIRECTOR

Harris Hamid

## CITY CLERK

Renee Shrout

## PARKS & LEISURE SERVICES DIRECTOR

Amy Flaherty

## OM&B DIRECTOR

Robert Anathan

## COMMUNITY & ECONOMIC DEVELOPMENT DIRECTOR

Raymond Lubomski



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Oakland Park  
Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2012**

Executive Director/CEO



## OUR VISION

Oakland Park – A hometown choice for excellence in people, public service, and community.

## OUR MISSION

We strive every day to deliver – in a friendly, courteous, reliable, and responsive manner – a diverse set of efficient and effective City services that exceed the expectations of our residents, businesses, and employees.

## OUR VALUES

Our actions are guided by the following principles:

### RESPECT

We value all members of our diverse community and will treat everyone with the highest respect.

### INTEGRITY

The highest standards of honesty and fairness are the foundations of all policies and decisions.

### SERVICE

We work together to satisfy the needs of our entire community in the most effective and efficient way possible.

### EXCELLENCE

We are committed to excellence through hard work, innovation, creativity, and continuous improvement.

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## **FINANCIAL SECTION**

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**INDEPENDENT AUDITORS' REPORT**

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## ***INDEPENDENT AUDITOR'S REPORT***

Honorable Mayor and Members of the City Commission  
City of Oakland Park, Florida

### ***Report on the Financial Statements***

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

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

The City's 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 Pension Trust Funds for the Police and Firefighters' Pension Plan, which statements reflect total assets constituting 61% of the total assets at September 30, 2013, and total revenues constituting 51% of the total revenues for the year then ended of the aggregate remaining fund information. Those financial statements were audited by other auditors whose report have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Pension Trust Funds for Police and Firefighters' Pension Plan, is based solely on the reports of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

### ***Opinions***

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oakland Park, Florida, as of September 30, 2013, and the respective changes in its financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that supplementary information, such as the *management's discussion and analysis* on pages 4 through 18 and *budgetary comparison information* on pages 64 through 69 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by *the Governmental Accounting Standards Board*, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient 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's basic financial statements. The accompanying other supplementary information, such as the *combining and individual nonmajor fund financial statements* 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* are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information have been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, the information in those schedules are fairly stated in all material respects in relation to the financial statements as a whole.

The accompanying *introductory and statistical sections* are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has 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 April 10, 2014, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Fort Lauderdale, Florida  
April 10, 2014

*BCA Watson Rice LLP*

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the City of Oakland Park has included this section in the Comprehensive Annual Financial Report (CAFR) in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 34. It is intended to provide readers of this report with a general overview of the financial activities of the City during fiscal year 2013. The information in this section should be considered in conjunction with additional information that is furnished in the letter of transmittal, the City's financial statements and other required supplemental information.

This discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activity, (c) identify changes in the City's financial position, (d) identify any material deviations from the financial plan, and (e) identify individual fund issues or concerns. The information contained within this section should be considered only a part of a greater whole. Due to rounding, minor differences may appear between the numbers used in the analyses and the condensed financial information.

### FINANCIAL HIGHLIGHTS

The following are the highlights of financial activity for the fiscal year ended September 30, 2013:

- The assets of the City of Oakland Park exceeded its liabilities at the close of the most recent fiscal year by \$161.8 million, an overall net increase of \$5.3 million compared to a year ago. Of this total net position amount, \$31.7 million (unrestricted net position) may be used to meet the ongoing obligations to citizens.
- The City's \$37.4 million in revenues for governmental activities exceeded the \$36.4 million in expenses, generated a \$1 million increase in net position. The increase reflects the effect of improved tax revenues and reduced program expenses.
- The business-type activities for the City recognized \$27.9 million in revenue against \$23.5 million in expenses that resulted in a \$4.4 million increase in net position. The positive result is largely attributed to the combined effect of \$2.7 million from Water and Sewer operation due to increase in rates and decrease in sewer expense and a \$1.5 million from Solid Waste fund due to a refund and a recycling grant received from Broward County.
- The General Fund's revenues exceeded expenditures by \$2.3 million before transfers. With net \$2.9 million transferred out to other funds and a \$0.7 million loan received, a net increase of \$92 thousand flowed into the fund balance.
- At the end of the current year, fund balance for the General Fund was \$16 million, or 39.2% of total General Fund expenditures and other financing uses. Of this balance, \$0.7 million was restricted for grant matching, certification and training, \$0.3 million was non-spendable amount that tied to inventory, prepaid pension and advances to other funds, and \$2.7 million was assigned for subsequent year's budget. The remaining \$12.3 million was unassigned and available for new spending.
- The City's total debt decreased by \$0.9 million during the fiscal year as a result of \$1.6 in principal payments and a new loan of \$0.7 million.

## FINANCIAL HIGHLIGHTS (CONTINUED)

- The CRA fund's expenditures exceeded its revenues by \$1.6 million. The shortfall was due capital expenditure reimbursement not yet received from Broward county redevelopment capital program for various downtown improvements. The funds were covered by temporary loan from the General fund. The CRA funding is supplemented annually by transfers from the General fund.

## OVERVIEW OF THE FINANCIAL STATEMENTS

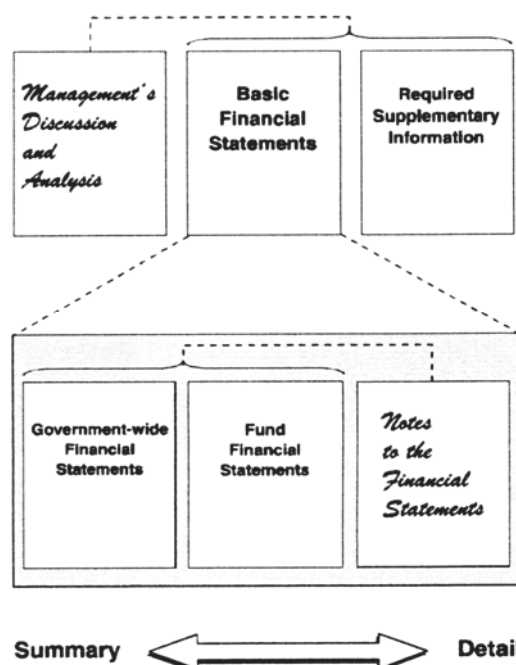
This annual report consists of four parts—*management's discussion and analysis* (this section), the *basic financial statements*, *required supplementary information* and an additional section that presents *combining statements* for nonmajor governmental funds and capital assets used in the operations of governmental activities. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are *government-wide financial statements* that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.
- *Governmental funds* statements tell how general government services, such as parks and recreation, were financed in the short term as well as what remains for future spending.
- *Proprietary funds* statements offer short-term and long-term financial information about the activities the government operates like businesses, such as utilities (water and sewer), solid waste and stormwater systems.
- *Fiduciary funds* statements report assets held in a trustee or agency capacity for others and, therefore, cannot be used to support the government's own programs.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* which further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and are related to one another. In addition to these required elements, we have included a section with combining statements that provide details about our nonmajor governmental funds, each of which is added together and presented in single columns in the basic financial statements.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

Figure A-1  
Required Components of  
City's Annual Financial Report



## OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

The *Statement of Net Position* presents information on all of the City's assets and deferred outflows and total liabilities and deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Oakland Park include public works, engineering, parks and recreation, library, community development, fire rescue, police services provided by the Broward's Sheriff Office, and general administration services. The business-type activities of City include the water and sewer systems, the solid waste system and the stormwater operations.

The government-wide financial statements can be found on pages 19 and 20 of this report.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Oakland Park, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds and governmental activities*.

The City of Oakland Park maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund



## OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

statement of revenues, expenditures, and changes in fund balances for the General Fund which is always considered to be a major fund. The CRA Fund, although non-major, is presented as a major fund in order to comply with its audit requirement per F.S. 163.387(8). Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. Budgetary comparison statements have been provided for the General Fund and the CRA Special Revenue Funds to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 21 to 24 of this report.

**Proprietary funds.** The City maintains one type of proprietary fund. *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 and sewer, solid waste and stormwater operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds financial statements provide separate information for the water and sewer, solid waste and stormwater operations, all of which are considered to be major funds of the City.

The basic proprietary fund financial statements can be found on pages 25 to 27 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 28 to 29 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30 to 64 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 65 to 70 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds is presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages page 71 to 74 of this report.

Our analysis of the financial statements of the City begins below. The Statement of Net Position and the Statement of Activities report information about the City's activities that will help answer questions about the position of the City. Both fiscal years 2012 and 2013 are presented for comparison purposes.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

### Statement of Net Position:

As noted earlier, net position may serve as a useful indicator over time of a government's financial position. The table below summarizes Oakland Park's net position for fiscal year 2013 and fiscal year 2012:

City of Oakland Park, Florida						
Net Position						
(In Thousands)						
	Governmental		Business-type		Total	
	Activities		Activities			
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 20,575	\$ 21,969	\$ 44,096	\$ 50,587	\$ 64,671	\$ 72,556
Capital assets	83,826	82,124	83,039	75,940	166,865	158,064
Total assets	104,401	104,093	127,135	126,527	231,536	230,620
Long-term liabilities	19,660	20,580	41,869	44,126	61,529	64,706
Other liabilities	3,379	3,107	4,804	6,347	8,183	9,454
Total liabilities	23,039	23,687	46,673	50,473	69,712	74,160
Net Position:						
Net investment in capital assets	66,685	65,134	62,753	65,033	129,438	130,167
Restricted for:						
Capital projects	-	2,279	-	-	-	2,279
Other	684	988	-	-	684	988
Unrestricted	13,993	12,005	17,709	11,021	31,702	23,026
Total net position	\$ 81,362	\$ 80,406	\$ 80,462	\$ 76,054	\$ 161,824	\$ 156,460

There are six basic transactions that will affect the comparability of the Statement of Net Position summary presentation:

- 1) Net results of activities will impact current assets and unrestricted.
- 2) Borrowing for capital will increase current assets and long-term debt.
- 3) Spending or lack of spending borrowed proceeds will affect current assets and capital assets.
- 4) Spending of non-borrowed current assets on new capital will reduce current assets, increase capital assets, reduce unrestricted net position, and increase Net investment in capital assets.
- 5) Principal payment on debt will reduce current assets, long-term debt, reduce unrestricted net position and increase net investment in capital assets.
- 6) Reduction of capital assets through depreciation will reduce capital assets and net investment in capital assets.

The City's combined net position were \$161.8 million for fiscal year 2013, \$81.4 million for governmental activities and \$80.4 million for business-type activities. This represents a \$5.3 million increase over fiscal year 2012 net position which is an improvement in overall financial position from last year of 3.4%. The increase in net position was primarily as a result of operations in the business-type activities.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

### Statement of Net Position: (continued)

A significant portion of the net position are restricted as to use. For fiscal year 2013, the net position of governmental activities is 85.6% restricted while business-type activities net position is 78% restricted.

Net investment in capital assets (such as land, buildings and equipment) is a significant portion of the restricted assets. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. It should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the net position, \$0.7 million, or 0.8% represents resources for governmental activities that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position*, \$29.6 million, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

### Statement of Activities:

The following information is presented to assist the reader in understanding the different types of factors that can affect the result from operation. Examples of events that may impact the revenues are as follows:

- 1) ***Economic condition*** can reflect a declining, stable or growing environment and has a substantial impact on property, non-ad valorem assessments, sales, gas, or other tax revenues as well as consumer spending habits.
- 2) The City Commission has significant authority to set ***increases or decreases in City's rates*** (water, wastewater, stormwater, permitting, impact fees, user fees, etc.).
- 3) ***Changing patterns in intergovernmental and grant revenues*** (both recurring and non-recurring) can significantly change and impact the annual comparisons.
- 4) ***Market impacts on investment income*** may cause investment revenues to fluctuate from the prior year.

Other factors that may impact the expenses are presented below:

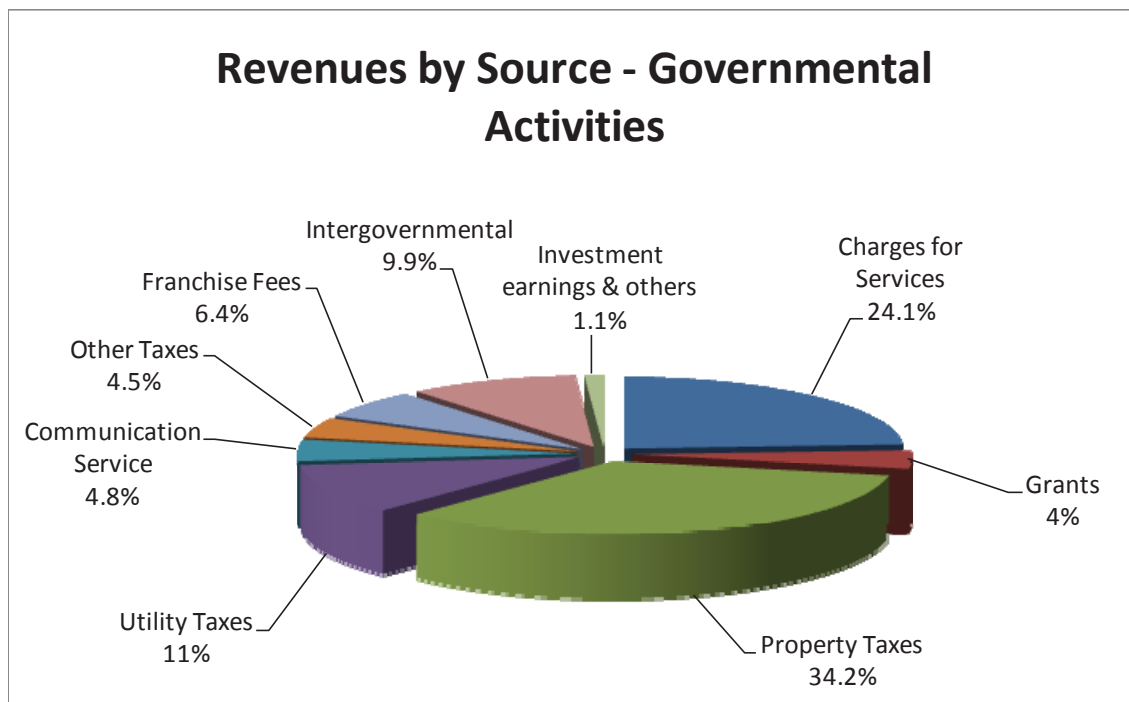
- 1) ***Introduction of new programs or increase in the City's boundary*** can have a substantial impact on property, non-ad valorem assessments, sales, gas, or other tax revenues as well as consumer spending habits for building permits, user fees and consumption.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

### Statement of Activities: (continued)

- 2) **Changes in service demand levels** can cause the City to increase or decrease authorized staffing. Staffing costs (salary and related benefits) represent 40% of the City's operating costs.
- 3) **Salary increases** such as cost of living, performance increases and market adjustments can impact personal service costs.
- 4) **While inflation** appears to be reasonably modest, the City is a major consumer of certain commodities such as chemicals, supplies, fuels and parts. Some functional expenses may experience unusual commodity specific increases.

As noted earlier, the *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year.



As shown above, there are two primary contributors to governmental revenues (exclusive of transfers), property taxes and charges for services. For fiscal year 2013, property taxes, at \$12.8 million, represent 34.3% of revenues while charges for services, at \$9 million, comprise 24% of revenues. Other major sources of revenues include \$4.1 million from utility taxes, \$2.4 million from franchise fees, \$1.8 million from communication service taxes and \$1.7 million in other taxes, totaling \$10 million that represent 26.7% of the revenues.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

### Statement of Activities: (continued)

The following table reflects the City's revenues and expenses for fiscal year 2013 compared to fiscal year 2012, with the resulting change in net position:

City of Oakland Park, Florida						
Changes in Net Position (in Thousands)						
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 8,987	\$ 8,300	\$ 26,858	\$ 24,889	\$ 35,845	\$ 33,189
Operating grants/contributions	105	351	764	414	869	765
Capital grants/contributions	1,356	463	196	2,541	1,552	3,004
<b>General revenues</b>						
Property taxes	12,831	12,151	-	-	12,831	12,151
Franchise fees	2,424	2,458	-	-	2,424	2,458
Utility taxes	4,060	3,760	-	-	4,060	3,760
Communication Service taxes	1,803	1,936	-	-	1,803	1,936
Other taxes	1,675	1,669	-	-	1,675	1,669
Intergovernmental	3,714	3,447	-	-	3,714	3,447
Investment earnings	50	83	96	104	146	187
Miscellaneous revenue	368	257	-	-	368	257
Total revenues	<u>37,373</u>	<u>34,875</u>	<u>27,914</u>	<u>27,948</u>	<u>65,287</u>	<u>62,823</u>
<b>Expenses:</b>						
General government	337	998	-	-	337	998
Public safety	21,923	21,820	-	-	21,923	21,820
Public works	4,651	5,140	-	-	4,651	5,140
Water & Sewer	-	-	14,035	14,039	14,035	14,039
Solid Waste	-	-	6,320	6,356	6,320	6,356
Stormwater	-	-	3,151	3,250	3,151	3,250
Engineering & Community development	3,601	3,642	-	-	3,601	3,642
Culture/recreation	5,373	5,854	-	-	5,373	5,854
Interest on long-term debt	532	554	-	-	532	554
Total expenses	<u>36,417</u>	<u>38,008</u>	<u>23,506</u>	<u>23,645</u>	<u>59,923</u>	<u>61,653</u>
Increase in net position before transfers	956	(3,133)	4,408	4,303	5,364	1,170
Transfers	-	-	-	-	-	-
Increase in net position	<u>956</u>	<u>(3,133)</u>	<u>4,408</u>	<u>4,303</u>	<u>5,364</u>	<u>1,170</u>
Net position, beginning of year	80,406	83,539	76,054	71,751	156,460	155,290
Net position, end of year	<u>\$ 81,362</u>	<u>\$ 80,406</u>	<u>\$ 80,462</u>	<u>\$ 76,054</u>	<u>\$ 161,824</u>	<u>\$ 156,460</u>

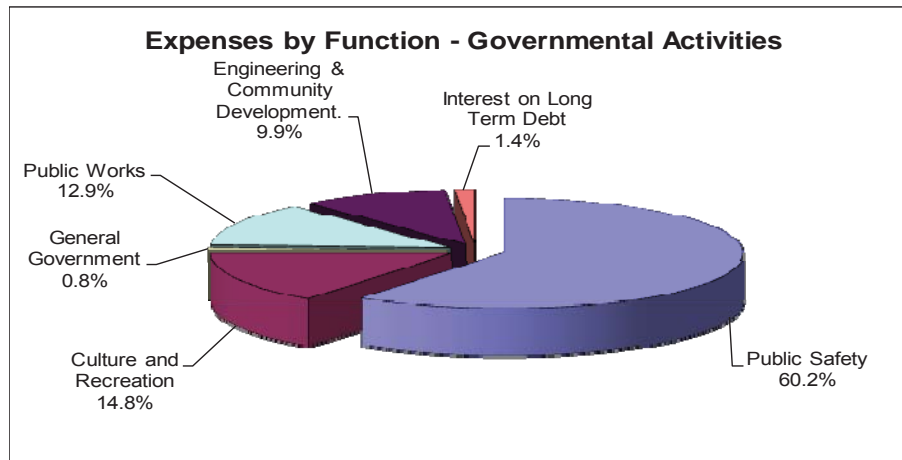
In governmental activities, when compared with fiscal year 2012, an overall increase of \$2.5 million in total revenue was achieved. Property taxes increased by \$0.7 million reflects the effect of stabilized and slightly improved property value.

Utility tax increased by \$0.3 million due to higher electricity consumption and increased water rate. Charges for services grew by \$0.7 million due to an increase in annual fire assessment fee from \$167 to \$196. Intergovernmental revenues increased by \$0.3 million due to improved consumer spending. Capital contributions increased by \$0.9 million due to increase in construction activities. Investment earnings decreased a little attributable to continued low interest rate environment.

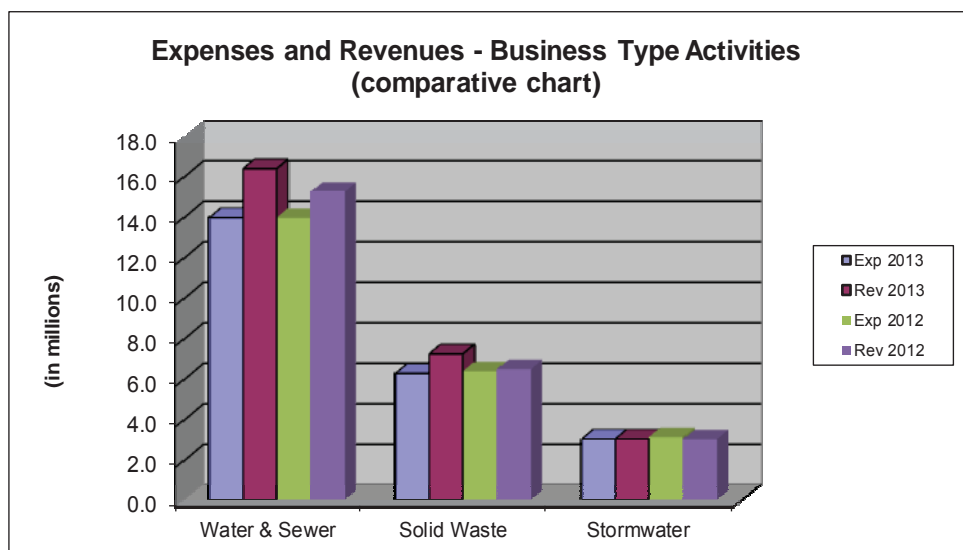
## GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

### Statement of Activities: (continued)

As shown in the following chart, governmental expenses are largely weighted in one function, public safety, which comprises of police (provided by Broward Sheriff's Office) and fire rescue services. At \$21.9 million, public safety costs represent 60.2% of total governmental expenses.



Revenue earned by business-type activities is primarily concentrated in one source, charges for services, \$26.9 million. This figure represents the fees charged for each of the City's enterprise funds, \$16.4 million for Water and Sewer, \$7.3 million for Solid Waste and \$3.2 million for Stormwater. In business-type activities, operating revenues increased by \$2 million or 7.9% from a year ago for Water and Sewer fund due to its rate increase. The City Ordinance provides for scheduled water and sewer rate increases into fiscal year 2013 to meet the planned infrastructure capital improvements and to service its new debt financing. The Solid Waste fund revenue increased by \$0.8 million mainly due to an excess reserve refund received from Broward County Resource Recovery System. Stormwater fund revenue declined slightly but appears stable.



## **GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

### **Statement of Activities: (continued)**

For business-type expenses, the \$23.5 million represents \$14 million for Water and Sewer, \$6.3 million for Solid Waste and \$3.2 million for Stormwater, compared to \$23.6 million in total expenses the previous year. The expenses decreased slightly by \$0.1 million when compared to the prior year.

The City's net position increased by \$1 million for the governmental activities was attributable to gradual recovery in the housing market and continuing effort in cost reduction. The change in net position in business activities is more significant due to water and sewer rate increases in anticipation of future capital improvement, however, the increase was offset by the absence of capital grants when compared to year 2012. Further analysis is provided in the government fund financial analysis section below.

## **GOVERNMENT FUNDS' FINANCIAL ANALYSIS**

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

The City Commission has adopted a fiscal policy establishing minimum fund balance requirements. All fund balances in governmental funds are classified based on the level of the resource spending constraints and their purposes. As the City completed the year, its governmental funds reported combined fund balances of \$17.1 million, with the General Fund representing \$16 million of which \$0.3 million is non-spendable, \$0.7 million is restricted and \$2.7 million is assigned for the subsequent year's budget, leaving \$12.3 million in unassigned fund balance which is available for any purpose.

Included in this year's total change in fund balance for the General Fund is a \$2.3 million excess of revenues over expenditures before transfers. The result is \$2 million more than prior year. The increase was a combination of improved property value, increased water rate and fire assessment fees. After the \$2.9 million net transfer out to the non-major funds, mainly services the debt, a positive of \$92 thousand flowed through to fund balance.

Expenditures at \$37.8 million were below the final approved budget of \$39.8 million as the City staff continues to curtail operational spending. Please refer to the General Fund Budget Highlights section below for further information.

The CRA Fund expenditures exceeded its revenues and other financing sources by \$0.9 million. Of the total expenditure of \$1.7 million, a sum of \$1.2 million was spent on downtown street end and public plaza improvement. Intergovernmental loan will be utilized to fund the projects. This fund's operation has been supplemented annually by General Fund transfers.

The fund balance in the non-major governmental funds decreased \$0.4 million from \$2.8 million to \$2.4 million. The outflow of \$0.4 million was mainly due to transfer out to fund program expenditures.

## **GOVERNMENT FUNDS' FINANCIAL ANALYSIS (CONTINUED)**

The City's proprietary funds are presented in more detail in the fund statements but represent the same activities reflected in the business-type activities noted above. For fiscal year 2013, a combined \$80.5 million net position balance was reported, of which \$18 million was unrestricted. Among the City's three enterprise funds, both Water and Sewer and the Stormwater Funds have significant investments in capital assets that are required to run the daily operations. The Water and Sewer represents the bulk of the unrestricted assets at \$12.2 million.

Net position for the proprietary funds increased a combined \$4.4 million resulted from a combination of increases in water and sewer fees and in operating and capital grants.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

The adopted budget for the fiscal year 2013 was developed following several years of Commission direction and actions to emphasize fiscal stewardship in response to an ongoing structural imbalance between revenues and expenditures, an imbalance largely attributable to the national economic recession. New major expenditures in FY13 included the implementation of a new citywide enterprise resource planning (ERP) system to replace the outdated legacy system in use, a significant increase in the General Fund transfer to the capital improvement program to fund infrastructure and redevelopment projects, and a state-mandated increase of the City's contribution to its General Employees' Pension Plan. City Commission actions to mitigate the extent of the imbalance in FY13 included increasing revenues by raising the City's millage and residential fire assessment rates and decreasing various proposed expenditures. The remaining gap between revenues and expenditures was filled by using fund balance.

The FY13 revenue budget was increased by \$1.2 million to \$43 million when compared to FY12 final budget of \$41.8 million, including planned utilization of available fund balance. The increase is attributed to: a 5 percent increase in the millage rate from 6.0138 to 6.3142 mills to generate about \$0.5 million additional revenue; a 17 percent increase in the residential fire assessment rate from \$167 to \$196 to generate \$0.8 million; and, the receipt of a \$0.7 million loan to finance the purchase of a new fire truck. With the continuing decline in property tax base, an increase in millage rate and other charges were considered necessary to lessen the further erosion to the City's fund balance. Increased revenues were anticipated for utility taxes, licenses and permits. Decreases were expected in the Communication Services Tax and Electric Franchise Fee.

The City Commission made revisions to the original appropriations throughout the year. The General Fund budget was amended during the year to account for rollovers related to prior year encumbrances and to account for additional funding for unforeseen staffing and expenditure changes. The amended budget was increased by \$69,288 from the originally approved budget of \$43 million, including transfers. This increase was related solely to FY12 encumbered purchase orders rolled over to FY13. Other amendments made towards the end of the year decreased actual expenditures due to identified cost savings while increasing transfers out to fund expanded capital and redevelopment projects. The budgeted utilization of available fund balance was also decreased by \$126,022 to reflect increased property and utility tax revenues.

Revenue performance against the amended budget was favorable. Actual revenue was \$40 million, up almost \$0.3 million from the amended budget, a favorable 0.7 percent variance. This increase is primarily attributable to stronger-than-anticipated electric and water utility tax collection, an increase in licenses and permits fees, and increased intergovernmental revenues



## **GOVERNMENT FUNDS' FINANCIAL ANALYSIS (CONTINUED)**

### **GENERAL FUND BUDGETARY HIGHLIGHTS (Continued)**

(primarily state revenue sharing). These favorable results suggest an improvement in the state and regional economic condition when compared to the weaknesses of prior years.

All departments had positive variances with their expenditures when compared to the amended budget; overall, expenditures were \$2 million more favorable to the amended budget, a total variance of 5 percent. The Financial Services department likewise had savings of \$0.1 million due to vacancies, the cancellation of a residential survey for FY13, and deferment of capital purchases. Information Technology Services was under budget by \$0.4 million. The majority of these savings represent changes to the structure and scope of the implementation of the City's new enterprise resource planning system, deferred purchases of new computers and software, citywide training savings, and the various other cost savings related to the migration to cloud-based storage. Some of these costs will instead be incurred in FY14. As a whole the Public Works divisions had savings of \$.3 million. These savings can be attributed to decreased electrical costs due to efficiency improvements, vacancies in high level managerial positions, less than anticipated use of contractual services, and the decision to postpone the purchase of some vehicles until the next fiscal year. Parks and Leisure Services experienced \$0.4 million in savings which were overwhelmingly representative of decreased compensation costs due to the lower utilization of part-time workers, overtime savings, and the vacancy of the departmental director position for most of the year. Other savings in the department reflect savings in supplies and contractual services. Lastly, Fire & Rescue Department expenditures were down by slightly under \$0.2 million because of decreased compensation expenses related to extended vacancies. Across all departments there was a savings of roughly \$0.4 million in pension costs due to the State's recognition of a payment credit by the State.

The combined increase in revenues and decrease in expenditures over the amended budget resulted in a positive net change in fund balance of over \$90,000. This stands in contrast to the budgeted use of \$2.3 million dollars.

### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

#### **Capital assets:**

The City's investment in capital assets net of accumulated depreciation for its governmental and business-type activities as of September 30, 2013 increased by \$8.8 million to \$166.9 million compared to \$158.1 million from the previous year.

Completed capital projects total \$14.8 million which included the construction of NW 39<sup>th</sup> Street greenway, the Garden Acres Streetscape, an Art Park, the hardening of a city building, Lloyd Estate water and drainage improvements and the Garden Acres water, sewer and drainage systems. Construction in progress includes various water and sewer system improvements in the East and West zones. Capital projects under construction decreased by \$2.4 million.

## CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

### Capital assets: (Continued)

The City's capital assets net for its governmental and business-type activities for fiscal year 2013 and fiscal year 2012 is detailed below:

City of Oakland Park, Florida Capital assets (Net of Depreciation) (In thousands)						
	Governmental Activities		Business-type Activities		Total	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Land and easements	\$ 15,461	\$ 15,463	\$ 58	\$ 58	\$ 15,519	\$ 15,521
Construction in progress	2,643	2,203	7,041	9,867	9,684	12,070
Intangible - software	53	52	11	6	64	58
Buildings	12,487	12,100	98	108	12,585	12,208
Improvements other than buildings	14,225	12,637	-	-	14,225	12,637
Machinery and equipment	3,831	3,950	3,463	3,542	7,294	7,492
Infrastructure	35,126	35,718	72,368	62,359	107,494	98,077
Total	<u>\$ 83,826</u>	<u>\$ 82,123</u>	<u>\$ 83,039</u>	<u>\$ 75,940</u>	<u>\$ 166,865</u>	<u>\$ 158,063</u>

The City's fiscal year 2013 capital budget provided \$17.9 million spending for capital projects with \$3 million slated for streetscapes, \$11 million for utility system improvements, \$3.5 million for stormwater system improvements and \$0.4 million for parks and other facilities. The City uses debt financing, loan proceeds, internal funds as well as grant funds to finance these projects.

Additional information on the City's capital assets can be found in Note 4 on page 43.

### Debt Administration:

At year-end the City had \$58.6 million in outstanding debt compared to \$59.5 million last year, as noted in the following chart:

City of Oakland Park, Florida Outstanding Debt (In thousands)						
	Governmental Activities		Business-type Activities		Total	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Loans	\$ 6,435	\$ 6,588	\$ 5,604	\$ 5,801	\$ 12,039	\$ 12,389
Revenue bonds	10,016	10,402	35,483	36,111	45,499	46,513
Capital lease payable	690	-	411	626	1,101	626
Total	<u>\$ 17,141</u>	<u>\$ 16,990</u>	<u>\$ 41,498</u>	<u>\$ 42,538</u>	<u>\$ 58,639</u>	<u>\$ 59,528</u>

## **CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)**

### **Debt Administration: (Continued)**

Net increase in governmental activities debt was \$0.2 million due to a new bank loan for the purchase of a fire truck. Net decrease in business type activities was \$1 million due to principal payments on the debt.

More detailed information about the City's liabilities is presented in Note 7, Leases, and Note 8, Long-term debt, beginning on page 45 of the financial statements.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATIOS**

The State of Florida, by constitution, does not have a State personal income tax and, therefore, the State operates primarily using sales, gasoline and corporate income taxes. Local governments (cities, counties, school boards, and special districts) primarily rely on property and a limited array of permitted other taxes (telecommunication, gasoline, utilities, business, etc.) and fees (franchise, building permits, charges for services, etc.) to fund their governmental activities. There are a limited number of State-shared revenues and recurring and one-time grants from the state, local and federal governments. For the business-type and certain governmental activities (building inspections, recreational programs, etc.), the user pays a related fee or charge associated with the service.

The FY14 General Fund budget reflected modest improvement in the economy, such as an increase in building permits and the first expansion of the property tax base since 2008. The City continues to strive for cost containment while minimizing fee increases. In preparation for the 2014 fiscal year the City hosted a number of strategic planning sessions to chart the future course of the jurisdiction. The result of these planning sessions was the creation of an ambitious, \$1.4 million business plan for FY14 entitled "Proud Oakland Park." The adopted FY14 General Fund budget of \$43.5 million, including the use of assigned fund balance, represents a \$0.5 million or 1.07% increase from the amended FY 13 expenditure budget of \$43.0 million. For FY14, the amount appropriated that is assigned for anticipated budget shortfall using available fund balance was \$2.6 million for the General Fund, an increase of \$0.3 million compared to the amended FY13 budget. As in the past, the use of unassigned fund balance is restricted to one-time expenditures.

The FY14 revenue budget was increased by \$0.5 million to \$43.5 million when compared to FY13 final budget of \$43 million. The increase is partially attributed to upward property tax millage rate by 3.4% from 6.3142 to 6.5292. This increase, combined with growth in the property tax base itself, represents a roughly \$0.7 million increase in revenues. This increase in millage rate and other charges were necessary to defray the increased cost of the contract with the Broward Sheriff's Office for police services and declines the in the Communication Services Tax. Other increased revenues include \$0.2 million in additional state revenue-sharing as estimated by the State Office of Economic & Demographic Research. Revenue decreases of \$0.3 million were anticipated due to the trend of declining collections for the communication services tax and the electric franchise fee.

When compared to the FY13 amended budget, most departmental budgets in FY14 were increased by varying amounts while some departments were decreased for specific items, for example, the acquisition of a \$0.7 million truck in the Fire Department in FY 13 would not be reflected in its FY 14. Major increases in FY14 include a \$0.6 million increase in the Police

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATIOS (CONTINUED)**

Services department to reflect annual growth in the contract costs with the Broward Sheriff's Office and the creation of a new Crime Analyst position. Public Works costs include \$0.1 million for roof repairs and \$0.2 million for road resurfacing projects and the installation of speed tables. Parks & Leisure Services' budget for FY14 includes \$0.3 million for the purchase of new playground equipment, the repair of existing facilities, and the installation of new security systems. General increases among all departments include: \$0.3 million in vehicle acquisitions, a net increase of five full-time positions at the cost of \$0.3 million (three of which are two year, temporary positions), \$0.1 million in Florida Retirement System costs due to a State-mandated increase in the contribution rates, and \$0.2 million in new healthcare costs. In addition, the General Fund's transfer to the City's Community Redevelopment Agency was increased by \$0.5 million in FY14 to provide additional resources for the City's aggressive redevelopment initiatives. These new costs are also offset by expenditure reductions including \$0.2 million savings attributable to the reforms to its Police & Fire Pension Plan and \$0.1 million savings from the elimination of three positions. Other future savings are expected as the City completes its migration to its new Enterprise Resource Planning system and cloud-based data storage.

## **REQUESTS FOR INFORMATION**

The City's financial statements are designed to present users (citizens, customers, investors and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. The financial statements are available on the City's website at [www.oaklandparkfl.gov](http://www.oaklandparkfl.gov). If you have questions about the report or need additional financial information, contact William F. Underwood, II, Financial Services and Information Technology Services Director, City of Oakland Park, 3650 NE 12 Avenue, Oakland Park, Florida 33334.



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## **BASIC FINANCIAL STATEMENTS**

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**CITY OF OAKLAND PARK, FLORIDA**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2013**

	<b><u>Governmental</u></b>	<b><u>Business Type</u></b>	<b><u>Total</u></b>
	<b><u>Activities</u></b>	<b><u>Activities</u></b>	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 14,733,419	\$ 16,598,877	\$ 31,332,296
Accounts receivable - net	2,114,384	2,472,378	4,586,762
Inventories	61,410	182,142	243,552
Prepays	744,940	-	744,940
Other assets	22,104	5,000	27,104
Restricted assets:			
Cash and cash equivalents	2,752,825	24,837,768	27,590,593
Net pension assets	146,352	-	146,352
Capital assets not being depreciated	18,104,001	7,099,062	25,203,063
Capital assets being depreciated, net	<u>65,721,741</u>	<u>75,939,960</u>	<u>141,661,701</u>
Total assets	<u>104,401,176</u>	<u>127,135,187</u>	<u>231,536,363</u>
 <b>LIABILITIES</b>			
Accounts payable and accrued expenses	1,679,549	3,219,888	4,899,437
Customer deposits	6,000	1,277,755	1,283,755
Accrued interest payable	230,514	236,063	466,577
Unearned revenues	903,916	22,839	926,755
Other liabilities	558,586	47,697	606,283
Noncurrent liabilities:			
Due within one year	659,454	1,142,991	1,802,445
Due in more than one year:			
Bonds and notes payables	16,481,542	40,354,942	56,836,484
Compensated absences	1,154,560	217,289	1,371,849
Net pension obligation	659,648	-	659,648
Net OPEB obligation	<u>705,000</u>	<u>154,000</u>	<u>859,000</u>
Total liabilities	<u>23,038,769</u>	<u>46,673,464</u>	<u>69,712,233</u>
 <b>NET POSITION</b>			
Net investment in capital assets	66,684,747	62,752,703	129,437,450
Restricted for:			
Public safety	519,812	-	519,812
Library	28,172	-	28,172
Parks and recreation	33,323	-	33,323
Tree preservation	102,832	-	102,832
Unrestricted	<u>13,993,521</u>	<u>17,709,020</u>	<u>31,702,541</u>
Total net position	<u>\$ 81,362,407</u>	<u>\$ 80,461,723</u>	<u>\$ 161,824,130</u>

See notes to basic financial statements.

**CITY OF OAKLAND PARK, FLORIDA**  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS						
	PROGRAM REVENUES			Business-Type			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Functions/Programs</b>							
<b>Primary Government:</b>							
Governmental activities:							
General government	\$ 337,068	\$ 639,536	\$ 1,830	\$ 22,920	\$ 327,218	\$ -	\$ 327,218
Public safety	21,923,435	6,533,279	61,375	-	(15,328,781)	-	(15,328,781)
Public works	4,651,117	-	-	1,333,285	(3,317,832)	-	(3,317,832)
Engineering and community development	3,600,636	1,297,196	-	-	(2,303,440)	-	(2,303,440)
Culture and recreation	5,372,980	517,130	41,524	-	(4,814,326)	-	(4,814,326)
Interest and fiscal charges	532,350	-	-	-	(532,350)	-	(532,350)
<b>Total governmental activities</b>	<u>36,417,586</u>	<u>8,987,141</u>	<u>104,729</u>	<u>1,356,205</u>	<u>(25,969,511)</u>	<u>-</u>	<u>(25,969,511)</u>
Business-type activities:							
Water and sewer	14,034,929	16,399,284	231,876	66,572	-	2,662,803	2,662,803
Solid waste	6,319,981	7,303,375	532,150	-	-	1,515,544	1,515,544
Stormwater	3,151,444	3,154,975	-	129,948	-	133,479	133,479
<b>Total business activities</b>	<u>23,506,354</u>	<u>26,857,634</u>	<u>764,026</u>	<u>196,520</u>	<u>-</u>	<u>4,311,826</u>	<u>4,311,826</u>
<b>Total primary government</b>	<u>\$ 59,923,940</u>	<u>\$ 35,844,775</u>	<u>\$ 868,755</u>	<u>\$ 1,552,725</u>	<u>\$ (25,969,511)</u>	<u>\$ 4,311,826</u>	<u>\$ (21,657,685)</u>
<b>GENERAL REVENUES</b>							
Taxes:							
Property taxes					12,831,277	-	12,831,277
Franchise fees					2,424,270	-	2,424,270
Utility taxes					4,059,906	-	4,059,906
Communication service taxes					1,803,813	-	1,803,813
Other taxes					1,674,677	-	1,674,677
Unrestricted investment earnings				49,793	-	95,659	145,452
Intergovernmental revenue - unrestricted					3,713,871	-	3,713,871
Miscellaneous					367,889	-	367,889
Total revenues					<u>26,925,496</u>	<u>95,659</u>	<u>27,021,155</u>
Change in net position					955,985	4,407,485	5,363,470
Net position, beginning					80,406,422	76,054,238	156,460,660
Net position, ending					<u>\$ 81,362,407</u>	<u>\$ 80,461,723</u>	<u>\$ 161,824,130</u>

See notes to basic financial statements.



**CITY OF OAKLAND PARK, FLORIDA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2013**

	<b>Major Funds</b>			
	<b>General</b>	<b>Special Revenue Oakland Park CRA</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
	<b>General</b>	<b>CRA</b>	<b>Funds</b>	<b>Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 14,047,196	\$ -	\$ 686,223	\$ 14,733,419
Accounts receivable - net	1,654,229	2,616	457,539	2,114,384
Due from other funds	1,196,857	-	-	1,196,857
Inventories	61,410	-	-	61,410
Prepayments	118,598	-	626,342	744,940
Other assets	22,104	-	-	22,104
Temporarily restricted assets:				
Cash and cash equivalents	870,080	760	1,881,985	2,752,825
<b>Total assets</b>	<b>\$ 17,970,474</b>	<b>\$ 3,376</b>	<b>\$ 3,652,089</b>	<b>\$ 21,625,939</b>
 <b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,190,840	\$ 297,833	\$ 190,876	\$ 1,679,549
Due to other funds	-	1,083,886	112,971	1,196,857
Compensated absences	131,130	-	-	131,130
Other liabilities	174,016	6,000	-	180,016
Deferred and unearned revenues	437,291	-	924,165	1,361,456
<b>Total liabilities</b>	<b>1,933,277</b>	<b>1,387,719</b>	<b>1,228,012</b>	<b>4,549,008</b>
Fund balances:				
Nonspendable:				
Inventories	61,410	-	-	61,410
Prepaid costs	118,598	-	-	118,598
Interfund loan	112,971	-	-	112,971
Restricted for:				
Public safety	-	-	477,321	477,321
Library	-	-	28,172	28,172
Tree preservation	-	-	102,832	102,832
Fire station facility	-	-	42,491	42,491
Park development	-	-	18,483	18,483
Grant matching	586,551	-	-	586,551
Education	113,535	-	-	113,535
Assigned to:				
Capital projects	-	-	1,841,393	1,841,393
Debt service	-	-	11,516	11,516
Parks and recreation	-	-	14,840	14,840
Subsequent year's budget	2,700,369	-	-	2,700,369
Unassigned	12,343,763	(1,384,343)	(112,971)	10,846,449
<b>Total fund balances</b>	<b>16,037,197</b>	<b>(1,384,343)</b>	<b>2,424,077</b>	<b>17,076,931</b>
<b>Total liabilities, deferred inflows of resources     and fund balances</b>	<b>\$ 17,970,474</b>	<b>\$ 3,376</b>	<b>\$ 3,652,089</b>	<b>\$ 21,625,939</b>

See notes to basic financial statements.

**CITY OF OAKLAND PARK, FLORIDA**  
**RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2013**

Fund balances - total governmental funds (Page 20) \$ 17,076,931

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

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

Governmental capital assets	113,299,334
Less accumulated depreciation	(29,473,592)

Net pension assets from P&F pension fund	146,352
Net pension obligation from GEPP pension fund	(659,648)
Net OPEB obligation	(705,000)

Accrued bond interest payable not reported in the governmental funds	(230,514)
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Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Governmental note payable	(17,268,240)
Deferred charges to be amortized over the life of bonds	127,245
	(17,140,995)

Compensated absences	(1,408,000)
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The statement of net assets include certain assets that are not available to pay for current period's expenditures, but the funds exclude those assets.

Accounts receivable for revenue "not available" for offset with unearned revenue	457,539
	457,539

Net position of governmental activities (Page 18) \$ 81,362,407

See notes to basic financial statements.

**CITY OF OAKLAND PARK, FLORIDA**  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>Major Funds</u>			
	<u>General</u>	<u>Special Revenue Oakland Park CRA</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES:</b>				
Taxes:				
Property	\$ 12,831,277	\$ -	\$ -	\$ 12,831,277
Franchise fees	2,424,270	-	-	2,424,270
Utility taxes	4,059,906	-	-	4,059,906
Communications service taxes	1,803,813	-	-	1,803,813
Other taxes	1,674,676	-	-	1,674,676
Licenses and permits	1,239,921	-	11,291	1,251,212
Intergovernmental	3,713,871	-	-	3,713,871
Charges for services	11,479,964	-	-	11,479,964
Fines and forfeitures	379,023	-	93,755	472,778
Investment earnings (loss)	41,905	161	7,727	49,793
Grants	44,109	-	1,269,271	1,313,380
Other	393,636	101,538	-	495,174
Total revenues	<u>40,086,371</u>	<u>101,699</u>	<u>1,382,044</u>	<u>41,570,114</u>
<b>EXPENDITURES:</b>				
Current:				
General government	4,463,378	-	-	4,463,378
Public safety	21,503,068	-	69,422	21,572,490
Public works	3,298,663	-	-	3,298,663
Engineering and community development	2,970,285	560,312	-	3,530,597
Culture and recreation	4,760,776	-	36,573	4,797,349
Debt service:				
Principal	-	-	553,439	553,439
Interest	-	-	533,841	533,841
Capital outlay	814,300	1,162,188	2,813,553	4,790,041
Total expenditures	<u>37,810,470</u>	<u>1,722,500</u>	<u>4,006,828</u>	<u>43,539,798</u>
Excess (deficiency) of revenues over expenditures	2,275,901	(1,620,801)	(2,624,784)	(1,969,684)
<b>OTHER FINANCING SOURCES (USES):</b>				
Loan proceeds	697,394	-	-	697,394
Transfers in	260,000	679,071	2,597,227	3,536,298
Transfers out	(3,141,270)	-	(395,028)	(3,536,298)
Total other financing sources (uses)	<u>(2,183,876)</u>	<u>679,071</u>	<u>2,202,199</u>	<u>697,394</u>
Net change in fund balances	92,025	(941,730)	(422,585)	(1,272,290)
Fund balances, beginning	15,945,172	(442,613)	2,846,662	18,349,221
Fund balances, ending	<u>\$ 16,037,197</u>	<u>\$ (1,384,343)</u>	<u>\$ 2,424,077</u>	<u>\$ 17,076,931</u>

See notes to basic financial statements.

**CITY OF OAKLAND PARK, FLORIDA**  
**RECONCILIATION OF THE CHANGE IN FUND BALANCES**  
**OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

Amounts reported for governmental activities in the statement of activities (Page 19) are different because:

Net change in fund balances - total governmental funds (page 22)	\$ (1,272,290)
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.</p>	
Expenditures for capital outlays	4,790,041
Less current depreciation	(3,066,661)
The net effect of various transactions involving capital assets	(21,595)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>	
Loan proceeds	(697,394)
Principal payments of bonds/notes payable	553,439
Amortization of deferred charges from issuance of debt	(7,448)
<p>Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported in the governmental funds. These activities consist of:</p>	
Net decrease in compensated absences	158,263
Net decrease in accrued interest payable	8,940
Net decrease in pension obligation	422,057
Net increase in OPEB obligation	(36,000)
Some revenues reported in the statement of activities do not provide current financial resources and are not reported as revenues in the funds.	457,539
Some revenues reported in the fund statements are revenues of prior periods and are not reported as revenues in the statement of activities.	<u>(332,906)</u>
Change in net position of governmental activities (Page 19)	<u>\$ 955,985</u>

See notes to basic financial statements.

**CITY OF OAKLAND PARK, FLORIDA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2013**

	<b><u>Business-type Activities - Enterprise Funds</u></b>			
	<b><u>Water</u></b>		<b><u>Stormwater</u></b>	<b><u>Total</u></b>
	<b><u>and Sewer</u></b>	<b><u>Solid Waste</u></b>		
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 10,973,880	\$ 3,344,508	\$ 2,280,489	\$ 16,598,877
Accounts receivable, net	1,801,670	451,526	219,182	2,472,378
Inventories	182,142	-	-	182,142
Prepayments	-	-	5,000	5,000
Total current assets	<u>12,957,692</u>	<u>3,796,034</u>	<u>2,504,671</u>	<u>19,258,397</u>
Noncurrent assets:				
Restricted cash and cash equivalents	20,945,008	276,819	3,615,941	24,837,768
Capital assets:				
Land	50,500	-	7,599	58,099
Buildings	440,600	-	92,393	532,993
Machinery and equipment	3,718,494	2,318,472	482,415	6,519,381
Infrastructure	44,938,378	-	50,776,332	95,714,710
Intangible assets	13,275	-	2,171	15,446
Construction in progress	6,462,031	-	578,932	7,040,963
Total capital assets	55,623,278	2,318,472	51,939,842	109,881,592
Less: accum. depreciation/amortization	<u>(17,997,762)</u>	<u>(1,315,060)</u>	<u>(7,529,748)</u>	<u>(26,842,570)</u>
Total capital assets, net	<u>37,625,516</u>	<u>1,003,412</u>	<u>44,410,094</u>	<u>83,039,022</u>
Total noncurrent assets	<u>58,570,524</u>	<u>1,280,231</u>	<u>48,026,035</u>	<u>107,876,790</u>
Total assets	<u>71,528,216</u>	<u>5,076,265</u>	<u>50,530,706</u>	<u>127,135,187</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liabilities	2,836,275	192,532	191,081	3,219,888
Accrued interest payable	132,747	751	102,565	236,063
Compensated absences	13,834	21,987	11,876	47,697
Customer deposits	1,003,763	273,992	-	1,277,755
Unearned revenues	7,839	15,000	-	22,839
Current portion of bonds/loans payable	630,000	221,365	291,626	1,142,991
Total current liabilities	<u>4,624,458</u>	<u>725,627</u>	<u>597,148</u>	<u>5,947,233</u>
Noncurrent liabilities:				
Compensated absences	63,023	100,166	54,100	217,289
Revenue bonds payable	31,088,135	-	9,077,219	40,165,354
Loan payable	-	189,588	-	189,588
Net OPEB obligation	53,110	64,490	36,400	154,000
Total noncurrent liabilities	<u>31,204,268</u>	<u>354,244</u>	<u>9,167,719</u>	<u>40,726,231</u>
Total liabilities	<u>35,828,726</u>	<u>1,079,871</u>	<u>9,764,867</u>	<u>46,673,464</u>
<b>NET POSITION</b>				
Net investment in capital assets	23,532,340	592,459	38,627,904	62,752,703
Unrestricted	12,167,150	3,403,935	2,137,935	17,709,020
Total net position	<u>\$ 35,699,490</u>	<u>\$ 3,996,394</u>	<u>\$ 40,765,839</u>	<u>\$ 80,461,723</u>

See notes to basic financial statements.

**CITY OF OAKLAND PARK, FLORIDA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<b><u>Business-type Activities - Enterprise Funds</u></b>			
	<b><u>Water and Sewer</u></b>	<b><u>Solid Waste</u></b>	<b><u>Stormwater</u></b>	<b><u>Total</u></b>
<b>Operating revenues:</b>				
Charges for sales and services:				
Metered water sales (pledged)	\$ 9,099,124	\$ -	\$ -	\$ 9,099,124
Sewer fees (pledged)	7,087,658	-	-	7,087,658
Residential solid waste service	-	2,647,742	-	2,647,742
Commercial solid waste service	-	3,829,422	-	3,829,422
Other charges for services	118,660	124,887	-	243,547
Stormwater fees (pledged)	-	-	3,172,737	3,172,737
Other revenues	<u>93,842</u>	<u>701,323</u>	<u>(17,761)</u>	<u>777,404</u>
Total operating revenues	<u>16,399,284</u>	<u>7,303,374</u>	<u>3,154,976</u>	<u>26,857,634</u>
<b>Operating expenses:</b>				
Water system operation	5,444,119	-	-	5,444,119
Sewer system operation	5,009,999	-	-	5,009,999
Administrative support	1,604,465	1,654,217	1,044,572	4,303,254
Solid waste operation	-	4,454,777	-	4,454,777
Stormwater system operation	-	-	1,001,509	1,001,509
Depreciation/amortization	<u>728,435</u>	<u>196,502</u>	<u>762,527</u>	<u>1,687,464</u>
Total operating expenses	<u>12,787,018</u>	<u>6,305,496</u>	<u>2,808,608</u>	<u>21,901,122</u>
<b>Operating income</b>	3,612,266	997,878	346,368	4,956,512
<b>Non-operating revenues (expenses)</b>				
Investment earnings	75,640	6,453	13,566	95,659
Interest and fiscal charges	(1,247,911)	(14,485)	(342,836)	(1,605,232)
Grants and contributions	<u>231,876</u>	<u>532,150</u>	<u>129,948</u>	<u>893,974</u>
Total non-operating revenues (expenses)	<u>(940,395)</u>	<u>524,118</u>	<u>(199,322)</u>	<u>(615,599)</u>
<b>Income before contributions</b>	2,671,871	1,521,996	147,046	4,340,913
Capital contributions	<u>66,572</u>	<u>-</u>	<u>-</u>	<u>66,572</u>
<b>Changes in net position</b>	2,738,443	1,521,996	147,046	4,407,485
<b>Net position, beginning</b>	<u>32,961,047</u>	<u>2,474,398</u>	<u>40,618,793</u>	<u>76,054,238</u>
<b>Net position, end of year</b>	<u>\$ 35,699,490</u>	<u>\$ 3,996,394</u>	<u>\$ 40,765,839</u>	<u>\$ 80,461,723</u>

See notes to basic financial statements.

**CITY OF OAKLAND PARK, FLORIDA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Water and Sewer</b>	<b>Solid Waste</b>	<b>Stormwater</b>	<b>Total</b>
<b>Cash flows from operating activities:</b>				
Cash received from customers	\$ 16,735,121	\$ 6,844,953	\$ 3,886,268	\$ 27,466,343
Cash paid to suppliers	(9,304,968)	(2,916,809)	(553,252)	(12,775,030)
Cash paid to employees	(1,713,708)	(1,677,954)	(828,448)	(4,220,109)
Cash paid for interfund services used	(1,604,465)	(1,654,217)	(1,044,572)	(4,303,254)
Net cash provided by operating activities	4,111,980	595,973	1,459,996	6,167,949
<b>Cash flows from noncapital financing activities:</b>				
Grants available for operating purpose	231,876	532,150	-	764,026
Net cash provided by noncapital financing activities	231,876	532,150	-	764,026
<b>Cash flows from capital and related financing activities:</b>				
Acquisition/construction of capital assets	(7,669,799)	(33,936)	(1,019,730)	(8,723,465)
Capital grants and contributions	3,235	-	129,948	133,183
Principal paid on bonds/loans payable	(561,201)	(214,851)	(264,599)	(1,040,651)
Interest paid on capital debt	(1,248,041)	(15,783)	(345,783)	(1,609,607)
Net cash provided by (used in) capital and related financing activities	(9,475,806)	(264,570)	(1,500,164)	(11,240,540)
<b>Cash flows from investing activities:</b>				
Interest on investments	75,640	6,453	13,566	95,659
Net cash provided by investing activities	75,640	6,453	13,566	95,659
Net increase(decrease) in pooled cash and cash equivalents	(5,056,310)	870,006	(26,602)	(4,212,906)
Pooled cash and cash equivalents, beginning	36,975,198	2,751,321	5,923,032	45,649,551
Pooled cash and cash equivalents, ending	\$ 31,918,888	\$ 3,621,327	\$ 5,896,430	\$ 41,436,645
<b>Displayed as:</b>				
Unrestricted	\$ 10,973,880	\$ 3,344,508	\$ 2,280,489	\$ 16,598,877
Restricted	20,945,008	276,819	3,615,941	24,837,768
Total, September 30	\$ 31,918,888	\$ 3,621,327	\$ 5,896,430	\$ 41,436,645
<b>Reconciliation of operating income to net cash provided by operating activities:</b>				
Operating income	\$ 3,612,266	\$ 997,878	\$ 346,368	\$ 4,956,512
Adjustments to reconcile operating income to net cash provided used by operating activities:				
Depreciation and amortization	728,435	196,502	762,527	1,687,464
Change in assets and liabilities:				
Decrease in accounts receivables	315,457	72,959	731,292	1,119,708
Decrease in inventories	4,986	-	-	4,986
Decrease in other assets	-	-	(5,000)	(5,000)
Decrease in accounts payable and accrued liabilities	(563,647)	(132,026)	(379,679)	(1,075,352)
Decrease in due to other funds	-	-	-	-
Increase in deferred revenue	-	(539,650)	-	(539,650)
Increase in customers' deposits	20,380	8,270	-	28,650
Increase in net OPEB obligation	3,459	3,585	1,956	9,000
Increase (decrease) in compensated absences	(9,356)	(11,545)	2,532	(18,369)
<b>Net cash provided by operating activities</b>	\$ 4,111,980	\$ 595,973	\$ 1,459,996	\$ 6,167,949
<b>Noncash from capital and related financing activities:</b>				
Capital assets contributions	63,337	-	-	63,337
Total noncash from capital and related financing activities	\$ 63,337	\$ -	\$ -	\$ 63,337

See notes to basic financial statements.

**CITY OF OAKLAND PARK, FLORIDA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**SEPTEMBER 30, 2013**

	<b><u>Pension Trust Funds</u></b>
<b>Assets</b>	
Cash and short-term investments	\$ 1,760,518
Receivables:	
Contributions	193,533
Accounts	12,654
Accrued interest and dividends	143,821
Total receivables	<u>350,008</u>
Investments, at fair value:	
U.S. Government and agency securities	7,851,030
Corporate bonds and notes	6,203,892
Mutual funds	34,137,634
Common stocks	30,844,974
International equity commingled fund	6,000,960
Total investments	<u>85,038,490</u>
Prepayments	<u>4,554</u>
Total assets	<u>87,153,570</u>
<b>Liabilities</b>	
Accounts payable and accrued expenses	115,470
Payable for securities purchased	21,617
DROP plan payable	1,353,634
Total liabilities	<u>1,490,721</u>
<b>Net Position</b>	
Net position held in trust for pension benefits	<u>\$ 85,662,849</u>

See notes to basic financial statements.



**CITY OF OAKLAND PARK, FLORIDA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

	<b><u>Pension Trust Funds</u></b>
<b>Additions:</b>	
Contributions:	
Plan members	\$ 435,229
City	3,873,136
State of Florida	611,349
Broward Sheriff's Office	<u>535,265</u>
Total contributions	<u>5,454,979</u>
Investment income:	
Investment earnings	1,493,835
Net appreciation in fair value of investments	<u>7,683,935</u>
Total	9,177,770
Less:	
Investment expenses	(279,524)
Deferred retirement option plan participants' earnings	<u>(112,603)</u>
Net investment income	<u>8,785,643</u>
Misc. income:	<u>2,421</u>
Total additions	<u>14,243,043</u>
<b>Deductions:</b>	
Pension benefits paid	7,862,075
Contributions refunded	81,698
Administrative expenses	<u>226,733</u>
Total deductions	<u>8,170,506</u>
Change in net position	6,072,537
Net position, beginning	<u>79,590,312</u>
Net position, ending	<u>\$ 85,662,849</u>

See notes to basic financial statements.



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## **NOTES TO BASIC FINANCIAL STATEMENTS**

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**CITY OF OAKLAND PARK, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of the City of Oakland Park, Florida's (the "City") significant accounting policies is presented to assist the reader in interpreting the basic financial statements and other data in this report. The policies are considered essential and should be read in conjunction with the accompanying basic financial statements.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. This report, the accounting systems, and classification of accounts conform to standards of the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**a. Reporting Entity**

The City of Oakland Park, Florida is a political subdivision of the State of Florida. The City, which was incorporated on June 7, 1929, is located in Broward County and operates under the Commission-Manager form of government. The legislative branch of the City is composed of a five-member elected Commission, including a rotating mayor. The City Commission is governed by the City Charter and by State and Local laws and regulations.

The financial statements were prepared in accordance with GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statements No. 39 and 61, which establishes standards for defining and reporting on the financial reporting entity. The financial reporting entity consists of the City, organizations for which the City is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The City is financially accountable for a component unit if it appoints a voting majority of the organization's governing 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 to, or impose specific financial burdens on, the City.

***Blended Component Units***

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same, or substantially the same, as the City Commission or the component unit provides services entirely to the City.

The Oakland Park Community Redevelopment Agency (CRA) is a dependent special district established by the City Commission under authority granted by Florida Statute 163, Section III. The CRA is a legally separate entity governed by a five-member board appointed by the City Commission, currently comprised of the City Commission itself.

The CRA Board adopted ordinance # O-2005-037 on December 7, 2005 to establish a trust fund which was intended to be financed through tax increments based on Ad Valorem taxes. However, Broward County discontinued the granting of tax increment financing. Alternatively, the City entered into an interlocal agreement by Resolution R-2007-001 with Broward County to finance the CRA operations through a Broward County Redevelopment Capital Program (RCP) grant.

## **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **a. Reporting Entity (continued)**

Other than preparing and filing the RCP grant application, the CRA activities have been minimal since the establishment of its trust fund. There was no revenue other than the transfers from the General Fund and loan proceeds and the expenditures have been budgeted in the City's annual budget. Other sources of funding are through grants and loans. Debt incurred by the unit is solely payable by the City. Although the CRA activities did not meet the major fund criteria, the CRA's financial data is presented within the City's major governmental funds in order to comply with the audit requirement of F.S. 163.387(8). No separate financial statements will be issued.

#### ***Discretely Presented Component Units***

Discretely presented component units are separate legal entities that meet the component unit criteria described above, but do not meet the criteria for blending. Currently, the City has no discretely presented component units.

### **b. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. The effect of interfund activity has been substantially 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 support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those 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 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.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

### **c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. One exception in the fiduciary fund type is an agency fund that cannot be said to have a measurement focus since it does not report equity. The City does not report any agency fund. For the economic resources measurement focus, 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 revenue as soon as all eligibility requirements imposed by the provider have been met.

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

### c. *Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)*

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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, sales taxes, utility taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, as updated by GASB Statement 62, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The City elected not to follow subsequent private-sector guidance.

The City reports the following major governmental funds:

The **general fund** is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenue is derived primarily from property taxes, utility taxes and other intergovernmental revenues.

The **special revenue fund** accounts for revenue sources that are legally restricted to expenditures for specific purposes. CRA mainly derives its revenues from the General Fund transfers along with other financing sources such as loans and grants.

The City reports the following major proprietary funds:

The **Water and Sewer fund** is used to account for the provision of water and sewer services to the residents and the commerce of the City.

The **Solid Waste fund** is used to account for the provision of solid waste collection, disposal and recycling for all residential and commercial customers within the City.

The **Stormwater fund** is used to account for the provision of stormwater management and drainage services to the residents and businesses of the City.

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

### c. *Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)*

Additionally, the City reports **pension trust funds** which accounts for the activities of the City's General Employees Pension Plan and the City's Police and Firefighters Retirement System. These 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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's utilities 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, whose purpose has not been restricted to a specific program.

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 and sewer, solid waste and stormwater enterprise funds, are charges to customers for sales and services.

The enterprise 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 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.

### d. **Assets, Liabilities, and Net Position or Fund Equity**

#### **1. *Deposits and Investments***

The City maintains a pooled cash account for all funds. This enables the City to invest large amounts of idle cash for short periods of time and to optimize earnings potential. Equity in pooled cash and cash equivalents represents the amount owned by each fund of the City. Interest earned on pooled cash is allocated monthly based upon equity balances of the respective funds.

The City's investments are reported at fair value. The City's investment in the State Board of Administration Investment Pool – Local Government Surplus Funds Trust Fund (Florida Prime), a 2A-7 pool, is permitted to report at its amortized cost which is the fair value of its position in the pool, which is maintained at a constant value same as its value of the pool shares.

For the purpose of the Statement of Cash Flows for the Proprietary Fund, cash and cash equivalents mean short term, highly liquid investments with an original maturity of three months or less.

## **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **d. Assets, Liabilities, and or Fund Equity (continued)**

#### **1. Deposits and Investments (continued)**

In addition, GASB Statement 31, "Accounting and Financial Reporting for Certain Investments and External Investment Pools", requires disclosure of investments at fair value and recognition of unrealized gain or losses, if material, for investments with remaining maturities of more than one year at the time of purchase. Investments with remaining maturities of one year or less at the time of purchase are recorded at amortized cost.

#### **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 either "due to/from other funds" or "advances to/from other funds." Any residual balances outstanding between the governmental activities and business activities are reported in the government-wide financial statements as "internal balances".

Operating revenues in the water and sewer fund are generally recognized on the basis of cycle billings rendered monthly. 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 readings for the applicable consumption period and billed in October.

Revenues and the associated receivable balances are accrued for taxes, franchise fees, and other utility services based on collections within 60 days of year-end.

All trade receivables are shown net of an allowance for uncollectibles. Trade accounts receivables in excess of 60 days comprise the trade accounts receivable allowance for uncollectibles.

The City's contracted service provider processes receivables associated with Emergency Medical Services (EMS). An allowance account is established for EMS receivables based on historical collection rates.

#### **3. Property Taxes**

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.

Assessed values are established by the Broward County Property Appraiser. In November 1992, a Florida constitutional amendment was approved by the voters which provides for limiting the increases in homestead property valuations for ad valorem tax purposes to a maximum of 3% annually and also provides for reassessment of market values upon changes in ownership. The County bills and collects all property taxes and remits them to the City. Procedures for the collection of delinquent taxes by Broward County are provided for in the Laws of Florida.



## **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **d. Assets, Liabilities, and Net Position or Fund Equity (continued)**

#### **3. Property Taxes (continued)**

State statutes permit municipalities to levy property taxes at a rate of up to 10 mills (\$10 per \$1,000 of assessed taxable valuation). The tax levy of the City is established by the City Commission and the Broward County Property Appraiser incorporates the City's millage into the total tax levy, which includes the County and the County School Board tax requirements. The millage rate assessed by the City for the year ended September 30, 2013 was 6.3142 mills (\$6.3142 per \$1,000 of taxable assessed valuation).

#### **4. Inventories and Prepaid Costs**

Inventories are valued at cost using the first-in, first-out (FIFO) method. The costs of governmental fund-type inventories and prepaid items are recorded as expenditures when consumed rather than when purchased (consumption method). Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid costs.

#### **5. Restricted Assets**

Certain proceeds from the City's enterprise fund revenue bonds and the Florida Municipal Loan Council loans, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by the applicable bond covenants.

The City's enterprise fund revenue bonds require certain reserves. The "revenue bonds reserve" account requirement is met by depositing an insurance policy to cover potential deficiencies from the City's operations that could adversely affect debt service payments.

The "renewal and replacement" account is used to account for those funds available to pay for the cost of extensions, improvements and additions to, or renewals and replacements of the capital assets of, or repairs of the system.

#### **6. Capital Assets**

Capital assets, which include land, buildings, improvements other than buildings, machinery and equipment, and infrastructure assets (e.g., roads, sidewalks, culverts, pump stations, stormwater lines, catch basins, and similar items), are reported in the applicable governmental or business-type activities columns in government-wide financial statements. Capital asset is defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as they are completed.

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

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

### d. Assets, Liabilities, and Net Position or Fund Equity (continued)

<u>Assets</u>	<u>Years</u>
Buildings	50
Improvements other than buildings	20
Machinery and equipment	5 - 20
Infrastructure	50 - 65
Intangible	3 - 5

#### **7. Compensated Absences**

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation and sick pay is recognized as a liability and expense in the period benefits are earned in the government-wide statements and proprietary funds. Vacation and sick pay that is due and payable at September 30, 2013 and the amount expected to be liquidated with expendable available financial resources is reported as expenditure and a fund liability of the governmental funds that will pay it. Amounts not expected to be liquidated with expendable available financial resources are reported as a reconciling item between the fund and government-wide presentations. In 2009, the Commission fixed the payout rates as of September 30, 2009 for Federated union members and as of September 30, 2008 for all other city employees except for firefighters.

#### **8. 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 discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bonds discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial statements, governmental fund types recognize bond proceeds and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. 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.

#### **9. Fund Equity**

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. When both restricted and unrestricted resources (committed, assigned and unassigned) are available for use, it is the City's policy to use restricted resources first, unless there are legal contracts that prohibiting doing so, then unrestricted resources as they are needed.

Non-spendable fund balances include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Amounts that are constricted to specific purposes either by a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation are classified as restricted fund balances. Amounts that can only be used for specific purposes pursuant to constraints imposed by the highest level of decision-making authority, the City Commission, through an ordinance (highest form of action) or resolution and may be removed or modified by

## **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **d. Assets, Liabilities, and Net Position or Fund Equity (continued)**

the same formal action taken are classified as committed fund balances. Amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed are classified as assigned fund balances. The authority to assign fund balance has been delegated by the Commission in the fiscal policy via a resolution to the City Manager or the Financial Services Director. Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. Within the above five categories, the committed, assigned and unassigned are considered unrestricted fund balances. The Commission has adopted a fiscal policy, when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balances could be used, the City would first use the committed amounts, follow by assigned amounts and then unassigned amounts.

#### ***10. Fund Deficits***

The Impact Fee fund has an unassigned fund balance deficit of \$112,971 relative to upfront plan review costs incurred by the City in two special districts. Due to the housing market slump, many development plans were halted which resulted to uncollected fees. The deficit was covered by temporary loans from the General fund.

#### ***11. Minimum Fund Balance Policy***

The City's fiscal policy is to maintain an adequate General Fund fund balance and enterprise fund net position to provide liquidity in the event of an economic downturn or natural disaster. The City Commission has adopted the policy via a resolution a financial standard to maintain a minimum 20% unassigned fund for General Fund and a minimum of 10% of unrestricted net position for enterprise operating funds. The city manager or the financial service director has the authority to assign fund balance which is provided in the adopted fiscal policy established by the City Commission.

#### ***12. Unearned Revenues***

Unearned revenues include amounts collected before revenue recognition criteria are met and receivables, which, under the modified accrual basis of accounting, are measurable, but not yet available. The deferred items consist primarily of license and permit revenues and special assessment revenues.

#### ***13. 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 amounts reported in the financial statements and accompanying notes. Although these 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.

#### ***14. Deferred Outflows/Inflows of Resources***

The Statement of Net Position includes two separate sections when applicable. A Deferred Outflows of Resources below the Total Assets which represents the usage of net position applicable to future periods and will not be recognized as expenditures until the future period to which it applies. A deferred Inflows of Resources below the total Liabilities that represents the acquisition of net position applicable to future periods and will not be recognized as revenue until the future period to which it applies. For FY13, none are reported for these categories.

## NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

### a. Cash and Cash Equivalents (continued)

The City, for accounting and investment purposes, maintains a cash and investment pool for use by all City funds. This gives the City the ability to invest large amounts of idle cash for short periods of time and to maximize earning potential. Each fund type's portion of this pool is displayed on the combined balance sheet as cash and cash equivalents and investments.

Income earned on pooled cash and investments is allocated to the respective funds based on monthly ending balances.

In addition to insurance provided by the Federal Depository Insurance Corporation, cash 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 every qualified public depository to deposit with the Treasurer eligible collateral. Statutes provide that if a loss to a public depository is not covered by deposit insurance and the proceeds from the sale of securities pledged by the defaulting depository, the difference will be provided by an assessment levied against other public depositories of the same type as the depository in default.

The carrying amounts of the City's cash deposits were \$8,808,701 as of September 30, 2013. Bank balance before reconciling items were \$9,219,641 at that date, the total of which is collateralized or insured with securities held by the State under the Florida Statutes Chapter 280, Florida Security for Public Deposits Act. The City's cash equivalents include the Florida Prime, a Local Government Surplus Funds Trust Fund (LGSTF) administered by the State Board of Administration (SBA), investment pool managed by the Florida Municipal Investment Trust, and other highly liquid institutional money market funds offered through Florida qualified public depositories and pre-approved regional banks. The institutional funds must be registered with the Securities and Exchange Commission with the highest credit quality rating from a nationally recognized statistical rating organization.

The LGSTF is not a registrant with the Securities and Exchange Commission, but the SBA Board has adopted operating procedures consistent with the requirements for a 2A-7 Fund. The LGSTF Fund B does not have a credit rating and is not considered a 2A-7 like fund, therefore, its value is reported using a factor to reflect its net asset value.

Cash equivalents in external investment pools and open-end mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. These investments are also excluded from the concentration of credit risk disclosure requirement. The City may maintain a maximum exposure of up to 50% cash deposit with a bank and up to 75% of the cash equivalents portfolio balance in one investment pool to limit the credit risk due to concentration.

The following are cash equivalents held as of September 30, 2013:

	<u>Total Value</u>	<u>Average Maturity</u>	<u>S&amp;P Rating</u>
Florida Prime	\$ 49,326,992	40 days	AAAm
LGSTF Fund B (NAV)	87,028	3.98 years	unrated

## NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

### b. Investments (continued)

The City invests its surplus funds in high quality highly liquid institutional money market funds with its share value remaining constant.

**Interest rate risk** is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in interest rates. The City's investment policy limits that no security purchases shall cause the City investment portfolio to have duration of greater than five years.

**Credit risk** is the possibility that an issuer of a fixed income security will not fulfill its obligation to the holder of the investment. The City's investment policy limits the investments with authorized investment service providers and required securities purchased to meet specific credit quality criteria.

The City's investment primary objectives are safety, liquidity and yield. Under the provisions of the City's investment policy, and in accordance with Florida Statutes, the following types of investments are authorized:

	Maximum (%)	Individual Issue (%)
United States Treasury	100	5
United States Agency	100	5
Government Sponsored Enterprise (GSE)	75	5
State & Local Government	30	5
Bank Deposit	50	50
Certificate of Deposit	30	5
Local Government Investment Pools	75	25
The State Board of Administration Pool (SBA)	75	25
Money Market Mutual Funds	50	25
Repurchase Agreements	50	25

### City of Oakland Park General Employees Pension Plan (GEPP)

The GEPP's investment policy as authorized by the Board of Trustee provided for the following guidelines: (a) investment in all equity securities shall be limited to those listed on a major U.S. stock exchange and no more than 70% (at market) of the GEPP's total asset value; (b) no more than 3% of the GEPP's assets invested in the bonds of any one issuing company; (c) repurchase agreement may not exceed 6-month average maturity; and (d) fixed income portfolio shall be comprised of securities rated A by the major rating services. (e) Small cap stocks are limited to no more than 10% and mid cap stocks are limited to no more than 30% of the value at cost of the fund. (f) all stocks at purchase must have a minimum market capitalization of \$5 million.

Investments of the GEPP in common stocks, mutual funds, corporate bonds and government securities are valued at quoted market prices. Investments in money market funds are valued at cost. As of September 30, 2013, the following fixed income investments are held for GEPP:

	<u>Fair Value</u>	<u>WAM Maturity</u>	<u>Fitch Rating</u>
High Quality Government Mutual funds	\$9,284,298	5.54 years	AA

## NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

### *b. Investments (continued)*

The GEPP's investment policy does not set a parameter on the duration of its fixed income securities. However, as of September 30, 2013, the weighted average maturity (WAM) of the fixed income portfolio is presented above.

**Credit Risk:** Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The Plan limits its credit risk by limiting its investments in fixed income securities to U.S. Government and agency securities or corporate bonds which meet or exceed a credit rating of "BBB" or higher. As of September 30, 2013, the GEPP's fixed income investments quality rating is presented above.

**Concentration of Credit Risk:** The GEPP's investment policy places investment limitations and provides target allocations to its investment managers to limit credit risk due to concentration. As of September 30, 2013, other than mutual funds, the Plan does not currently hold any securities that exceed 5% of plan net position.

**Custodial Credit Risk:** The Plan does not have any investments in the possession of counterparties; all investments are held by the master custodian under the Plan's name.

**Foreign currency risk:** This risk refers to the risk that fluctuations in currency exchange rate may affect transactions conducted in foreign currencies as well as the carrying value of foreign investments. The GEPP's investment policy limits the foreign investments to no more than 10.4% of its investment balance. The Plan has invested in international equity funds. As of September 30, 2013, the Plan's foreign investments were 9.7% of total investments.

### **City of Oakland Park Retirement System for Police and Firefighters (RSP&F)**

The RSP&F's investment policy as determined by the Board of Trustee provided for the following guidelines: (a) investment in all equity securities shall be limited to those listed on a major U.S. stock exchange and no more than 75% (at market) of the RSP&F's total asset value; (b) no more than 5% of the RSP&F's assets invested in the common stock of any one issuing company; (c) investment in stocks of foreign company shall be limited to 10% of the RSP&F's assets; and (d) fixed income portfolio shall be comprised of securities rated not less than "BBB" or "Baa" by the major rating services and is limited to no more than 65% (at market) of the RSP&F's total asset value.

**Interest Rate Risk:** As a means of limiting its exposure to interest rate risk, the RSP&F diversify its investment by security type and institution, and limits holdings in any one type of investment with any one issuer with various duration and maturities. The RSP&F's investment policy does not set a parameter on the duration of its investment.

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**NOTE 2. DEPOSITS AND INVESTMENTS (Continued)**

**City of Oakland Park Police and Fire Fighters' Pension Plan (RSP&F) (continued)**

**b. Investments (continued)**

Information about the sensitivity of the fair values of the RSP&F's investment to market interest rate fluctuations is provided by the following table that shows the distribution of the RSP&F's investment by maturity at September 30, 2013:

Investment Type	Investment Maturities (in years)				
	Fair Value	Less than 1	1 to 5	6 to 10	More than 10
U.S. treasuries	\$ 2,991,848	\$ -	\$ -	\$ 297,409	\$ 2,694,438
U.S. agencies	4,859,182	-	-	2,932,825	1,926,357
Corporate bonds	6,203,891	-	-	6,203,891	-
Total fixed income securities	<u>\$ 14,054,921</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,434,125</u>	<u>\$ 4,620,795</u>

**Credit Risk:** The RSP&F's investment policy utilizes portfolio diversification in order to control this risk. The following table discloses credit ratings by investment type, at September 30, 2013, as applicable:

	Fair Value	Percentage of Portfolio
U.S. government guaranteed*	\$ 7,851,030	55.86 %
Quality rating of credit risk debt securities		
AA+	660,745	4.70
A	1,177,793	8.38
A-	3,704,923	26.36
BBB+	660,430	4.70
Total credit risk debt securities	<u>6,203,891</u>	<u>44.14</u>
Total fixed income securities	<u>\$ 14,054,921</u>	<u>100.00 %</u>

\*Obligation of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not have purchase limitations.

**Concentration of Credit Risk:** There were no individual investments that represent 5% or more of plan net assets at September 30, 2013.

**Custodial Credit Risk:** Consistent with the RSP&F's investment policy, the investments are held by custodial bank and registered in the RSP&F's name. All of the RSP&F's deposits are insured and or collateralized by a financial institution separate from the RSP&F's depository financial institution.

### NOTE 3. RECEIVABLES, PAYABLE AND ENCUMBRANCES

Accounts Receivable balances at September 30, 2013, were as follows:

	<u>Accounts</u>	<u>Taxes</u>	<u>Due from Other Governments</u>	<u>Allowance Uncollectible Accounts</u>	<u>Net</u>
Governmental Activities					
General Fund	\$ 7,176,839	\$ 1,334,639	\$ 39,264	\$ (6,896,513)	\$1,654,229
CRA	2,616	-	-	-	2,616
Nonmajor	457,539	-	-	-	457,539
Total governmental activities	<u>\$ 7,636,994</u>	<u>\$ 1,334,639</u>	<u>\$ 39,264</u>	<u>\$ (6,896,513)</u>	<u>\$2,114,384</u>
Business-type Activities					
Water/Sewer	\$ 2,357,453	\$ -	\$ -	\$ (555,783)	\$1,801,670
Solid waste	914,001	-	-	(462,475)	451,526
Stormwater	395,587	-	65,798	(242,203)	219,182
Total business-type activities	<u>\$ 3,667,041</u>	<u>\$ -</u>	<u>\$ 65,798</u>	<u>\$ (1,260,461)</u>	<u>\$2,472,378</u>

Accounts Payable and Accrued Liabilities balances at September 30, 2013, were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Total</u>
Governmental Activities			
General Fund	\$ 663,931	\$ 526,909	\$ 1,190,840
CRA	293,620	4,213	297,833
Nonmajor and other funds	190,876	-	190,876
Total government activities	<u>\$ 1,148,427</u>	<u>\$ 531,122</u>	<u>\$ 1,679,549</u>
Business-type Activities			
Water and sewer	\$ 2,798,068	\$ 38,207	\$ 2,836,275
Solid waste	146,846	45,686	192,532
Stormwater	169,008	22,073	191,081
Total business-type activities	<u>\$ 3,113,922</u>	<u>\$ 105,966</u>	<u>\$ 3,219,888</u>

#### Encumbrances

Purchase orders are issued throughout the fiscal year to encumber budgets in the governmental funds. Significant encumbrances as of September 30, 2013 are as follows:

Major funds:	
General Fund	\$ 145,319
CRA	<u>77,630</u>
Total major funds	<u>222,949</u>
Non major governmental funds	<u>2,011,670</u>
Total Encumbrances	<u>\$ 2,234,619</u>



## NOTE 4. CAPITAL ASSETS

The following is a summary of changes in capital assets for the fiscal year ended September 30, 2013:

	<u>Balance</u> <u>Oct. 1, 2012</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>Sept. 30, 2013</u>
Governmental activities:				
Capital assets not being depreciated:				
Land and Easements	\$ 15,463,294	\$ 22,920	\$ (25,090)	\$ 15,461,124
Construction in progress	2,203,079	3,977,393	(3,537,595)	2,642,877
Total assets not being depreciated	<u>17,666,373</u>	<u>4,000,313</u>	<u>(3,562,685)</u>	<u>18,104,001</u>
Capital assets being depreciated/amortized:				
Intangible-software	247,585	-	-	247,585
Buildings	15,739,760	749,435	-	16,489,195
Improv other than buildings	18,064,177	2,502,770	-	20,566,947
Machinery & equipment	12,990,264	979,392	(527,109)	13,442,547
Infrastructure	44,333,538	115,521	-	44,449,059
Total capital assets being depreciated	<u>91,375,324</u>	<u>4,347,118</u>	<u>(527,109)</u>	<u>95,195,333</u>
Less accumulated depreciation/amortization for:				
Intangible-software	(106,078)	(88,829)	-	(194,907)
Buildings	(3,639,738)	(362,067)	-	(4,001,805)
Improv other than buildings	(5,426,825)	(915,399)	-	(6,342,224)
Machinery & equipment	(9,129,841)	(992,811)	510,808	(9,611,844)
Infrastructure	(8,615,257)	(707,555)	-	(9,322,812)
Total accumulated depreciation	<u>(26,917,739)</u>	<u>(3,066,661)</u>	<u>510,808</u>	<u>(29,473,592)</u>
Total capital assets being depreciated, net	64,457,585	1,280,457	(16,301)	65,721,741
Governmental activities capital assets, net	<u>\$ 82,123,958</u>	<u>\$ 5,280,770</u>	<u>\$ (3,578,985)</u>	<u>\$ 83,825,742</u>
	<u>Balance</u> <u>Oct. 1, 2012</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>Sept. 30, 2013</u>
Business type activities:				
Capital assets not being depreciated:				
Land	\$ 58,099	-	-	\$ 58,099
Construction in progress	9,866,555	8,437,783	(11,263,376)	7,040,962
Total capital assets not being depreciated	<u>9,924,654</u>	<u>8,437,783</u>	<u>(11,263,376)</u>	<u>7,099,061</u>
Capital assets being depreciated/amortized:				
Intangible-software	5,971	9,475	-	15,446
Buildings	532,994	-	-	532,994
Machinery & equipment	6,582,688	288,096	(351,403)	6,519,381
Infrastructure	84,387,997	11,326,713	-	95,714,710
Total capital assets being depreciated	<u>91,509,650</u>	<u>11,624,284</u>	<u>(351,403)</u>	<u>102,782,531</u>
Less accumulated depreciation/amortization for:				
Intangible-software	(166)	(3,885)	-	(4,051)
Buildings	(424,725)	(10,237)	-	(434,962)
Machinery & equipment	(3,041,047)	(355,104)	339,513	(3,056,638)
Infrastructure	(22,028,681)	(1,318,238)	-	(23,346,919)
Total accumulated depreciation	<u>(25,494,619)</u>	<u>(1,687,464)</u>	<u>339,513</u>	<u>(26,842,570)</u>
Total capital assets being depreciated, net	66,015,031	9,936,820	(11,890)	75,939,961
Business type activities capital assets, net	<u>\$ 75,939,685</u>	<u>\$ 18,374,603</u>	<u>\$ (11,275,266)</u>	<u>\$ 83,039,022</u>

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**NOTE 4. CAPITAL ASSETS (Continued)**

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

Governmental Activities:	
General government	\$ 139,933
Public safety	454,514
Public works	1,531,876
Engineering & Community development	74,029
Parks and Leisure Services	866,309
Total depreciation expense - governmental activities	<u>\$ 3,066,661</u>
Business-type Activities:	
Water and sewer	\$ 728,435
Solid waste	196,502
Stormwater	762,527
Total depreciation expense - business activities	<u>\$ 1,687,464</u>

**NOTE 5. INTERFUND BALANCES AND TRANSFERS**

Interfund balances at September 30, 2013 consisted of the following:

	<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
Due to/from	General Fund	Special Revenue Fund	\$ 1,196,854	provide interim resources

Interfund transfers for the year ended September 30, 2013, consisted of the following:

	<u>Transfer out</u>			<u>Purpose</u>
	<u>General Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>	
<b>Transfer In:</b>				
General Fund	\$ -	\$ 260,000	\$ 260,000	program expenditure
CRA	544,043	135,028	679,071	budget/capital expenditure
Nonmajor governmental	2,597,227	-	2,597,227	debt/capital expenditure
	<u>\$ 3,141,270</u>	<u>\$ 395,028</u>	<u>\$ 3,536,298</u>	

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**NOTE 6. RESTRICTED ASSETS**

**General Fund:** The City agreed to reserve certain amount for the transferred police officers to the Broward Sheriff's Office (BSO) as accrued leave obligation in the agreement dated August 1, 2000. At September 30, 2013, the reserve balance is \$133,454. Other temporarily restricted cash include \$697,405 loan proceeds held by fiscal agent and \$39,221 in SBA fund B.

**Non-major Governmental Funds:** Restricted assets consist of \$1,403,230 for the Capital Projects Fund and \$478,755 for Park Improvement at September 30, 2013.

**Water and Sewer Fund:** Restricted assets of the Water and Sewer Fund consist of the following balances at September 30, 2013:

Customer Deposits	\$ 945,579
Renewal and Replacement Reserve	761,612
Bond proceeds for Construction	19,210,260
Temporarily restricted cash	27,557
	<u>\$ 20,945,008</u>

**Solid Waste Fund:** Restricted Assets of the Solid Waste Fund consists of \$276,819 at September 30, 2013 which is for customer deposits and temporarily restricted cash.

**Stormwater Fund:** Restricted assets of the Stormwater Fund at September 30, 2013 consist of \$3,615,941 of bond proceeds that can only be spent for construction projects and temporarily restricted cash.

**NOTE 7. LEASES**

**Capital Leases**

In 2003 the City entered into a capital lease agreement under a Master Lease Agreement dated December 26, 2002 for the purchase of various capital assets. The original and the second lease were paid in full. On July 8, 2010 under the same Master Lease Agreement entered in 2003, the City added an amendment to the lease agreement for the purchase of five solid waste transport trucks with total asset value of \$1,069,879 with interest rate at 2.99%. The Master Lease Agreement requires no down payment and interest rates are set at lease inception. Upon final payment of the lease expiring in July 2015, title to the capital assets will revert to the City.

In August 2013, the City entered into a master installment purchase agreement dated August 15, 2013 for the purchase of a fire ladder truck in the amount of \$697,394. Principal and interest payments are due monthly for the years 2013 through 2020 with interest rate at 1.83%.

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## NOTE 7. LEASES (Continued)

### Capital Leases (continued)

The following is a schedule of the future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of September 30, 2013:

Year ending September 30:	Governmental Activities	Business-Type Activities
	<u>                    </u>	<u>                    </u>
2014	\$ 94,390	\$ 230,635
2015	96,132	192,196
2016	97,906	-
2017	99,713	-
2018	101,553	-
2019-2020	199,911	-
Total minimum lease payments	<u>689,605</u>	<u>422,831</u>
Less: amount representing interest	<u>(45,090)</u>	<u>(11,878)</u>
Present value of minimum lease payments	<u>\$ 644,515</u>	<u>\$ 410,953</u>

The assets acquired through the capital lease are as follows:

Asset:	Governmental Activities	Business-Type Activities
	<u>                    </u>	<u>                    </u>
Machinery and Equipment	\$ 700,557	\$ 1,069,878
Less: Accumulated Depreciation	<u>(7,297)</u>	<u>(488,957)</u>
Net	<u>\$ 693,260</u>	<u>\$ 580,921</u>

## NOTE 8. LONG-TERM DEBT

### Revenue Bonds

#### a. Water and Sewer Revenue Bonds, Series 2010

On August 23, 2010 the City issued \$3,370,000 tax-exempt bonds of Series 2010A and \$11,515,000 of taxable bonds, Series 2010B (Build America Bonds-Direct Subsidy) Water and Sewer Revenue Bonds, together, the "Series 2010 Bonds". The proceeds of the bonds and other funds made available through the refunding program will be used to (1) pay capital expenditures of water and wastewater system improvements, (2) to refund and defease the Utility System Revenue Refunding and Improvement Bonds, Series 1994, totaling \$1,533,024, (3) to purchase a debt service reserve and insurance policies for the Series 2010 bonds, and (4) to pay the costs of issuance. The portion of the net proceeds from the issuance of the bonds attributed to the defeasance were deposited with an escrow agent to provide for the interest and principal payments on the old bonds. All of the defeased bonds were subsequently called in October 2010.

The American Recovery and Reinvestment Act of 2009 authorizes the City to issue taxable bonds known as "Build America Bonds" or "BABs" to finance capital expenditures, for which it could issue tax-exempt bonds, and to elect to receive a subsidy payment from the federal government equal to 35% of the amount of each interest payment on such taxable bonds (the

## NOTE 8. LONG-TERM DEBT (Continued)

### *Revenue Bonds (continued)*

#### *a. Water and Sewer Revenue Bonds, Series 2010 (continued)*

“Federal Direct Payments”). The available subsidy for the Series 2010B Bonds will be paid to the City; no holders of Series 2010B Bonds would be entitled to a tax credit. The City does not foresee the risk of loss on interest subsidy as probable, however, in the extraordinary event that a change does occur in the future and the subsidy is reduced or eliminated, the City has the option to redeem in whole or in part, the greater of 100% of the principal amount of the bonds or the sum of the present value of the remaining scheduled payments to the maturity date of the bonds being redeemed and to refinance the bonds through the issuance of tax-exempt debt.

The Series 2010A Bonds are composed of serial and term bonds. The serial bonds are due in varying annual installments from the year 2011 through 2020 and the term bonds are due in 2025. Series 2010A Bond interest rates vary from 2.0% to 4.0% with interest payable semi-annually. Series 2010B Bonds are term bonds, due in varying installments from the year 2025 through 2040, with interest payable semi-annually at interest rates varying from 5.451% to 6.243%. Interest payments are due on March 1 and September 1 of each year, beginning in 2011. The Series 2010 Bonds are limited obligations of the City, payable solely from water and sewer revenues of the Utility system. Net revenues are defined as the excess of the system’s gross revenues over the operating costs.

The covenants of the Series 2010 bonds Ordinance require that certain accounts be maintained as follows:

***Reserve Fund*** – Deposits sufficient to restore in not more than 12 equal monthly payments the funds on deposit therein to an amount equal to the reserve fund requirement. In lieu of this fund the City has purchased with Assured Guaranty Municipal Corp., surety bond for 2010A and 2010B series to meet the reserve requirement and a bond insurance policy to guarantee the principal and interest payments of 2010B series.

***Renewal and Replacement Fund*** – The Ordinance requires that the City establish a renewal and replacement fund equal to 5% of the gross revenue of the preceding fiscal year or such other greater or lesser sum recommended by the consulting engineer. Whenever the balance is less than the requirement, the City shall deposit into or credit to the fund the lesser of the balance of all moneys remaining in the revenue fund or 2% of the deposits to the revenue fund during the current month, to the extent necessary to equal the renewal and replacement fund requirement. Excess moneys in the fund may be withdrawn by the City and deposited in the revenue fund. The City is in compliance with the renewal and replacement fund requirement.

The City has covenanted in the Ordinance to fix, establish and maintain and collect such rates and/or impact fees, and to revise the same to the extent necessary, so that the rates and/or impact fees will always provide in each fiscal year either (i) net revenues which are at least equal to 110% of the debt service requirement of the Bonds for such fiscal year plus 100% of the amount required to restore any deficiency in the reserve fund and to reimburse all providers of reserve fund insurance policies or letters of credit for amounts owing thereto or (ii) net revenues which are at least equal to 100% of the debt service requirement for such fiscal year plus 100% of the amount required to restore any deficiency in the reserve fund and to reimburse all providers of reserve fund insurance policies or letters of credit for amounts owing thereto plus, and which, together with the expansion project percentage of impact fees, are at least equal to 120% of the debt service requirement for such fiscal year plus 100% of the amount required to restore any deficiency in the reserve fund and to reimburse all providers of reserve fund insurance policies or letters of credit for amounts owing thereto. The City is in compliance with this requirement.

**NOTE 8. LONG-TERM DEBT (Continued)**

***Revenue Bonds (continued)***

**a. *Water and Sewer Revenue Bonds, Series 2010 (continued)***

The City is required by the bond resolution to establish, maintain and collect reasonable charges for the services furnished by the Utility System and it will adjust such charges as needed so that the gross revenues in each fiscal year will always be sufficient to pay 115% of the debt service requirements becoming due in the fiscal year on all bonds, in addition to the requirements to cover the cost of operations and maintenance and pay 100% of all reserve requirements set forth above. The City is in compliance with this requirement

Annual principal and interest payments on the bonds are expected to require less than 20% of net revenues. Total principal and interest remaining to be paid on the bonds is \$22,992,040. Principal and interest paid for the current year were \$1,049,956. Total customer net revenues for current year were \$5,945,166.

The following table reflects the debt service requirements of the Water and Sewer Revenue Bonds, Series 2010 as of September 30, 2013:

Fiscal Year ending September 30:	2010A		2010B			Total Payment after est. subsidy
	Principal	Interest	Principal	Interest	Est. Subsidy	
2014	\$ 285,000	\$ 71,725	\$ -	\$ 692,631	\$ 242,421	\$ 806,935
2015	310,000	66,025	-	692,631	242,421	826,235
2016	325,000	59,438	-	692,631	242,421	834,648
2017	335,000	51,719	-	692,631	242,421	836,929
2018	345,000	42,506	-	692,631	242,421	837,716
2019-2023	850,000	76,219	1,230,000	2,748,720	1,189,019	3,715,920
2024-2028	100,000	6,000	2,360,000	3,001,906	1,005,538	4,462,368
2029-2033	-	-	2,860,000	2,631,884	739,321	4,752,562
2034-2038	-	-	3,470,000	1,162,974	407,041	4,225,933
2039-2040	-	-	1,595,000	150,456	52,663	1,692,794
	<u>\$ 2,550,000</u>	<u>\$ 373,631</u>	<u>\$ 11,515,000</u>	<u>\$13,159,096</u>	<u>\$ 4,605,687</u>	<u>\$ 22,992,040</u>

**b. *Florida Municipal Loan Council***

On July 1, 2004, the City entered into a loan agreement with the Florida Municipal Loan Council for \$1,810,000. This amount will be used for various water and sewer capital improvements. In accordance with the loan agreement, the \$1,810,000 was recorded as a debt of the Public Utilities Capital Improvement Fund.

Principal payments are due on July 1<sup>st</sup> of each year with interest payments due on July 1<sup>st</sup> and January 1<sup>st</sup> and a final payment due on July 1, 2034. The loan bears interest at variable rates ranging from 3% to 5.125%. As security for loan repayment, the City covenants and agrees to appropriate in its annual budget amounts of non-ad valorem revenues sufficient to satisfy its annual debt service requirements under the loan agreement. As of September 30, 2013, the City was in compliance with this covenant.

**NOTE 8. LONG-TERM DEBT (Continued)**

**Revenue Bonds (continued)**

**b. Florida Municipal Loan Council (continued)**

The following table reflects the debt service requirements of the Florida Municipal Loan Council – Loan II as of September 30, 2013:

<u>Fiscal Year ending</u> <u>September 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 45,000	\$ 73,894	\$ 118,894
2015	45,000	72,038	117,038
2016	45,000	70,125	115,125
2017	50,000	68,156	118,156
2018	50,000	65,906	115,906
2019-2023	295,000	290,856	585,856
2024-2028	375,000	209,013	584,013
2029-2033	475,000	103,781	578,781
2034-2034	110,000	5,638	115,638
	<u>\$ 1,490,000</u>	<u>\$ 959,406</u>	<u>\$ 2,449,406</u>

**c. Wachovia – Series 2007 Term Loan**

On October 19, 2007, the City entered into a loan agreement with Wachovia Bank and issued a promissory note, series 2007, for \$4,000,000. The loan was used as partial reimbursement of the acquisition of the new municipal building, which will house the Oakland Park Division of the Broward Sheriff's Office and various City offices.

Principal payments are due on October 1<sup>st</sup> of each year with interest payments due on October 1<sup>st</sup> and April 1<sup>st</sup>, and the final payment is due on October 1, 2027. The loan bears interest at a fixed rate of 4.47% per annum. As security for loan repayment, the City covenants and agrees to appropriate in its annual budget amounts of legally available non-ad valorem revenues attributable to the General Fund sufficient to satisfy its annual debt service requirements under the loan agreement.

<u>Fiscal Year ending</u> <u>September 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 158,825	\$ 143,675	\$ 302,500
2015	165,924	136,417	302,341
2016	173,341	128,835	302,175
2017	181,089	120,913	302,002
2018	189,184	112,637	301,821
2019-2023	1,080,586	425,511	1,506,097
2024-2028	1,344,674	155,520	1,500,194
	<u>\$ 3,293,623</u>	<u>\$ 1,223,508</u>	<u>\$ 4,517,131</u>

## NOTE 8. LONG-TERM DEBT (Continued)

### *Revenue Bonds (continued)*

#### **d. Stormwater Assessment Bonds, Series 2011**

On December 15, 2011 the City issued \$5,765,000 of Series 2011 Stormwater Assessment Bonds. The proceeds of the bonds will be used to (1) pay capital expenditures and refinance a loan incurred to pay such expenditures with respect to the stormwater runoff management system of the City (the "2011 Project"), (2) purchase a debt service reserve insurance policy and bond insurance policy for the 2011 bonds and (3) pay costs of issuance.

The Series 2011 Bonds are composed of serial and term bonds. The serial bonds are due in varying annual installments from the year 2012 through 2026 and the term bonds are due in varying installments from the year 2023 through 2041. Interest rates on the serial bonds vary from 2.0% to 4.0% with interest payable semi-annually. The term bonds carry interest rates varying from 3.25% to 4.625% with interest payable semi-annually. The Series 2011 bonds are not general obligations of the City but are payable solely from and secured by the net revenues and pledged accounts. Net revenues are defined as the excess of the stormwater system's gross revenues over the operating costs.

The covenants of the Series 2011 bonds Ordinance require that certain accounts be maintained as follows:

The 2011 Reserve Subaccount is to be funded in an amount equal to the least of (i) 10% of the aggregate initial principal amount of the Series 2011 Bonds secured by the 2011 Reserve Subaccount, (ii) the maximum amount of principal and interest on the Series 2011 Bonds becoming due in the current or any succeeding fiscal year and (iii) 125% of the average annual amount of principal and interest becoming due on the Series 2011 Bonds. In connection with the issuance of the Series 2011 Bonds, the City expects to deposit a debt service reserve insurance policy issued by Assured Guaranty Municipal Corp. in the amount of \$340,350 in the 2011 Reserve Subaccount. The City is in compliance with this requirement.

The City has covenanted in the Ordinance that it will, to the extent permitted by law, fix, establish and maintain and collect such assessments, and revise the same to the extent necessary, as will always provide in each fiscal year net revenues which are at least equal to 110% of the debt service requirement on the Bonds for such fiscal year plus 100% of the amount required to restore any deficiency in the reserve fund and to reimburse all providers of reserve fund insurance policies or letters of credit for the amounts owing thereto. The City is in compliance with this requirement.

Annual principal and interest payments on the bonds are expected to require less than 20% of net revenues. Total principal and interest remaining to be paid on the bonds is \$9,468,138. Principal and interest paid for the current year were \$336,300. Total customer net revenues for current year were \$2,153,667.

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## NOTE 8. LONG-TERM DEBT (Continued)

### Revenue Bonds (continued)

#### d. Stormwater Assessment Bonds, Series 2011 (continued)

The following table reflects the debt service requirements of the Stormwater Assessment Bonds, Series 2011 as of September 30, 2013:

<u>Fiscal Year ending</u> <u>September 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 120,000	\$ 219,000	\$ 339,000
2015	120,000	216,600	336,600
2016	125,000	213,600	338,600
2017	125,000	210,475	335,475
2018	130,000	206,725	336,725
2019-2023	725,000	971,750	1,696,750
2024-2028	855,000	840,800	1,695,800
2029-2033	1,035,000	649,288	1,684,288
2034-2038	1,290,000	397,488	1,687,488
2039-2041	930,000	87,413	1,017,413
	<u>\$ 5,455,000</u>	<u>\$ 4,013,138</u>	<u>\$ 9,468,138</u>

#### e. Water and Sewer Revenue Bonds, Series 2012

On September 6, 2012 the City issued \$17,175,000 of Series 2012 Water and Sewer Revenue Bonds. The proceeds of the bonds will be used to pay capital expenditures of water and wastewater improvements and to pay costs of issuance. The 2012 Bond are issued on parity with the City's outstanding Water and Sewer Revenue Bonds, Series 2010.

The Series 2012 Bonds are composed of serial and term bonds. The serial bonds are due in varying annual installments from the year 2013 through 2025 and the term bonds are due in varying installments from the year 2032 through 2042. Interest rates on the serial bonds vary from 3.0% to 3.5% with interest payable semi-annually. The term bonds carry interest rates varying from 3.5% to 3.875% with interest payable semi-annually. The Series 2012 Bonds are limited obligations of the City, payable solely from water and sewer revenues of the Utility system. Net revenues are defined as the excess of the system's gross revenues over the operating costs.

The covenants of the Series 2011 bonds Ordinance require that certain accounts be maintained as follows:

Renewal and Replacement Fund – The Ordinance requires that the City establish a renewal and replacement fund. The City is required to deposit into or credit to the fund the lesser of the balance of all moneys remaining in the revenue fund or 2% of the deposits to the revenue fund during the current month, to the extent necessary to equal the renewal and replacement fund requirement. Excess moneys in the fund may be withdrawn by the City and deposited in the revenue fund. The City is in compliance with the renewal and replacement fund requirement.

**NOTE 8. LONG-TERM DEBT (Continued)**

***Revenue Bonds (continued)***

***e. Water and Sewer Revenue Bonds, Series 2012 (continued)***

The City has covenanted in the Ordinance to fix, establish and maintain and collect such rates and/or impact fees, and to revise the same to the extent necessary, so that the rates and/or impact fees will always provide in each fiscal year either (i) net revenues which are at least equal to 110% of the debt service requirement of the Bonds for such fiscal year plus 100% of the amount required to restore any deficiency in the reserve fund and to reimburse all providers of reserve fund insurance policies or letters of credit for amounts owing thereto or (ii) net revenues which are at least equal to 100% of the debt service requirement for such fiscal year plus 100% of the amount required to restore any deficiency in the reserve fund and to reimburse all providers of reserve fund insurance policies or letters of credit for amounts owing thereto plus, and which, together with the expansion project percentage of impact fees, are at least equal to 120% of the debt service requirement for such fiscal year plus 100% of the amount required to restore any deficiency in the reserve fund and to reimburse all providers of reserve fund insurance policies or letters of credit for amounts owing thereto. The City is in compliance with this requirement.

Annual principal and interest payments on the bonds are expected to require less than 15% of net revenues. Total principal and interest remaining to be paid on the bonds is \$29,191,075. Principal and interest paid for the current year were \$881,631. Total customer net revenues for current year were \$5,945,166.

The following table reflects the debt service requirements of the Water and Sewer Revenue Bonds, Series 2012 as of September 30, 2013:

<u>Fiscal Year ending</u> <u>September 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 300,000	\$ 606,925	\$ 906,925
2015	290,000	597,925	887,925
2016	290,000	589,225	879,225
2017	300,000	580,525	880,525
2018	305,000	571,525	876,525
2019-2023	1,520,000	2,719,325	4,239,325
2024-2028	1,995,000	2,461,025	4,456,025
2029-2033	2,755,000	2,061,875	4,816,875
2034-2038	3,665,000	1,495,125	5,160,125
2039-2042	5,480,000	607,600	6,087,600
	<u>\$ 16,900,000</u>	<u>\$ 12,291,075</u>	<u>\$ 29,191,075</u>

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## **NOTE 8. LONG-TERM DEBT (Continued)**

### ***Bank and intergovernment loans***

#### ***a. Broward County Redevelopment Capital Program – loan I***

On March 8, 2011, the City and the Oakland Park Community Redevelopment Agency (CRA) entered into a loan agreement and promissory note with Broward County Redevelopment Capital Program in the amount of \$1,390,050. The loan is to be used for the acquisition of the property located in downtown area for redevelopment purposes.

The loan may be converted to a grant in part or in full after 5 years, based on the amount of increase in the County's tax base that is generated by redevelopment within the CRA during that period. No payments of principal or interest shall be due in the first 5 years of the loan. If, at the end of 5 years, less than 100% of the loan has been converted to a grant, the amount of loan remaining shall be repaid to the County over a period of 15 years at the Municipal Market Data MMD "A" revenue bond rate in effect at the time repayment begins. An equal amount of principal, plus the interest accrued for the year, shall be made on or before March 31<sup>st</sup> of each year of the fifteen (15) year period, commencing March 31, 2017.

#### ***b. Broward County Redevelopment Capital Program – loan II***

On September 7, 2011, the City and the Oakland Park Community Redevelopment Agency (CRA) entered into a loan agreement and promissory note with Broward County Redevelopment Capital Program in the amount of \$695,393. The loan is to be used for the acquisition of the property in downtown area for future redevelopment.

The loan may be converted to a grant in part or in full after 5 years, based on the amount of increase in the County's tax base that is generated by redevelopment within the CRA during that period. No payments of principal or interest shall be due in the first 5 years of the loan. If, at the end of 5 years, less than 100% of the loan has been converted to a grant, the amount of loan remaining shall be repaid to the County over a period of 15 years at the Municipal Market Data MMD "A" revenue bond rate in effect at the time repayment begins. An equal amount of principal, plus the interest accrued for the year, shall be made on or before September 30<sup>th</sup> of each year of the fifteen (15) year period, commencing September 30, 2017.

#### ***c. Broward County Redevelopment Capital Program – loan III and IV***

On June 30, 2012, the City and the Oakland Park Community Redevelopment Agency (CRA) entered into two loan agreements and promissory notes, loan III and IV, with Broward County Redevelopment Capital Program in the amount of \$751,300 and \$305,000, respectively. The loans are to be used for the acquisition of the properties located in the downtown area for future development.

The loans may be converted to a grant in part or in full after 5 years, based on the amount of increase in the County's tax base that is generated by redevelopment within the CRA during that period. No payments of principal or interest shall be due in the first 5 years of the loan. If, at the end of 5 years, less than 100% of the loan has been converted to a grant, the amount of loan remaining shall be repaid to the County over a period of 15 years at the Municipal Market Data MMD "A" revenue bond rate in effect at the time repayment begins. An equal amount of principal, plus the interest accrued for the year, shall be made on or before June 30<sup>th</sup> of each year of the fifteen (15) year period, commencing June 30, 2018.

**NOTE 8. LONG-TERM DEBT (Continued)**

***Bank and intergovernment loans (continued)***

***d. BB&T Term Loan 2010***

In December 2010, the City entered into a loan with Branch Banking & Trust (BB&T) and issued a 20 year promissory note for \$15,637,000 at 3.7% interest to refund the balance of Florida Municipal Loan Council (FMLC) Revenue bonds, Series 2000B. The outstanding balance of the FMLC loan \$15,025,000 was retired on May 1, 2011. The advance refunding generated a net benefit of \$2,625,888 in cash flows savings and \$1,855,855 economic gain. The new loan principal payments are due on November 1<sup>st</sup> of each year with interest payments due on November 1<sup>st</sup> and May 1<sup>st</sup>. The final principal payment is due on November 1, 2030. As security for loan repayment, the City covenants and agrees to appropriate in its annual budget amounts of non-ad valorem revenues sufficient to satisfy its annual debt service requirements under the loan agreement.

The following table reflects the debt service requirements of the BB&T term loan 2010 as of September 30, 2013:

<u>Fiscal Year ending</u> <u>September 30:</u>	<u>Governmental activities</u>		<u>Business type activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 406,239	\$ 367,786	\$ 171,626	\$ 155,380
2015	422,957	352,445	178,689	148,899
2016	435,566	336,563	184,016	142,189
2017	454,661	320,094	192,083	135,232
2018	469,532	302,996	198,366	128,008
2019-2023	2,619,546	1,236,277	1,106,693	522,296
2024-2028	3,153,053	703,683	1,332,086	297,288
2029-2031	2,181,715	122,977	921,720	51,955
	<u>\$ 10,143,268</u>	<u>\$ 3,742,820</u>	<u>\$ 4,285,278</u>	<u>\$ 1,581,248</u>

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## NOTE 8. LONG-TERM DEBT (Continued)

### Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2013 was as follows:

	<u>Beginning</u>			<u>Ending</u>	<u>Due within</u>
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>a year</u>
<b>Governmental Activities:</b>					
Capital lease 2013	\$ -	\$ 697,394	\$ (7,788)	\$ 689,606	\$ 94,390
Note payable 2007	3,445,652	-	(152,029)	3,293,623	158,825
BB&T Refunding bonds 2010	10,536,890	-	(393,622)	10,143,268	406,239
CRA RCP loan	3,141,743	-	-	3,141,743	-
Less deferred amount	(134,694)		7,448	(127,246)	-
<b>Total bonds and notes payable</b>	<b>16,989,591</b>	<b>697,394</b>	<b>(545,991)</b>	<b>17,140,994</b>	<b>659,454</b>
Other Liabilities:					
Compensated absences	1,697,394	994,942	(1,284,336)	1,408,000	384,570
<b>Governmental activity long-term Liabilities</b>	<b>\$ 18,686,985</b>	<b>\$ 1,692,336</b>	<b>\$ (1,830,327)</b>	<b>\$ 18,548,994</b>	<b>\$ 1,044,024</b>
<b>Business Activities:</b>					
Bonds and Notes payable:					
FLMC 2004	1,530,000	-	(40,000)	1,490,000	45,000
Capital lease 2010	625,805	-	(214,852)	410,953	221,365
Revenue Refunding 2010	14,345,000	-	(280,000)	14,065,000	285,000
BB&T Refunding bonds 2010	4,451,574	-	(166,295)	4,285,279	171,626
Stormwater Bond Series 2011	5,570,000	-	(115,000)	5,455,000	120,000
Water & Sewer Bonds Series 2012	17,175,000	-	(275,000)	16,900,000	300,000
Less deferred amount	(1,158,794)	-	50,494	(1,108,300)	-
<b>Total bonds and notes payable</b>	<b>42,538,585</b>	<b>-</b>	<b>(1,040,653)</b>	<b>41,497,932</b>	<b>1,142,991</b>
Other liabilities:					
Compensated absences	283,356	213,882	(232,252)	264,986	47,697
<b>Business-type activity long-term Liabilities</b>	<b>\$ 42,821,941</b>	<b>\$ 213,882</b>	<b>\$ (1,272,905)</b>	<b>\$ 41,762,918</b>	<b>\$ 1,190,688</b>

For governmental activities, compensated absences are generally liquidated by the General Fund.

## NOTE 9. EMPLOYEE RETIREMENT PLANS

### Summary of Significant Accounting Policies

**Basis of Accounting:** The pension plans are accounted for on the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. City contributions are recognized when due. The Plan follows the guidelines of GASB Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements". The Plan has the option of following subsequent private-sector guidance, issued after November 30, 1989, that does not conflict with, or contradict GASB pronouncements.

**Method Used to Value Investments:** Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Purchases and sales of securities are recorded on a trade-date basis. Net appreciation includes the Plans' gains and losses on investments bought and sold as well as held during the year.

## **NOTE 9. EMPLOYEE RETIREMENT PLANS (Continued)**

### **Plan description, Contribution Information and Funding Policies**

All regular full-time employees are covered by either: (1) the City of Oakland Park 401(a) Plan, a defined contribution plan, administered by independent agents, or (2) the now frozen City of Oakland Park General Employees' Pension Plan ("GEPP"), or (3) the City of Oakland Park Retirement System for Police and Firefighters ("RSP&F"), or (4) the Florida Retirement System ("FRS"), a cost sharing, multi-employer, public employee pension plan, through a defined benefit or a defined contribution plan administered by the Florida Division of Retirement. All full-time and part-time general employees hired after September 30, 2007 are covered by the FRS plans. The City has no fiduciary responsibility for the 401(a) and the FRS plans.

#### **a. Plan Description**

The City's is the sponsor of two single-employer Public Employee Retirement System (PERS) Plans that are administered by two pension boards to provide pension, disability, and death benefits for its employees and beneficiaries. The two plans are the City of Oakland Park General Employees' Pension Plan (GEPP) and the City of Oakland Park Retirement System for Police and Firefighters (RSP&F). The General Employees' Pension Plan and the City of Oakland Park Retirement System for Police and Firefighters are administered by separate Board of Trustees with three (3) and five (5) members, respectively.

The City of Oakland Park General Employees' Pension Plan was established by Referendum on May 1, 1963 (collectively known as the "Referendum") as amended on September 1, 1968, as amended by Ordinances O-76-5 and O-76-25 effective April 1, 1976 and Ordinance O-77-11 effective August 13, 1977. The City amended the plan in August 2011 by ordinance O-2011-21 freezing the accrued benefits on all active participants effective October 1, 2011 and moved those participants to a 401(a) defined contribution plan. At which time, the active participants are considered 100% vested for their accrued credit as of that date.

The City of Oakland Park Retirement System for Police and Firefighters was established on December 3, 1975 by Ordinance O-75-15, as amended by Ordinance O-76-23 dated September 15, 1976, Ordinance O-83-23 dated December 21, 1983, Ordinance O-95-10 adopted July 5, 1995 and Ordinance O-2005-030 adopted September 7, 2005, (collectively known as the "Ordinances").

Each of the Plans (GEPP and RSP&F) issues a publicly available financial report that includes financial statements and required supplementary information. These financial reports may be obtained by writing to the Board of Trustees c/o City of Oakland Park, 3650 N.E. 12<sup>th</sup> Avenue, Oakland Park, Florida 33334.

#### **b. Funding Policy and Funded Status**

In October 2007, the City joined the FRS to provide retirement and survivor benefits to all new hired general employees. On that date, the employees that were in the GEPP plan had the option of making a one-time election of remaining in the GEPP plan or transferring to the FRS plan. Chapter 121, Florida Statutes, established the authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions of the FRS plans. Amendments to the law can only be made by an act of the Florida Legislature. The FRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by contacting the State of Florida Department of Management Services, Division of Retirement, Research, Education and Policy Section, 2639 North Monroe Street, Building C, Tallahassee, Florida 32399-1560 or by calling (850) 488-5706.

**NOTE 9. EMPLOYEE RETIREMENT PLANS (Continued)**

**b. Funding Policy and Funded Status (continued)**

Full-time employees of the City must participate in the Plan appropriate to their positions. There were no employee contributions to the General Employees' Pension Plan prior to July 2009. In June 2009, City Commission passed a resolution requiring GEPP plan participants to contribute 4% of their base wages. The contribution rates for the collective bargaining units are set in their bargaining unit agreements. The GEPP plan was frozen as of September 30, 2011. All active participants were moved to a 401(a) plan which required the participants to contribute 3%. Participants of the Retirement System for Police and Firefighters (RSP&F) were required to contribute 10% if the participant is within 7 years of the normal retirement date on March 1, 2013, otherwise the contribution rate is 8%, same as the participants who are hired on or after March 1, 2013. The employer's annual required contributions for the current year were determined as part of the most recent actuarial valuations. Contribution requirements of the Plan members and the City are established and may be amended by City Ordinance. For fiscal year 2013, the City's required contributions to the General Employees' Pension Plan and the Retirement System for Police and Firefighters were set on fixed amounts at \$2,799,345 and \$2,392,344, respectively.

The funded status of the Plans as of October 1, 2012, the date of the most recent actuarial valuation date is as follows (dollar amounts in thousands):

Pension Plan	(a) Actuarial Value of Assets	(D) Actuarial Liability (AAL) - Entry Age	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a)/(b)	(c) Covered Payroll	UAAL as a Percentage of Covered Payroll (b-a)/(c)
GEPP	\$ 27,815	\$ 44,196	\$ 16,381	62.9%	\$ 4,758	344%
RSP&F	48,511	69,442	20,932	69.9%	4,497	465%

Details of the funding progress are presented as Required Supplemental Information (RSI) following immediately after the Notes to the Basic Financial Statements present multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the AAL for benefits.

On July 1, 2011, the State requires FRS participants to contribute 3%. Prior to that date, the City was required to pay all contributions for employees participating in FRS plans. The contribution rates were 6.3% for senior management and 5.18% for regular employees up until June 30, 2013. Subsequently, the employer contribution rates were changed to 18.31% and 6.95% for each respective class. The City's contribution to the FRS amounted to \$37,919 for senior management class and \$141,776 for regular class employees for the year ended September 30, 2013, which represented 100% of the City's required contribution.

The City offers a defined contribution plan, titled the "401(a) Executive Plan" (the Plan) to senior management. The City contributed 12% to 17% per contracts with each participant. The senior management is required to contribute 3%. The Plan is administered by International City Management Association Retirement Corporation (ICMA) and the Florida Municipal Pension Trust Fund.

**NOTE 9. EMPLOYEE RETIREMENT PLANS (Continued)**

**b. Funding Policy and Funded Status (continued)**

The contribution requirements of covered payroll and actual contributions made for fiscal year 2013 and the two preceding fiscal years for FRS and 401(a) plans were as follows:

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contribution requirements	\$ 653,562	\$ 658,463	\$ 375,884
Contributions made by employer (100%)			
401 (a) Plan	\$ 245,559	\$ 294,946	\$ 96,669
FRS Plan	179,727	136,647	253,274
Contributions made by employees (100%)			
401 (a) Plan	142,210	147,473	5,501
FRS Plan	86,066	79,397	20,440
Total contributions made	<u>\$ 653,562</u>	<u>\$ 658,463</u>	<u>\$ 375,884</u>
Total covered payroll	\$ 7,645,025	\$ 7,568,309	\$ 3,309,534
Percentage of contribution to total covered payroll	8.55%	8.70%	11.36%

**c. Annual Pension Cost and Net Pension Asset or Obligation**

The City's annual pension costs, contribution excess and net pension asset of the City's pension plans as of October 1, 2012, the most recent year actuarial report date were as follows:

	<u>General Employees</u>	<u>Police and Firefighters</u>
Annual required contribution	\$ 2,539,468	\$ 2,557,916
Interest on net pension asset	69,225	(11,342)
Adjustment to annual required contribution	<u>(72,699)</u>	<u>11,781</u>
Annual pension cost	2,535,994	2,558,355
Contribution made	<u>(2,799,345)</u>	<u>(2,557,916)</u>
(increase) decrease in NPA	(263,351)	439
Beginning of year balance	922,999	(146,791)
Net pension obligation (asset), end of year	<u>\$ 659,648</u>	<u>\$ (146,352)</u>

\*The three year trend data presented in the following page represent the most recent year report information. The current year pension cost data is not yet available at the time of publishing this report.

**d. Actuarial Assumptions and Pension Plan Trend Information**

**(a) General Employees' Pension Plan**

The City's annual required contribution for the current year was determined as part of the most recent actuarial valuation dated October 1, 2012 and using the aggregate cost method. The actuarial assumptions for the GEPP plan included (a) 7.5% investment rate of return, and (b) projected salary increases of 5% per year. The assumptions included an inflation component of 2.5%. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period. The unfunded actuarial accrued liability is being amortized as open period level dollar of projected payroll. The remaining amortization period is 30 years.



**NOTE 9. EMPLOYEE RETIREMENT PLANS (Continued)**

**d. Actuarial Assumptions and Pension Plan Trend Information (continued)**

**(a) General Employees' Pension Plan (continued)**

General Employees' Pension Plan  
Three-Year Trend Information

*Year Ended September 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset (Obligation)
2013	\$ 2,535,994	110%	\$ (659,648)
2012	2,819,621	102%	(922,999)
2011	3,269,713	84%	(971,228)

**(b) Retirement System for Police and Firefighters**

Participants are required to contribute 10% of their compensation. The employees' annual required contribution for the current year was determined as part of the most recent actuarial valuation dated October 1, 2012 using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses) and (b) projected salary increases of 5.75% per year. Both (a) and (b) included an inflation component of 3.0%. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll. The remaining amortization period was 30 years.

Premium taxes from the State of Florida contributions of \$371,747 and \$239,602 were recognized as revenues and expenditures in the General Fund.

Retirement System for Police and Firefighters  
Three-Year Trend Information

*Year Ended September 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
2013	\$ 2,558,355	100%	\$ 146,352
2012	2,651,658	100%	146,350
2011	2,284,836	100%	146,791

**e. DROP Plan**

Effective January 3, 2001, the City created a Deferred Retirement Option Plan (DROP) under Ordinance 2001-001. This plan is a defined contribution plan created in accordance with Section 401(a) of the Internal Revenue Code. An active participant of the Police Officers' and Fire Fighters' Retirement System becomes eligible to participate in the DROP upon eligibility for normal service retirement at age 42 with 20 years of creditable service. Upon entry into the DROP, the member's average final compensation and accrued benefits shall be calculated. No change in the plan benefits made subsequent to entry into the DROP shall apply to the member unless otherwise applicable to retired members. Payments shall be made into the employee's DROP account in an amount determined by the employee's selection of the payment option as if the employee had terminated employment in the City. The maximum period of DROP participation is five (5) years.

## **NOTE 9. EMPLOYEE RETIREMENT PLANS (Continued)**

### ***f. Defined Contribution Plan***

The City offers two defined contribution plans, the “401(a) Executive Plan” created in accordance with Internal Revenue Service Code Section 401(a) and Ordinance number 0-77-11 and the General Employee 401(a) Plan by ordinance number O-2011-21. Both plans provide a portable retirement program . If a participant separates from service, the participant may rollover the benefits into the new employers’ pension plan providing the plan permits rollovers. At September 30, 2013, there were eight (8) Executive Plan members. Beginning July 1, 2011, Plan members are required to contribute 3% to the Plan. The City contributed 12% to 17% to the Executive Plan and 5.2% to the General Employee Plan. Provisions of the Plan may be amended by the City Commission. The Plans are administered by International City Management Association Retirement Corporation and the Florida Municipal Pension Trust Fund. The Plans are held in the trust funds for the exclusive benefit of the participants and their beneficiaries, consequently, the City has no fiduciary responsibility and, therefore, the net assets of the Plans are not included in the City’s financial statements. For fiscal year 2013, the amount contributed by the city and the employees were \$340,139 and \$163,950, respectively.

### ***g. Deferred Compensation Plan***

An optional deferred compensation plan is offered to employees in addition to the defined benefit and defined contribution plans. The City adopted provisions of IRS Code 457(g) and GASB Statement No. 32, *Accounting and Financial Reporting for IRS Code Section 457 Deferred Compensation Plans*. All assets and income of the Plan are held in trust for the exclusive benefit of participants. The City makes no investment decisions and has no fiduciary responsibilities regarding the Plan, therefore, the assets and liabilities of the Plan are not included in the City’s financial statements at September 30, 2013. The City currently contributes to the plan for executive management ranging from 1.2% to 14.5% of salaries. For fiscal year 2013, the amount contributed by the city was \$83,162.

## **NOTE 10. OTHER POST EMPLOYMENT BENEFITS (OPEB)**

The City of Oakland Park, Florida provides Post Employment Benefits Other than Pensions (OPEB) to employees as mandated by Florida Statutes 112.0801. The City has no formal plan that administers the City’s post-employment healthcare, dental and life insurance coverage to eligible individuals and includes all regular employees of the City who retire from active service and are eligible for retirement or disability benefits. The City subsidize implicitly by allowing the retirees to participate in the plan. The retirees and their spouses and dependents pay 100% of the blended premium rates to obtain their elected health, dental and other insurance benefits. The blended rates provide an implicit subsidy to them because on an actuarial basis, their current and future claims are expected to result in higher costs to the employer.

### ***a. Funding Policy and Funded Status***

The City is financing the post employment benefits on a pay-as-you-go basis. For fiscal year 2013, twenty retirees received the benefits. Annual cost amounted to \$106,000 for the current fiscal year, toward which the City made an implied contribution of \$60,000. At September 30, 2013, the City recorded a net OPEB obligation of \$705,000 for governmental activities and \$154,000 for business-type activities in its government-wide statement of net assets.

**NOTE 10. OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)**

**a. Funding Policy and Funded Status (continued)**

The funded status of this benefit as of January 1, 2013, the date of the most recent actuarial valuation date (every two years) is as follows:

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL) - Projected	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a)/(b)	(c) Covered Payroll	UAAL as a Percentage of Covered Payroll (b-a)/(c)
1/1/2013	\$ -	\$ 928,000	\$ 928,000	0.0%	\$ 11,027,000	8.4%
1/1/2011		1,339,000	1,339,000	0.0%	12,576,000	10.6%
1/1/2009	-	1,879,000	1,879,000	0.0%	13,149,000	14.3%

The unfunded actuarial accrued liability for benefits as of September 30, 2013 was \$921,000, all of which was unfunded. Detail of the funding progress is provided in a schedule immediately following the notes to the financial statements.

**b. Annual OPEB Cost and Net OPEB Obligation**

The City's annual OPEB cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year to amortize any unfunded actuarial liabilities over a period of ten years, the amount implied contributed to the plan and changes in the City's net OPEB obligation to the retirees as of September 30, 2013:

	Governmental Activities	Business-type Activities	Total
Annual required contribution	\$ 140,000	\$ 29,000	\$ 169,000
Interest on net OPEB obligation	27,000	6,000	33,000
Adjustment to ARC	(79,000)	(17,000)	(96,000)
Annual OPEB cost	88,000	18,000	106,000
Employer Contribution	(51,000)	(9,000)	(60,000)
Interest on employer contribution	(1,000)	-	(1,000)
Increase in net OPEB obligation	36,000	9,000	45,000
Net OPEB obligation, beg. of year	669,000	145,000	814,000
Net OPEB obligation, end of year	\$ 705,000	\$ 154,000	\$ 859,000

The annual OPEB cost, the percentage of annual OPEB cost contributed and the net OPEB obligation for the last three years were:

Year ended September 30	Annual OPEB cost	Employer Contribution	(A) Percentage Contributed	Net OPEB asset (obligation)
2013	\$ 106,000	\$ 60,000	58%	\$ (859,000)
2012	222,000	69,000	32%	(814,000)
2011	223,000	59,000	27%	(662,000)

**NOTE 10. OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)**

**c. Actuarial Methods and Assumptions**

Actuarial valuation of an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Assumptions include future employment, termination, mortality and health cost trends. Amounts determined regarding the funded status and the required contributions are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits are based on the substantive plan provisions and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefits costs between the employer and participating members. The actuarial methods and assumptions summarized below are techniques used that are designed to reduce the effects of short term volatility in its accrued liabilities, consistent with the long term perspective of the calculations.

Valuation date	1/1/2013
Actuarial cost method	Projected unit credit
Amortization method	10-year open period, level dollar payment
Actuarial assumptions:	
Investment rate of return*	4%
Inflation rate	2.5%
Healthcare cost trend rate	8% for 2013 graded to 5.5% for 2018
Ultimate rate	5%

**NOTE 11. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters for which the City carries commercial insurance. The City purchases commercial insurance for all types of claims with nominal deductible amount. There has not been any significant change in insurance coverage. Settled claims have not exceeded commercial coverage limitations in any of the past three fiscals.

**NOTE 12. COMMITMENTS AND CONTINGENCIES**

**a. Contingencies**

The City is currently a defendant in several pending claims and legal proceedings incidental to the operations of the City. The City is aggressively defending each action. The ultimate liability related to these claims is not presently determinable. Furthermore, it is the opinion of the City's management and legal counsel that the final resolution of these claims and legal proceedings would not have a material adverse effect on the financial condition of the City.

**b. Grants**

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

**c. Police Services**

Effective October 1, 2005, the City entered into a five year contract with the Broward Sheriff's Office (BSO) for police services. The contract called for the City to pay BSO approximately \$981,570 per month for the first year, plus actual fuel usage charged by the City. Annual future increases will be

## NOTE 12. COMMITMENTS AND CONTINGENCIES (Continued)

### c. *Police Services (continued)*

based on BSO's budgeted costs but in no event will the increase be more than 5% over the budgeted costs for the preceding year. BSO is obligated to reimburse the City for any staffing shortages. The City recorded expenses of \$12,942,742 under the contract for the fiscal year ended September 30, 2013.

At the date of the contract in August 2000, the City had eleven police officers that were eligible for retirement. The accrued compensated absence amount for these officers was approximately \$131,130 at September 30, 2013, which remains the responsibility of the City. This liability is recorded in the General Fund as accrued compensated absences with the funds maintained in a separate bank account. The compensated absences liability for the remaining officers was transferred to the BSO.

### d. *Wastewater Services Interlocal Agreement*

On April 20, 1982 and November 2, 1988, the City entered into an agreement with Broward County, Florida and the City of Fort Lauderdale, respectively, for the transmission, treatment and disposal of wastewater. The charges for service provided by the County include operating, maintenance and debt service charges for the facilities and the County Improvement, Repair, and Replacement Fund Surcharge. The charges are adjusted annually based upon actual costs incurred in the prior year. For the fiscal year ended September 30, 2013, the City recorded expenses of \$921,197 and \$3,113,509 under the Broward County and the Fort Lauderdale, respectively.

These agreements will continue in existence and cannot be canceled on any condition except by mutual agreement between the City, Broward County and City of Fort Lauderdale. Management considers cancellation of this agreement remote. In addition, future payments under this agreement cannot be estimated.

### e. *Construction Commitments*

The City has the following outstanding construction commitments as of September 30, 2013:

Water and Sewer Improvement	\$ 2,489,722
Stormwater drainage	1,060,366
Street repair and construction	1,510,859
Other improvements	37,850
	<u>\$ 5,098,797</u>

## NOTE 13. SUBSEQUENT EVENTS

The City's Management evaluated subsequent events through April 10, 2014, the date the financial statements were available to be issued. Events or transactions occurring after September 30, 2013, but prior to April 10, 2014, that provided additional evidence about conditions that existed at September 30, 2013, have been recognized in the financial statements for the year ended September 30, 2013. Events or transactions that provided evidence about conditions that did not exist at September 30, 2013, but arose before the financial statements were available to be issued, have not been recognized in the financial statements for the year ended September 30, 2013.

**NOTE 14. NEW FINANCIAL STANDARDS NOT YET IMPLEMENTED**

GASB Statement 65, *Items Previously Reported as Assets and liabilities*; Statement 66 *Technical Corrections, an amendment of GASB No. 10 and No. 62*; Statement 67, *Financial Reporting for Pension Plans*; Statement 68 *Accounting and Financial Reporting for Pensions*, Statement 69, *Government Combinations and Disposals of Government Operations*, Statement 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees* and Statement 71, *Pension Transition for contributions Made Subsequent to the Measurement Date*. The City has not elected early implementation and, therefore, has not determined the financial statement impact, if any, of these new pronouncements.

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**REQUIRED SUPPLEMENTARY INFORMATION**

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**CITY OF OAKLAND PARK, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**  
**(BUDGETARY BASIS)**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Taxes:				
Property	\$ 12,760,156	\$ 12,827,400	\$ 12,831,277	\$ 3,877
Franchise fees	2,411,526	2,411,526	2,424,270	12,744
Utility taxes	3,849,837	3,933,000	4,059,906	126,906
Communications service taxes	1,978,600	1,978,600	1,803,813	(174,787)
Other taxes	1,587,118	1,595,287	1,674,676	79,389
Licenses and permits	1,062,962	1,107,681	1,239,921	132,240
Intergovernmental	3,628,884	3,686,971	3,713,871	26,900
Charges for services	11,521,518	11,535,442	11,479,964	(55,478)
Fines and forfeitures	457,500	308,913	379,023	70,110
Investment earnings	50,000	50,000	41,905	(8,095)
Grants	2,700	2,700	44,109	41,409
Other	261,607	330,198	393,636	63,438
Total revenues	<u>39,572,408</u>	<u>39,767,718</u>	<u>40,086,371</u>	<u>318,653</u>
<b>Expenditures:</b>				
Current:				
General government:				
City commission	157,786	159,688	153,109	6,579
City manager	568,495	617,735	598,810	18,925
City clerk	682,231	657,249	573,951	83,298
Human resources	1,039,017	1,021,161	997,828	23,333
Legal	265,000	265,000	254,695	10,305
Financial service	1,159,248	1,171,566	1,067,091	104,475
Information technology service	1,312,271	1,222,048	782,533	439,515
Non-departmental	178,131	78,550	44,591	33,959
Total general government	<u>5,362,179</u>	<u>5,192,997</u>	<u>4,472,608</u>	<u>720,389</u>
Public safety:				
Police	12,992,390	12,992,390	12,942,742	49,648
Fire Rescue	9,469,000	9,453,525	9,260,884	192,641
Total public safety	<u>22,461,390</u>	<u>22,445,915</u>	<u>22,203,626</u>	<u>242,289</u>
Public works:				
Administration	143,524	136,385	114,280	22,105
Street	1,090,031	1,093,583	930,280	163,303
Building and maintenance	935,135	852,980	771,836	81,144
Garage	1,492,298	1,581,831	1,505,415	76,416
Total public works	<u>3,660,988</u>	<u>3,664,779</u>	<u>3,321,811</u>	<u>342,968</u>
Engineering and community develop.:				
Engineering	1,114,667	1,147,146	1,041,940	105,206
Community development	2,043,292	2,093,488	1,928,344	165,144
Total engineering and comm dev.	<u>3,157,959</u>	<u>3,240,634</u>	<u>2,970,284</u>	<u>270,350</u>
Culture/recreation:				
Library	572,542	599,129	566,562	32,567
Parks and recreation	4,769,619	4,695,464	4,275,579	419,885
Total culture/recreation	<u>5,342,161</u>	<u>5,294,593</u>	<u>4,842,141</u>	<u>452,452</u>
Total expenditures	<u>39,984,677</u>	<u>39,838,918</u>	<u>37,810,470</u>	<u>2,028,448</u>
Excess of revenues over expenditures	(412,269)	(71,200)	2,275,901	2,347,101
Other financing sources (uses):				
Loan proceeds	700,000	700,000	697,394	(2,606)
Transfers in	260,000	260,000	260,000	-
Transfers out	(2,987,168)	(3,202,215)	(3,141,270)	60,945
Net change in fund balance	<u>\$ (2,439,437)</u>	<u>\$ (2,313,415)</u>	<u>92,025</u>	<u>\$ 2,405,440</u>
Fund balance, beginning			15,945,172	
Fund balance, ending			<u>\$ 16,037,197</u>	

See notes to budgetary comparison schedule.



**CITY OF OAKLAND PARK, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**OAKLAND PARK CRA FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**  
**(BUDGETARY BASIS)**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Other revenues	\$ 71,422	\$ 71,422	\$ 101,538	\$ 30,116
Investments earnings	-	-	161	161
Total revenues	<u>71,422</u>	<u>71,422</u>	<u>101,699</u>	<u>30,277</u>
<b>Expenditures:</b>				
Current:				
Engineering and community develop.	615,740	665,465	560,312	105,153
Capital outlay	<u>1,436,302</u>	<u>1,501,886</u>	<u>1,162,188</u>	<u>339,698</u>
Total expenditures	<u>2,052,042</u>	<u>2,167,351</u>	<u>1,722,500</u>	<u>444,851</u>
Deficiency of revenues over expenditures	(1,980,620)	(2,095,929)	(1,620,801)	475,128
Other financing sources (uses):				
Loan Proceeds	1,290,045	1,300,045	-	(1,300,045)
Transfers in	<u>690,575</u>	<u>774,725</u>	<u>679,071</u>	<u>(95,654)</u>
Total other financing sources	<u>1,980,620</u>	<u>2,074,770</u>	<u>679,071</u>	<u>(1,395,699)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (21,159)</u>	(941,730)	<u>\$ (920,571)</u>
Fund balance, beginning			<u>(442,613)</u>	
Fund balance, end			<u>\$ (1,384,343)</u>	

See notes to budgetary comparison schedule.

**CITY OF OAKLAND PARK, FLORIDA**  
**NOTES TO BUDGETARY COMPARISON SCHEDULE**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

The following procedures are used to establish the budgetary data reflected in the financial statements:

***Budgetary Information***

Annual appropriated budgets are adopted for the general fund and the CRA special revenue fund on a basis consistent with accounting principles generally accepted in the United States of America (GAAP), except for encumbrances, which are reported as expenditures for budgetary purposes. In addition, the City prepares annual operating budgets for the enterprise funds.

During the month of July each year, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing October 1. This budget includes proposed expenditures as well as the expected means of financing them. The Commission holds public hearings and a final budget must be prepared and adopted no later than October 1.

The appropriated budget is prepared by fund, function and department. The City Manager is authorized to transfer budgeted line items within a department classification; however, any revisions that alter the department totals must be approved by the City Commission. Therefore, the department level is the legal level of budgetary control. General Fund supplemental appropriations amounted to \$69,288 for the fiscal year ended September 30, 2013. Budgeted amounts are as originally adopted or as amended. Individual type amendments were not material in relation to the original appropriations.

Encumbrance accounting is employed in governmental funds. All unencumbered appropriations lapse at year end are re-budgeted in the next fiscal year.

***Budgetary/GAAP Reconciliation***

There are no reconciling items between GAAP and Budget.

**CITY OF OAKLAND PARK, FLORIDA  
PENSION TRUST FUNDS**  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF FUNDING PROGRESS

(In thousands)

SEPTEMBER 30, 2013

(Unaudited)

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL) - Entry Age	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a)/(b)	(c) Covered Payroll	UAAL as a Percentage of Covered Payroll (b- a)/(c)
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CITY OF OAKLAND PARK GENERAL EMPLOYEES' PENSION PLAN (GEPP)

10/1/2013	\$ 27,815	\$ 44,196	\$ 16,381	62.9%	\$ 4,758	344%
10/1/2012	22,962	44,087	19,124	56.6%	5,153	371%
10/1/2011	22,600	44,598	21,998	50.7%	5,386	408%
10/1/2010	20,986	47,067	26,081	44.6%	6,281	415%
10/1/2009	21,133	44,782	23,650	47.2%	6,738	351%
10/1/2008	21,539	38,581	17,042	55.8%	7,209	236%
10/1/2007	21,821	37,018	15,197	58.9%	7,387	206%
10/1/2006	21,133	34,861	13,728	60.6%	8,106	169%
10/1/2005	20,553	33,105	12,552	62.0%	7,248	174%
10/1/2004	21,570	31,693	10,123	68.1%	6,293	161%

CITY OF OAKLAND PARK RETIREMENT SYSTEM FOR POLICE AND FIREFIGHTERS (RSP&F)

10/1/2013	\$ 48,511	\$ 69,442	\$ 20,932	69.9%	\$ 4,497	465%
10/1/2012	45,945	68,062	22,117	67.5%	4,561	484%
10/1/2011	43,878	68,557	24,679	64.0%	5,087	485%
10/1/2010	43,666	66,387	22,721	65.8%	5,324	427%
10/1/2009	45,395	64,951	19,556	69.9%	5,827	336%
10/1/2008	46,826	60,407	13,581	77.5%	6,006	226%
10/1/2007	46,510	58,204	11,694	79.9%	6,095	192%
10/1/2006	43,845	55,951	12,106	78.4%	6,604	183%
10/1/2005	40,764	50,627	9,863	80.5%	6,095	162%
10/1/2004	37,705	47,581	9,876	79.2%	5,643	175%

**CITY OF OAKLAND PARK, FLORIDA  
PENSION TRUST FUNDS  
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS  
SEPTEMBER 30, 2013  
(Unaudited)**

Year Ended September 30	(A) Annual Required Contribution	Employer Contribution	(B) Percentage Contributed
<b>CITY OF OAKLAND PARK GENERAL EMPLOYEES' PENSION PLAN</b>			
2013	\$ 2,539,468	\$ 2,799,345	110%
2012	2,823,277	2,867,850	102%
2011	3,273,274	3,244,632	99%
2010	3,051,661	2,556,393	84%
2009	2,911,125	2,348,104	82%
2008	2,279,923	1,669,827	73%
2007	1,775,701	1,823,084	103%
2006	1,343,460	1,606,237	120%
2005	1,210,364	1,290,837	107%
2004	1,161,079	1,259,771	109%
<b>CITY OF OAKLAND PARK RETIREMENT SYSTEM FOR POLICE AND FIREFIGHTERS</b>			
2013	\$ 2,557,916	\$ 2,557,916	100%
2011	2,284,394	2,284,394	100%
2010	1,962,037	1,962,037	100%
2009	1,979,938	1,979,938	100%
2008	2,004,541	2,004,541	100%
2007	1,479,862	1,479,862	100%
2006	1,522,223	1,522,223	100%
2005	1,774,056	1,774,056	100%
2004	1,622,574	1,622,574	100%

(A) Actuarially determined contributions requirements.

(B) Total actual contributions as a percentage of annual required contributions.

**CITY OF OAKLAND PARK, FLORIDA**  
**OTHER POSTEMPLOYMENT BENEFITS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF FUNDING PROGRESS**  
(In thousands)  
**SEPTEMBER 30, 2013**  
(Unaudited)

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL) - Projected	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a)/(b)	(c) Covered Payroll	UAAL as a Percentage of Covered Payroll (b-a)/(c)
1/1/2013	\$ -	\$ 928,000	\$ 928,000	0.0%	\$ 11,027,000	8.4%
1/1/2011		1,339,000	1,339,000	0.0%	12,576,000	10.6%
1/1/2009	-	1,879,000	1,879,000	0.0%	13,149,000	14.3%

Note: The above schedule reflects data for two years only due to the report being done bennially.

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**SEPTEMBER 30, 2013**  
(Unaudited)

Year ended September 30	Annual OPEB cost	Imputed Employer Contribution	(A) Percentage Contributed	Net OPEB asset (obligation)
2013	\$ 106,000	\$ 60,000	58%	\$ (859,000)
2012	222,000	69,000	32%	(814,000)
2011	223,000	59,000	27%	(662,000)
2010	340,000	95,000	28%	(499,000)

(A) Total actual contributions as a percentage of annual required contributions.

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**COMBINING AND INDIVIDUAL FUND  
STATEMENTS**

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## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for proceeds of resources that are legally restricted or committed for particular purposes and comprise of substantial inflow reported in the funds.

**Grants Fund**– to account for all grant monies and related program income from various grants such as firefighter’s assistance, law enforcement, federal equitable sharing, library, etc.

**Impact Fee Fund** – to account for impact fee related revenues from developer contributions, Downtown Mixed Use and the Federal Highway Overlay pursuant to City Ordinances.

### CAPITAL PROJECTS FUND

Capital project funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

**Capital Projects Fund** – to account for the acquisition and construction of major capital projects that are financed from general government resources and intergovernmental grants.

### DEBT SERVICE FUND

Debt Service funds are used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs.

**Debt Service Fund**– to account for the accumulation of transfers from other funds the debt services of various loan agreements.

**CITY OF OAKLAND PARK, FLORIDA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2013**

	<b>Special Revenue</b>				<b>Total</b>
	<b>Grant</b>	<b>Impact Fee</b>	<b>Debt</b>	<b>Capital</b>	<b>Nonmajor</b>
	<b>Fund</b>	<b>Fund</b>	<b>Service</b>	<b>Projects</b>	<b>Governmental</b>
	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 529,385	\$ 145,322	\$ 11,516	\$ -	\$ 686,223
Accounts receivable	-	-	-	457,539	457,539
Prepaid expenses	-	-	-	626,342	626,342
Restricted cash and cash equivalents	-	478,755	-	1,403,230	1,881,985
Total assets	\$ 529,385	\$ 624,077	\$ 11,516	\$ 2,487,111	\$ 3,652,089
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 2,697	\$ -	\$ -	\$ 188,179	190,876
Deferred and unearned revenues	6,355	460,271	-	457,539	924,165
Advance from other funds	-	112,971	-	-	112,971
Total liabilities	9,052	573,242	-	645,718	1,228,012
<b>FUND BALANCES</b>					
Restricted for:					
Fire station facility	-	42,491	-	-	42,491
Park development	-	18,483	-	-	18,483
Library	28,172	-	-	-	28,172
Public safety	477,321	-	-	-	477,321
Tree preservation	-	102,832	-	-	102,832
Assigned to:					
Parks and recreation	14,840	-	-	-	14,840
Debt service	-	-	11,516	-	11,516
Capital projects	-	-	-	1,841,393	1,841,393
Unassigned:					
-	-	(112,971)	-	-	(112,971)
Total fund balances	520,333	50,835	11,516	1,841,393	2,424,077
<b>Total liabilities, deferred inflows</b>					
<b>of resources and fund balances</b>	\$ 529,385	\$ 624,077	\$ 11,516	\$ 2,487,111	\$ 3,652,089



**CITY OF OAKLAND PARK, FLORIDA**  
 COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>Special Revenue</u>				<b>Total Nonmajor Governmental Fund</b>
	<b>Grant Fund</b>	<b>Impact Fee Fund</b>	<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	
<b>Revenues:</b>					
Grants	\$ 123,345	\$ -	\$ -	\$ 1,145,926	\$ 1,269,271
Investment earnings (loss)	1,044	1,255	-	5,428	7,727
Licenses and permits	-	11,291	-	-	11,291
Fines and forfeitures	93,755	-	-	-	93,755
Other	-	-	-	-	-
Total revenues	<u>218,144</u>	<u>12,546</u>	<u>-</u>	<u>1,151,354</u>	<u>1,382,044</u>
<b>Expenditures:</b>					
Current:					
Public safety	69,422	-	-	-	69,422
Public works	-	-	-	-	-
Culture and recreation	29,153	7,420	-	-	36,573
Debt service:					
Principal	-	-	553,439	-	553,439
Interest	-	-	533,841	-	533,841
Capital Outlay	-	19,173	-	2,794,380	2,813,553
Total expenditures	<u>98,575</u>	<u>26,593</u>	<u>1,087,280</u>	<u>2,794,380</u>	<u>4,006,828</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>119,569</u>	<u>(14,047)</u>	<u>(1,087,280)</u>	<u>(1,643,026)</u>	<u>(2,624,784)</u>
<b>Other financing sources:</b>					
Transfers in	-	-	1,087,709	1,509,518	2,597,227
Transfers out	(160,000)	(200,603)	-	(34,425)	(395,028)
Total other financing sources	<u>(160,000)</u>	<u>(200,603)</u>	<u>1,087,709</u>	<u>1,475,093</u>	<u>2,202,199</u>
<b>Net change in fund balance</b>	(40,431)	(214,650)	429	(167,933)	(422,585)
<b>Fund balance, beginning</b>	<u>560,764</u>	<u>265,485</u>	<u>11,087</u>	<u>2,009,326</u>	<u>2,846,662</u>
<b>Fund balance, ending</b>	<u>\$ 520,333</u>	<u>\$ 50,835</u>	<u>\$ 11,516</u>	<u>\$ 1,841,393</u>	<u>\$ 2,424,077</u>

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## **PENSION TRUST FUNDS**

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**Employee Retirement Funds** — To account for the accumulation of resources to be used for retirement benefits for the City's General Employees and Police Officers and Firefighters.

**CITY OF OAKLAND PARK, FLORIDA**  
Combining Statement of Fiduciary Net Position  
Pension Trust Funds  
September 30, 2013

	<u>General Employees Pension Fund</u>	<u>Police and Firefighters Pension Fund</u>	<u>Total</u>
<b>Assets</b>			
Cash and short-term investments	\$ 352,163	\$ 1,408,355	\$ 1,760,518
Receivables:			
Contributions	-	193,533	193,533
Accounts	-	12,654	12,654
Accrued interest and dividends	-	143,821	143,821
Total receivables	<u>-</u>	<u>350,008</u>	<u>350,008</u>
Investments, at fair value:			
U.S. Government and agency securities	-	7,851,030	7,851,030
Corporate bonds and notes	-	6,203,892	6,203,892
Mutual funds	31,662,657	2,474,977	34,137,634
Common stocks	-	30,844,974	30,844,974
International equity fund	-	6,000,960	6,000,960
Total investments	<u>31,662,657</u>	<u>53,375,833</u>	<u>85,038,490</u>
Prepayments	<u>-</u>	<u>4,554</u>	<u>4,554</u>
Total assets	<u>32,014,820</u>	<u>55,138,750</u>	<u>87,153,570</u>
<b>Liabilities</b>			
Accounts payable and accrued expenses	-	115,470	115,470
Payable for securities purchased	-	21,617	21,617
DROP plan payable	-	1,353,634	1,353,634
Total liabilities	<u>-</u>	<u>1,490,721</u>	<u>1,490,721</u>
<b>Net Position</b>			
Net position held in trust for pension benefits	<u>\$ 32,014,820</u>	<u>\$ 53,648,029</u>	<u>\$ 85,662,849</u>

**CITY OF OAKLAND PARK, FLORIDA**  
Combining Statement of of Changes in Fiduciary Net Position  
Pension Trust Funds  
For the Year ended September 30, 2013

	<u>General Employees Pension Fund</u>	<u>Police and Firefighters Pension Fund</u>	<u>Total</u>
<b>Additions</b>			
Contributions:			
Plan members	\$ -	435,229	\$ 435,229
City	2,192,097	1,681,039	3,873,136
State of Florida	-	611,349	611,349
Broward Sheriff's Office	-	535,265	535,265
Total contributions	<u>2,192,097</u>	<u>3,262,882</u>	<u>5,454,979</u>
Investment income:			
Investment earnings	-	1,493,835	1,493,835
Net appreciation (depreciation) in fair value of investments	4,063,920	3,620,015	7,683,935
Total	4,063,920	5,113,850	9,177,770
Less:			
Investment expenses	-	(279,524)	(279,524)
Deferred retirement option plan participants' earnings	-	(112,603)	(112,603)
Net investment income	<u>4,063,920</u>	<u>4,721,723</u>	<u>8,785,643</u>
Misc. income:	2,421	-	2,421
Total additions	<u>6,258,438</u>	<u>7,984,605</u>	<u>14,243,043</u>
<b>Deductions:</b>			
Pension benefits paid	2,852,768	5,009,307	7,862,075
Contributions refunded	-	81,698	81,698
Administrative expenses	94,301	132,432	226,733
Total deductions	<u>2,947,069</u>	<u>5,223,437</u>	<u>8,170,506</u>
Change in net position	3,311,369	2,761,168	6,072,537
Net position, beginning	<u>28,703,451</u>	<u>50,886,861</u>	<u>79,590,312</u>
Net position, ending	<u>\$ 32,014,820</u>	<u>\$ 53,648,029</u>	<u>\$ 85,662,849</u>

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## **STATISTICAL SECTION**

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# City of Oakland Park, Florida

## Statistical Section

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

Contents	Page
<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.	
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Changes in Net Assets	76-77
Fund Balances, Governmental Funds	78
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<b>Revenue Capacity</b> – These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	
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<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.	
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<b>Operating Information</b> – these schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	
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**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented Statement 34 in fiscal year 2003; schedules presenting government-wide information include information beginning that year.

**City of Oakland Park, Florida  
Net Position by Component  
Last Ten Fiscal Years  
(Accrual Basis)**

	Fiscal Year										
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	
<b>Governmental activities</b>											
Net Invested in Capital Assets	\$ 17,166,452	\$ 17,816,772	\$ 39,818,067	\$ 53,895,457	\$ 55,337,625	\$ 60,159,043	\$ 65,305,447	\$ 64,905,390	\$ 65,134,366	\$ 66,684,747	
Restricted for:											
Special Revenue	693,536	1,744,181	1,584,674	2,053,253	2,300,353	2,258,736	314,815	769,920	987,573	684,139	
Capital projects	-	-	3,091,947	-	3,772,193	3,080,491	2,360,589	2,955,884	2,279,506	-	
Debt service	-	-	-	-	230	164	-	-	-	-	
Unrestricted	8,221,283	11,480,101	13,558,532	16,003,939	17,193,338	15,662,924	16,981,530	14,908,051	12,004,977	13,993,521	
Total governmental activities net position	\$ 26,081,271	\$ 31,041,054	\$ 58,053,220	\$ 71,952,649	\$ 78,603,739	\$ 81,161,358	\$ 84,962,381	\$ 83,539,245	\$ 80,406,422	\$ 81,362,407	
<b>Business-type activities</b>											
Net Invested in Capital Assets	\$ 21,877,711	\$ 20,580,381	\$ 33,130,758	\$ 43,576,892	\$ 45,517,049	\$ 46,578,666	\$ 55,756,450	\$ 59,006,190	\$ 65,033,304	\$ 62,752,703	
Restricted for:											
Capital projects	-	-	2,803,228	4,685,729	4,764,600	8,189,442	4,611,848	2,385,823	-	-	
Debt service	-	-	609,886	643,563	660,082	-	-	-	-	-	
Unrestricted	6,935,027	12,121,837	9,486,478	8,310,013	9,271,111	6,603,580	6,250,513	10,359,372	11,020,934	17,709,020	
Total business-type activities net position	\$ 28,812,738	\$ 32,702,218	\$ 46,030,350	\$ 57,216,197	\$ 60,212,842	\$ 61,371,688	\$ 66,618,811	\$ 71,751,385	\$ 76,054,238	\$ 80,461,723	
<b>Primary Government</b>											
Net Invested in Capital Assets	\$ 39,044,163	\$ 38,397,153	\$ 72,948,825	\$ 97,472,349	\$ 100,854,674	\$ 106,737,709	\$ 121,061,897	\$ 123,911,580	\$ 130,167,670	\$ 129,437,450	
Restricted for:											
Special revenue	693,536	1,744,181	1,584,674	2,053,253	2,300,353	2,258,736	314,815	769,920	987,573	684,139	
Capital projects	-	-	5,895,175	4,685,729	9,115,172	11,269,933	6,972,437	5,341,707	2,279,506	-	
Debt service	-	-	609,886	643,563	660,082	164	-	-	-	-	
Unrestricted	15,156,310	23,601,938	23,045,010	24,313,952	25,886,070	22,266,504	23,232,043	25,267,423	23,025,911	31,702,541	
Total primary government net position	\$ 54,894,009	\$ 63,743,272	\$ 104,083,570	\$ 129,168,846	\$ 138,816,351	\$ 142,533,046	\$ 151,581,192	\$ 155,290,630	\$ 156,460,660	\$ 161,824,130	

Source: City of Oakland Park Financial Services Department  
Note: The City began to report accrual information when it implemented Statement 34 in fiscal year 2003.

**City of Oakland Park, Florida  
Changes in Fund Net Position  
Last Ten Fiscal Years  
(Accrual Basis)**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses</b>										
Governmental activities:										
General government	\$ 1,712,799	\$ 2,202,904	\$ 2,103,482	\$ 2,747,577	\$ 2,504,226	\$ 2,621,516	\$ 2,438,500	\$ 1,258,173	\$ 997,799	\$ 337,068
Public safety	15,674,753	16,103,824	19,367,880	19,706,593	20,228,595	21,277,262	22,438,120	22,515,601	21,819,794	21,923,435
Public works	2,139,947	2,081,813	2,504,491	3,022,188	3,357,843	3,618,324	3,537,960	3,631,164	5,139,923	4,651,117
Eng. & Community development	1,794,526	2,164,273	3,013,221	3,677,618	3,621,683	3,720,899	3,347,367	3,547,260	3,641,854	3,600,636
Culture and recreation	2,800,637	3,836,060	5,417,599	5,893,269	5,959,675	6,157,143	6,079,667	5,943,331	5,854,059	5,372,980
Interest on long term debt	671,834	695,396	699,745	675,693	821,630	802,500	772,769	814,840	554,176	532,350
Total governmental activities expenses	24,794,496	27,084,270	33,106,418	35,722,938	36,493,652	38,197,644	38,614,383	37,710,369	38,007,605	36,417,586
Business type activities										
Water and sewer	10,249,142	10,441,850	11,415,278	10,742,644	10,720,150	11,178,014	13,053,032	12,740,960	14,038,761	\$ 14,034,929
Solid waste	6,187,699	6,250,985	12,915,506	7,854,687	8,324,405	7,965,651	7,912,295	7,525,930	6,356,474	6,319,981
Stormwater	1,394,443	1,483,702	2,243,826	2,268,894	2,732,743	3,081,617	3,193,029	3,054,220	3,250,247	3,151,444
Total business type activities expenses	17,831,284	18,176,537	26,574,610	20,866,225	21,777,298	22,225,282	24,158,356	23,321,110	23,645,482	23,506,354
Total primary government expenses	\$ 42,625,780	\$ 45,260,807	\$ 59,681,028	\$ 56,589,163	\$ 58,270,950	\$ 60,422,926	\$ 62,772,739	\$ 61,031,479	\$ 61,653,087	\$ 59,923,940
<b>Program Revenues</b>										
Governmental activities										
Charges for services										
General government	\$ 183,406	\$ 899,381	\$ 1,507,299	\$ 1,219,655	\$ 955,459	\$ 956,841	\$ 943,405	\$ 689,905	\$ 665,305	\$ 639,536
Public safety	5,909,919	5,469,039	4,872,595	4,828,244	5,066,973	5,072,237	4,966,694	5,134,575	5,866,561	6,533,279
Eng. & Community development	1,232,073	1,389,814	2,191,517	2,438,051	1,677,335	1,117,734	1,362,529	998,090	1,243,449	1,297,196
Culture/Recreation	213,988	302,712	343,236	379,335	598,886	560,744	515,184	539,417	525,175	517,130
Operating grants and contributions	382,685	703,676	475,785	188,947	310,177	120,206	235,638	657,434	350,691	104,729
Capital grants and contributions	940,703	732,177	338,355	2,128,013	3,488,515	3,443,900	6,056,025	1,815,646	482,974	1,356,205
Total governmental activities program revenues	8,862,774	9,496,799	9,728,787	11,182,245	12,097,345	11,271,662	14,079,475	9,835,067	9,114,155	10,448,075
Business type activities										
Charges for services:										
Water and sewer	11,870,451	11,913,397	11,693,294	11,401,508	10,861,223	11,471,826	12,913,904	14,292,649	15,232,281	16,399,284
Solid waste	6,881,224	6,777,094	8,582,611	8,282,327	8,593,925	8,744,276	7,340,028	7,294,361	6,527,762	7,303,375
Stormwater	2,293,062	2,474,389	3,210,335	3,149,698	2,993,510	2,886,472	2,851,607	2,795,721	3,129,533	3,154,975
Operating grants and contributions	-	331,624	4,941,598	294,232	348	-	6,000	334,879	413,722	764,026
Capital grants and contributions	-	571,473	658,315	5,600,599	2,463,321	561,885	6,024,995	2,896,277	2,541,022	196,520
Total business type activities program revenues	21,044,737	22,067,977	29,086,153	28,728,364	24,912,327	23,664,459	29,136,534	27,553,887	27,844,320	27,818,180
Total primary government program revenues	\$ 29,907,511	\$ 31,564,776	\$ 38,814,940	\$ 39,910,609	\$ 37,009,672	\$ 34,936,121	\$ 43,216,009	\$ 37,388,954	\$ 36,958,475	\$ 38,266,255
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (15,931,722)	\$ (17,587,471)	\$ (23,377,631)	\$ (24,540,693)	\$ (24,396,307)	\$ (26,925,982)	\$ (24,534,908)	\$ (27,875,302)	\$ (28,893,450)	\$ (25,969,511)
Business type activities	3,213,453	3,891,440	2,511,543	7,862,139	3,135,029	1,439,177	4,978,178	4,232,777	4,198,838	4,311,826
Total primary government net expense	\$ (12,718,269)	\$ (13,696,031)	\$ (20,866,088)	\$ (16,678,554)	\$ (21,261,278)	\$ (25,486,805)	\$ (19,556,730)	\$ (23,642,525)	\$ (24,694,612)	\$ (21,657,685)

(Continued)



**City of Oakland Park, Florida  
Changes in Fund Net Position  
Last Ten Fiscal Years  
(Accrual Basis)**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes:										
Ad valorem	\$ 9,832,684	\$ 10,888,858	\$ 14,750,985	\$ 17,163,113	\$ 16,244,067	\$ 16,052,029	\$ 14,905,227	\$ 12,632,161	\$ 12,150,587	\$ 12,831,277
Franchise fees	1,955,397	2,058,438	2,622,372	3,066,551	3,052,000	2,938,113	2,647,258	2,569,590	2,457,781	2,424,270
Utility taxes	4,794,523	4,894,914	3,288,220	3,368,683	3,376,226	3,275,238	3,576,651	3,676,217	3,760,525	4,059,906
Communication service taxes	-	-	2,195,104	2,197,071	2,207,164	2,614,835	2,245,920	2,025,458	1,935,672	1,803,813
Other taxes	-	-	804,371	781,076	1,161,605	1,133,684	1,660,518	1,634,116	1,668,976	1,674,677
Unrestricted investment earnings	210,847	624,202	1,322,084	1,939,118	911,087	31,459	91,123	68,935	83,304	49,793
Intergovernmental revenue - unrestricted	3,372,347	3,660,842	4,574,494	4,343,402	3,575,248	3,181,234	3,196,371	3,337,877	3,446,807	3,713,871
Miscellaneous						(23,991)	224,169	167,812	256,975	367,889
Transfers - net	329,770	420,000	900,500	437,824	520,000	281,000	(211,306)	-	-	-
Capital assets, transferred from other govt.	-	-	19,931,667	5,143,284	-	-	-	-	-	-
Total governmental activities	20,495,568	22,547,254	50,389,797	38,440,122	31,047,397	29,483,601	28,335,931	26,112,166	25,760,627	26,925,496
Business type activities:										
Unrestricted investment earnings	176,559	418,040	757,135	608,903	381,616	669	57,639	66,552	104,015	95,659
Transfers	(329,770)	(420,000)	(900,500)	(437,824)	(520,000)	(281,000)	211,306	-	-	-
Capital assets, transferred from other govt.	-	-	10,921,944	3,152,629	-	-	-	-	-	-
Total business type activities	(153,211)	(1,960)	10,778,579	3,323,708	(138,384)	(280,331)	268,945	66,552	104,015	95,659
Total primary government	\$ 20,342,357	\$ 22,545,294	\$ 61,168,376	\$ 41,763,830	\$ 30,909,013	\$ 29,203,270	\$ 28,604,876	\$ 26,178,718	\$ 25,864,642	\$ 27,021,155
<b>Change in Net Position</b>										
Governmental activities	\$ 4,563,846	\$ 4,959,783	\$ 27,012,166	\$ 13,899,429	\$ 6,651,090	\$ 2,557,619	\$ 3,801,023	\$ (1,763,136)	\$ (3,132,823)	\$ 955,985
Business type activities	3,060,242	3,889,480	13,290,122	11,185,847	2,996,645	1,158,846	5,247,123	4,299,329	4,302,853	4,407,485
Total primary government	\$ 7,624,088	\$ 8,849,263	\$ 40,302,288	\$ 25,085,276	\$ 9,647,735	\$ 3,716,465	\$ 9,048,146	\$ 2,536,193	\$ 1,170,030	\$ 5,363,470

Source: City of Oakland Park Financial Services Department

Note: The City began to report accrual information when it implemented Statement 34 in fiscal year 2003.

**City of Oakland Park, Florida  
Fund Balances, Governmental Funds  
Last Ten Fiscal Years  
(Modified accrual basis)**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund	\$ 345,516	\$ 934,327	\$ 825,810	\$ 828,663	\$ 930,119	\$ 975,280	\$ 702,241	\$ -	\$ -	\$ -
Reserved										
Unreserved, reported in:										
General fund, designated for:										
Community Redevelopment Agency	200,000									
Equipment repairs and replacement	2,133,459	2,133,459	2,133,459	2,133,459						
General Employee's Pension/Benefits	-	-	-	-	-	-	-	-	-	-
Natural disaster/public emergency	2,744,831	2,953,768	3,854,581	4,075,209	3,837,982					
Subsequent year expenditures	-	-	-	-	-	1,706,740				
Fiscal contingency	-	-	-	-	-	5,525,956				
Grant matching	-	-	-	-	-	2,466,733	2,089,952			
General fund, unreserved, undesignated	2,672,155	2,912,322	6,545,719	9,282,863	10,245,453	7,791,466	1,843,751			
Nonspendable										
Inventories	-	-	-	-	-	-	72,761	67,971	61,410	61,410
Prepaid Costs	-	-	-	-	-	-	1,787,620	48,927	118,598	118,598
Interfund loan	-	-	-	-	-	-	114,531	112,971	112,971	112,971
Restricted for										
Grant matching	-	-	-	-	-	-	839,952	839,952	839,952	586,651
Education	-	-	-	-	-	-	92,541	102,538	102,538	113,635
Assigned to										
Subsequent year's budget	-	-	-	-	-	-	1,894,337	2,558,680	2,700,369	2,700,369
Unassigned	-	-	-	-	-	-	11,486,394	12,214,133	12,343,763	12,343,763
<b>Total general fund</b>	<b>\$ 8,095,961</b>	<b>\$ 8,933,876</b>	<b>\$ 13,359,569</b>	<b>\$ 16,320,194</b>	<b>\$ 17,147,013</b>	<b>\$ 16,759,435</b>	<b>\$ 16,771,854</b>	<b>\$ 16,288,136</b>	<b>\$ 15,945,172</b>	<b>\$ 16,037,197</b>
All Other Governmental Funds										
Reserved										
Special Revenue Funds	1,249,471	1,744,181	2,021,247	2,653,409	2,497,708	2,537,632	1,381,695	-	-	-
Capital Project Funds	7,057,407	7,195,677	7,009,586	3,955,404	1,596,533	891,463	661,557	-	-	-
Debt service	-	79	79	79	230	164	-	-	-	-
Other	1,965,559	3,265,683	2,154,653	1,359,973	7,314,786	2,282,281	2,543,819	-	-	-
Unreserved, designated - sub. Year expend.										
Special Revenue Funds	-	-	-	-	-	-	1,182,501	-	-	-
Un reserved, Undesignated:										
Special revenue fund	5,929	6,429	481,447	627,095	651,749	436,805	721,865	-	-	-
Nonspendable										
Inventories	-	-	-	-	-	-	-	-	-	-
Prepaid Costs	-	-	-	-	-	-	-	-	-	-
Advance to other funds	-	-	-	-	-	-	30,485	-	-	-
Restricted for										
Public safety	-	-	-	-	-	-	324,755	521,195	477,321	477,321
Library	-	-	-	-	-	-	31,718	28,792	28,172	28,172
Parks and recreation	-	-	-	-	-	-	9,730	-	-	-
City beautification	-	-	-	-	-	-	2,095	-	-	-
Tree preservation	-	-	-	-	-	-	344,824	229,821	102,832	102,832
Fire station facility	-	-	-	-	-	-	129,584	131,114	42,491	42,491
Park development	-	-	-	-	-	-	16,653	17,521	18,483	18,483
Assigned to										
Capital Projects	-	-	-	-	-	-	2,644,485	2,009,326	1,841,393	1,841,393
Debt Service	-	-	-	-	-	-	11,087	-	11,516	11,516
Parks and Recreation	-	-	-	-	-	-	-	10,777	14,840	14,840
Public safety	-	-	-	-	-	-	1,219,286	-	-	0
Streets and resurfacing	-	-	-	-	-	-	77,129	-	-	0
Unassigned	-	-	-	-	-	-	(116,044)	(555,584)	(1,497,314)	(1,497,314)
<b>Total all other governmental funds</b>	<b>\$ 10,278,366</b>	<b>\$ 12,212,049</b>	<b>\$ 11,667,022</b>	<b>\$ 8,595,960</b>	<b>\$ 12,061,006</b>	<b>\$ 6,148,345</b>	<b>\$ 6,491,437</b>	<b>\$ 4,714,710</b>	<b>\$ 2,404,049</b>	<b>\$ 1,039,734</b>
<b>Total governmental funds</b>	<b>\$ 18,374,327</b>	<b>\$ 21,145,925</b>	<b>\$ 25,026,591</b>	<b>\$ 24,916,154</b>	<b>\$ 29,208,019</b>	<b>\$ 22,907,780</b>	<b>\$ 23,263,291</b>	<b>\$ 21,002,846</b>	<b>\$ 18,349,221</b>	<b>\$ 17,076,931</b>

Source: City of Oakland Park, Financial Services Department

Note: The City implemented GASBS4 fund balance reporting prospectively from FY2011.

Fiscal policy on minimum unassigned fund balance was changed in Sept. 2012 to 25% of next year's appropriations.

**City of Oakland Park, Florida  
Changes in Fund Balances, Governmental Funds  
Last Ten Fiscal Years  
(Modified accrual basis)**

	Fiscal Year									
	2004*	2005*	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenues</b>										
Taxes:										
Ad Valorem	\$ 9,832,684	\$ 10,888,858	\$ 14,750,985	\$ 17,163,113	\$ 16,244,067	\$ 16,052,029	\$ 14,905,227	\$ 12,632,161	\$ 12,150,587	\$ 12,831,277
Utility taxes	2,800,636	2,854,208	3,288,220	3,368,683	3,376,226	3,275,238	3,576,651	3,676,217	3,760,525	4,059,906
Communication Service	1,993,887	2,040,706	2,195,104	2,197,071	2,207,164	2,614,835	2,245,920	2,025,458	1,935,672	1,803,813
Other Taxes	609,577	607,481	804,371	781,076	1,161,605	1,133,684	1,660,518	1,634,116	1,668,976	1,674,676
Franchise fees	1,955,397	2,058,438	2,622,372	3,066,551	3,052,000	2,938,113	2,647,258	2,569,590	2,457,781	2,424,270
Licenses and permits	1,013,801	1,403,480	2,225,257	2,471,831	1,708,199	1,132,104	1,253,298	1,143,739	1,159,311	1,251,212
Intergovernmental	2,762,770	3,425,094	5,288,683	4,343,402	3,632,843	3,204,843	3,196,371	3,337,877	3,446,807	3,713,871
Charges for service	10,969,364	10,684,354	11,369,982	11,262,183	12,085,958	11,253,302	10,942,077	11,479,407	10,625,666	11,479,964
Fines and forfeitures	471,423	628,590	530,139	436,453	566,544	736,046	780,455	491,432	742,431	472,778
Fire assessment	-	-	-	-	-	-	-	-	-	-
Development impact fees	-	-	-	-	-	-	-	-	-	-
Grants	1,323,388	619,046	-	2,217,229	2,343,473	2,783,196	2,911,980	1,911,047	1,055,355	1,313,380
Investment earnings	210,847	624,202	1,322,084	1,939,118	911,088	31,459	91,123	68,935	83,304	49,793
Other	348,505	234,820	1,246,865	552,204	100,436	127,657	245,619	197,790	350,710	495,174
Total revenues	34,292,279	36,069,277	45,644,062	49,798,914	47,389,603	45,282,506	44,456,497	41,167,769	39,437,125	41,570,114
<b>Expenditures</b>										
Current:										
General government	6,341,629	6,784,954	7,885,414	7,421,517	6,430,053	5,884,361	5,546,051	5,003,438	4,772,781	4,463,378
Public safety	15,473,048	15,891,603	18,770,414	19,017,434	19,716,715	20,796,664	22,037,642	22,097,602	21,374,664	21,572,490
Public works	1,974,916	1,758,356	1,901,300	3,514,795	3,739,216	3,830,871	3,375,566	3,809,861	3,635,786	3,298,663
Eng. and Community development	1,788,414	2,160,239	3,017,978	3,559,552	3,578,734	3,704,052	3,382,561	3,331,934	3,583,745	3,530,597
Library	-	-	-	-	-	-	-	-	-	-
Culture/Recreation	2,708,952	3,728,523	5,049,997	5,309,048	5,303,451	5,473,631	5,282,113	5,141,525	4,982,035	4,797,349
Grants	-	-	-	-	-	-	-	-	-	-
Debt service:										
Principal	369,520	455,510	545,226	565,687	586,500	743,868	672,427	600,365	689,118	553,439
Interest	691,359	706,261	704,151	682,838	739,707	813,354	783,068	891,892	557,495	533,841
Bond issue costs	-	-	-	-	-	-	-	148,969	-	-
Capital outlay	4,255,814	3,337,322	4,789,418	10,276,304	7,523,361	10,616,944	2,810,252	5,255,883	3,551,425	4,790,041
Total expenditures	33,803,652	34,822,768	42,663,898	50,347,175	47,617,737	51,863,745	43,889,880	46,281,469	43,147,049	43,539,798
Excess (deficiency) of revenues over expenditures	688,627	1,246,509	2,980,164	(548,261)	(228,134)	(6,581,239)	566,817	(5,113,700)	(3,709,924)	(1,969,684)
<b>Other Financing Sources (Uses)</b>										
Bond/loan proceeds	-	-	-	-	4,000,000	-	-	13,078,254	1,056,300	697,394
Capital lease proceeds	-	1,105,090	-	-	-	-	-	-	-	-
Payment to refunding bond agent	-	-	-	-	-	-	-	(10,565,000)	-	-
Transfers in	5,625,220	7,494,656	6,947,675	9,528,150	10,110,095	7,861,847	6,834,269	5,746,564	3,560,200	3,536,298
Transfers out	(5,295,450)	(7,074,656)	(6,047,175)	(9,090,326)	(9,590,096)	(7,580,847)	(7,045,575)	(5,746,564)	(3,560,200)	(3,536,298)
Total other financing sources (uses)	329,770	1,525,090	900,500	437,824	4,519,999	281,000	(211,306)	2,513,254	1,056,300	697,394
Net change in fund balances	\$ 1,018,397	\$ 2,771,599	\$ 3,880,664	\$ (110,437)	\$ 4,291,865	\$ (6,300,239)	\$ 355,511	\$ (2,600,446)	\$ (2,653,624)	\$ (1,272,290)
Debt service as a percentage of noncapital expenditures	3.6%	3.7%	3.3%	3.1%	3.3%	3.8%	3.5%	3.6%	3.1%	2.8%

Source: City of Oakland Park, Financial Services Department  
 Note: \*Communication, Gas taxes, and library have been reclassified for comparison purposes. In prior years, Communication Service Taxes were combined with Utility Taxes, Gas Taxes were included as intergovernmental revenue; whereas Library expenditures were listed separately previously but are now combined with Culture/Recreation.

**City of Oakland Park, Florida**  
**Assessed Value and Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
(dollars in thousands)

Fiscal Year (2)	Assessment Value				Personal & Other property	Total Assessed Property Value(1)	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Residential Property	Commercial Property	Industrial Property						
2004	-	-	-	142,340	2,378,939	624,475	1,754,464	5.9715	
2005	-	-	-	138,817	2,683,092	728,275	1,954,817	5.8868	
2006	2,597,139	771,392	324,986	155,600	3,849,117	1,239,440	2,609,677	5.8868	
2007	3,375,618	864,768	382,623	168,041	4,791,050	1,593,293	3,197,757	5.5823	
2008	3,687,649	1,000,372	409,456	158,658	5,256,135	1,719,770	3,536,365	4.7662	
2009	3,232,410	1,023,424	432,285	154,116	4,842,235	1,620,386	3,221,849	5.1041	
2010	2,340,147	1,080,049	435,967	151,365	4,007,528	1,663,244	2,344,284	5.7252	
2011	1,701,485	1,004,413	361,761	141,028	3,208,687	949,516	2,259,171	5.7252	
2012	1,649,147	961,225	317,364	129,776	3,057,512	934,497	2,123,015	6.0138	
2013	1,658,054	948,483	307,548	132,881	3,046,966	949,832	2,097,134	6.3142	

Source: Broward County Property Appraiser DR403, 420 & real estate use code summary report.

Note: (1) State Law requires that assessed values be established at 100% of current fair market value.  
(2) As of December 31st of each year listed.

Tax rates are per \$1,000 of taxable assessed value. Certain information for fiscal years 2000 to 2005 is not available.

**City of Oakland Park, Florida  
Direct and Overlapping Property Tax Rates  
Last Ten Fiscal Years**

Fiscal Year	<u>City Direct Rate</u>	<u>Overlapping Rates</u>						<u>Total Direct &amp; Overlapping Rates</u>
	Oakland Park Operating Rate	Broward County	Broward County School Board	South Florida Water Mgmt District	North Broward Hospital District	Florida Inland Navigation District	Children Services Council	
2004	5.9715	7.1880	8.4176	0.6970	2.5000	0.0385	0.3920	25.2046
2005	5.8868	7.0230	8.2695	0.6970	2.4803	0.0385	0.4231	24.8182
2006	5.8868	6.7830	8.0623	0.6970	2.1746	0.0385	0.4231	24.0653
2007	5.5823	6.0661	7.8687	0.6970	1.8317	0.0385	0.4073	22.4916
2008	4.7662	5.2868	7.6484	0.6240	1.6255	0.0345	0.3572	20.3426
2009	5.1041	5.3145	7.4170	0.6240	1.7059	0.0345	0.3754	20.5754
2010	5.7252	5.3889	7.4310	0.6240	1.7059	0.3450	0.4243	21.6443
2011	5.7252	5.5530	7.6310	0.6240	1.8750	0.0345	0.4696	21.9123
2012	6.0138	5.5530	7.4180	0.4363	1.8750	0.0345	0.4789	21.8095
2013	6.3142	5.2576	7.4560	0.4289	1.8564	0.0345	0.4902	21.8378

Source: Broward County Property Appraiser

Note: Tax rates are per \$1,000 of taxable assessed value.

The city's basic property tax rate may be increased only by a majority vote of the city's residents.

Overlapping rates are those of local and county governments that apply to property owners within the city.

**City of Oakland Park, Florida  
Principal Property Tax Payers  
Current Year and Ten Years Ago  
(dollars in thousands)**

Taxpayer	2013			2004		
	Taxable Assessed Value (a)	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value (a)	Rank	Percentage of Total City Taxable Assessed Value
WRI JT Northridge LP	\$ 28,359	1	1.35%	\$ 22,255	2	1.27%
Alliance HTFL LP	18,612	2	0.89%	-		
Western Natl Life Insurance Co	15,108	3	0.72%	-		
Florida Power & Light Co	15,036	4	0.72%	-		
Lowe's Home Centers Inc	14,975	5	0.71%	-		
Bridgewater Place Assoc LTD	11,905	6	0.57%	-		
Northland Greentree LLC	10,941	7	0.52%	-		
Mederos Crystal Lake Condos LLC	10,868	8	0.52%	15,302	8	0.87%
SSC Property Holdings Inc	10,078	9	0.48%	-		
Robert L Lipton Inc	9,995	10	0.48%	-		
Southern Tier Southeast				-		
Mainstreet AEW V				-		
Sela LLC				-		
Oakland Center Associates, LTD				-		
SSTI 4950 N Dixie Hwy LLC				-		
Festival Center LLC				17,332	5	0.99%
Holy Cross Hospital Inc				-		
Set Point Associates LTD PRTNR				-		
Weingarten Nostat Inc				21,762	3	1.24%
Rak Lakeview Ltd Partnership				-		
OPA of Broward				-		
FL Health Complex Inc				-		
SCI Forest Fund LLC				-		
Eastside Village Lofts				-		
Spilake Inc				29,743	1	1.70%
Waterton Park LLC				21,747	4	1.24%
Mohammad R Mazaheri				16,937	6	0.97%
North Ridge Medical Center				15,678	7	0.89%
Summerlake OP Ltd				15,265	9	0.87%
CMD Southwest Inc				14,820	10	0.84%
<b>Total</b>	<b>\$ 83,798</b>		<b>4.00%</b>	<b>\$ 168,586</b>		<b>9.61%</b>

Source: Broward County Revenue Collection

Note: Information prior to fiscal year 2004 is unavailable

(a) amount in thousands

**City of Oakland Park, Florida  
Property Tax Levies and Collections  
Last Ten Fiscal Years**

Fiscal Year	Taxes Levied		Collected within the Fiscal Year of Levy		Collections in Subsequent Years (b)	Total Collections to Date	
	Fiscal Year (a)	Amount	Amount	Percentage of Levy		Amount	Percentage of Levy
2004	10,476,783	9,808,887	93.62%	93.62%	31,300	9,840,187	93.92%
2005	11,457,293	10,798,135	94.25%	94.25%	107,754	10,905,888	95.19%
2006	15,295,576	14,606,182	95.49%	95.49%	99,566	14,705,747	96.14%
2007*	17,774,596	17,061,562	95.99%	95.99%	79,973	17,141,535	96.44%
2008	16,860,344	16,059,798	95.25%	95.25%	47,018	16,106,816	95.53%
2009	16,445,025	15,911,781	96.76%	96.76%	36,707	15,948,488	96.98%
2010	15,730,894	14,846,618	94.38%	94.38%	105,464	14,952,082	95.05%
2011	12,933,809	12,461,669	96.35%	96.35%	(22,830)	12,438,840	96.17%
2012	12,844,598	12,186,893	94.88%	94.88%	(14,572)	12,172,321	94.77%
2013	14,147,792	12,784,619	90.36%	90.36%	-	12,784,619	90.36%

Source: City of Oakland Park, Financial Services Department

Note: (a) Broward County Property Appraiser

(b) Collections in subsequent years for the year of levy were not available prior to fiscal year 2006. The amounts listed before fiscal year 2006 represent aggregate amount collected for levies of prior years. Delinquent taxes are recognized when received.

\* Fiscal year 2007 taxes levied was recomputed based on final adopted millage rate of 5.5823.

**City of Oakland Park, Florida  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years**

Fiscal Year	Governmental Activities										Business-Type Activities									
	Revenue bonds FMLC	Refunding Bonds BB&T	Wachovia Series 2007 Note	CRA RCP Loan	Capital Lease	2010 Utility Bonds	2012 Utility Bonds	2011 Stormwater Assessment Bonds	Stormwater FMLC	Stormwater Refunding Bonds BB&T	State Revolving Fund Loan SRF	Water & Sewer FMLC	Solid Waste Lease	Total Primary Government	Percent of Personal Income	Per Capita				
2004	12,360,000	-	-	-	948,344	3,300,000	-	-	5,230,000	-	-	1,810,000	-	23,648,344	n/a	n/a				
2005	12,135,000	-	-	-	1,822,924	3,040,000	-	-	5,135,000	-	-	1,780,000	-	23,912,924	n/a	n/a				
2006	11,900,000	-	-	-	1,512,698	2,765,000	-	-	5,035,000	-	-	1,750,000	-	22,962,698	2.45%	541				
2007	11,655,000	-	-	-	1,192,011	2,480,000	-	-	4,930,000	-	-	1,715,000	-	21,972,011	2.36%	522				
2008	11,400,000	-	4,000,000	-	860,510	2,180,000	-	-	4,820,000	-	-	1,680,000	-	24,940,510	2.67%	590				
2009	11,135,000	-	3,863,810	-	517,831	1,860,000	-	-	4,705,000	-	-	1,645,000	-	23,726,641	2.22%	562				
2010	10,855,000	-	3,730,473	-	258,742	14,885,000	-	-	4,485,000	-	-	1,610,000	1,036,730	36,860,945	3.73%	866				
2011	-	10,992,811	3,591,176	2,085,443	87,674	14,615,000	-	-	-	4,644,189	432,637	1,570,000	834,335	38,853,265	3.75%	935				
2012	-	10,536,890	3,445,652	3,141,743	-	14,345,000	17,175,000	5,570,000	-	4,451,574	-	1,530,000	625,805	60,821,664	5.73%	1,447				
2013	-	10,143,268	3,293,623	3,141,743	689,606	14,065,000	16,900,000	5,455,000	-	4,285,278	-	1,490,000	410,953	59,874,471	5.56%	1,398				

Source: City of Oakland Park, Financial Services Department

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

See schedule 14 for personal income and population data.

Data prior to 2003 are not available



**City of Oakland Park, Florida**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>General Bonded Debt Outstanding</b>	<b>Percentage of Estimated Actual Taxable Value of Property</b>	<b>Per Capita</b>
2004	-	0.00%	-
2005	-	0.00%	-
2006	-	0.00%	-
2007	-	0.00%	-
2008	-	0.00%	-
2009	-	0.00%	-
2010	-	0.00%	-
2011	-	0.00%	-
2012	-	0.00%	-
2013	-	0.00%	-

Source: City of Oakland Park, Financial Services Department

Note: The City has no general bonded debt outstanding

Details regarding the city's outstanding debt can be found in the notes to the financial statements.  
 Data prior to 2000 are not available

**City of Oakland Park, Florida  
 Direct and Overlapping Governmental Activities Debt  
 As of September 30, 2013**

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable</b>	<b>Estimated Share of Overlapping Debt</b>
<b>Debt repaid with property taxes</b>			
Broward County Debt Service *	\$ 326,817,000	1.687%	\$ 5,513,403
Broward Public Schools Debt Service **	-	1.538%	-
Subtotal, overlapping debt			5,513,403
<b>Oakland Park direct debt</b>			<u>17,268,240</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 22,781,643</u></u>

Note: Overlapping governments are those that coincide with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Oakland Park. The estimated percentage is determined by dividing the city's taxable assessed value by each overlapping units's total taxable assed value.

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

Sources:

City of Oakland Park, Financial Services Department

\* Broward County Accounting Division

\*\* School Board of Broward County Financial Reporting Division

**City of Oakland Park, Florida**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
(dollars in thousands)

**Legal Debt Margin Calculation for Fiscal Year 2013**

Assessed value	\$ 2,097,134
Bonded debt limit - 15% of ass.	314,570
Debt applicable to limit	
General Obligation Bonds	-
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to	-
Legal debt margin	<u>\$ 314,570</u>

	<b>Fiscal Year</b>									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Debt Limit	\$ 263,170	\$ 293,223	\$ 391,452	\$ 479,664	\$ 530,455	\$ 483,277	\$ 351,643	\$ 338,876	\$ 318,452	\$ 314,570
Total net debt application to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 263,170	\$ 293,223	\$ 391,452	\$ 479,664	\$ 530,455	\$ 483,277	\$ 351,643	\$ 338,876	\$ 318,452	\$ 314,570
Total net debt applicable to the limit as a % of debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Source: City of Oakland Park, Financial Services Department

Note: The City has no general bonded debt outstanding

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

**City of Oakland Park, Florida**  
**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years**  
(dollars in thousands)

Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
<b>Water and Sewer - 2004A FMLC Loan</b>						
2004	23,066	18,873	4,193	-	20	209.65
2005	24,319	19,662	4,657	30	82	41.58
2006	23,795	22,264	1,531	30	84	13.39
2007	24,116	20,681	3,435	35	83	29.11
2008	27,010	21,249	5,761	35	82	49.24
2009	25,282	22,446	2,836	35	81	24.45
2010	38,165	36,275	1,890	35	80	16.43
2011	39,636	35,184	4,452	40	78	37.73
2012	41,148	36,877	4,271	40	77	36.50
2013	43,612	35,434	8,178	40	75	71.11
<b>General - 2007 Wachovia Loan</b>						
2008	\$ 21,951	\$ 12,540	\$ 9,411	\$ -	\$ 80	117.64
2009	20,238	13,441	6,797	136	176	21.79
2010	19,834	13,806	6,028	133	170	19.89
2011	20,035	15,705	4,330	139	164	14.29
2012	25,916	23,917	1,999	146	158	6.58
2013	27,213	24,979	2,234	152	150	7.40
<b>Utility System Revenue Bonds, 2010 series</b>						
2010	\$ 12,914	\$ 11,296	\$ 1,618	\$ -	\$ -	n/a
2011	14,293	9,825	4,468	270	776	4.27
2012	15,232	10,960	4,272	270	775	4.09
2013	16,399	10,455	5,944	280	770	5.66
<b>General - 2010 BB&amp;T Refunding Bonds</b>						
2011	\$ 20,035	\$ 15,705	\$ 4,330	\$ 290	\$ 428	6.03
2012	25,916	23,917	1,999	456	398	2.34
2013	27,213	24,979	2,234	394	383	2.88
<b>Stormwater - 2010 BB&amp;T Refunding Bonds</b>						
2011	\$ 20,035	\$ 15,705	\$ 4,330	\$ 125	\$ 270	10.96
2012	25,916	23,917	1,999	193	168	5.54
2013	27,213	24,979	2,234	166	162	6.81
<b>Stormwater Assessment Bonds, 2011 series</b>						
2012	\$ 3,130	\$ 1,113	\$ 2,017	\$ 195	\$ 141	6.00
2013	3,154	1,002	2,152	115	221	6.40
<b>Water and Sewer Revenue Bonds, 2012 series</b>						
2012	\$ 15,232	\$ 10,960	\$ 4,272	\$ -	\$ -	-
2013	16,399	10,455	5,944	275	607	6.74

Source: City of Oakland Park, Financial Services Department

Note: Data prior to 2003 are not available

Details regarding the city's outstanding debt can be found in the notes to the financial statements. Gross revenues exclude grants and restricted revenues. Operating expenses exclude depreciation and administrative support fees.

2000B bonds were defeased in 2011 and removed from City's balance sheet

**City of Oakland Park, Florida  
Demographic and Economic Statistics  
Last Eight Fiscal Years**

	<b>Population*</b>	<b>Personal Income</b>	<b>Per Capita Personal income*</b>	<b>Unemploy ment Rate**</b>
<b>2006</b>	42,427	\$ 939,079,218	\$ 22,134	3.10%
<b>2007</b>	42,081	931,420,854	22,134	3.60%
<b>2008</b>	42,241	934,962,294	22,134	6.10%
<b>2009</b>	42,242	1,070,623,490	25,345	7.90%
<b>2010</b>	42,565	989,551,120	23,248	8.80%
<b>2011</b>	41,549	1,037,436,981	24,969	7.00%
<b>2012</b>	42,020	1,062,013,480	25,274	5.80%
<b>2013</b>	42,832	1,077,438,960	25,155	4.50%

Source: \*City Engineering and Community Development Department

\*\*Florida Agency for Workforce Innovation

Note: Data prior to 2006 are not available

**City of Oakland Park, Florida  
Principal Employers  
Current Year and Eight Years Ago**

2013		2006	
Employer	Employees	Employer	Employees
	Rank		Rank
	1		1
	2		2
	3		3
	4		4
	5		5
	6		6
	7		7
	8		8
	9		9
	10		10
	Percentage of Total City Employment		Percentage of Total City Employment
Home Depot	300	Tenet Healthcare Corp	1000
	1.53%		5.06%
Advanced Roofing	300	Sunshine Sportswear Inc	500
	1.53%		2.53%
City of Oakland Park	252	Home Depot	312
	1.29%		1.58%
Treatment Center of the Palm	200	AAA All Emergency Restoration	300
	1.02%		1.52%
Agency Workforce Innovation	172	Fort Lauderdale Public Works	280
	0.88%		1.42%
Lauderhill Middle Community School	165	City of Oakland Park	271
	0.84%		1.37%
H Lamm Industries	140	Steel Fabricators LLC	200
	0.72%		1.01%
Broward Paper & Packaging	135	Jobs & Benefits Ctr	172
	0.69%		0.87%
Lipton Toyota	130	Northeast High School	165
	0.66%		0.84%
Publix Supermarkets	130	Lauderdale Clinical Svc	163
	0.66%		0.82%

Source: InfoUSA Employer Database 2011 ed. 2  
via Florida Agency for Workforce Innovation  
Note: Data prior to 2006 are not available

**City of Oakland Park, Florida**  
**Full-time Equivalent City Government Employees by Function/Program**  
**Last Ten Fiscal Years**

<b>Full-time Equivalent Employees as of September 30</b>										
	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Function/Program</b>										
General Government	38	42	45	41	37	29	27	24	22	24
Broward Sheriff's Office*	83	85	85	95	97	97	97	92	97	98
Fire Rescue	74	77	77	69	69	70	67	66	65	63
Public Works	21	16	24	21	19	17	17	15	14	14
Engineering	0	6	7	8	8	8	7	7	8	8
Community Development	17	21	21	19	18	20	18	15	15	16
Library	9	12	11	9	8	8	7	7	7	7
Parks and Leisure	33	45	51	51	49	48	45	43	40	42
Water & Sewer	16	16	18	17	19	23	26	23	25	20
Solid Waste	20	20	20	19	21	17	19	23	23	24
Storm Water	6	9	12	12	13	13	12	10	10	10
<b>Total</b>	<b>317</b>	<b>349</b>	<b>371</b>	<b>361</b>	<b>358</b>	<b>350</b>	<b>342</b>	<b>325</b>	<b>326</b>	<b>326</b>

\*Staffing level set by contract  
Source: City of Oakland Park, Financial Services Department  
Note: Data prior to 2004 are not available

**City of Oakland Park, Florida  
Operating Indicators by Function/Program  
Last Eight Fiscal Years**

<b>Function/Program</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Police								
Physical arrests	3,546	3,093	3,152	3,407	2,111	2,038	1,926	1,881
Parking violations	318	153	110	110	61	116	139	74
Traffic violations	10,022	10,268	10,845	16,585	8,438	5,586	5,844	5,595
Fire Rescue								
Emergency responses	8,921	8,147	7,431	7,732	7,491	7,394	7,512	7,541
Fires extinguished	194	144	118	134	130	122	87	141
Inspections	4,693	3,190	4,587	4,764	4,210	3,200	3,116	2,656
Refuse collection								
Refuse collected (tons per day)	155	168	149	146	140	145	144	137
Recyclables collected (tons per day)	8	6	3	3	4	8	8	11
Other public works								
Street resurfacing (miles)	0	5	6	5	5	5	2	0
Potholes repaired	100	2,200	1200	1,956	1,588	1,164	1,578	1,643
Parks and Leisure								
Athletic field permits issued	*	150	415	540	388	392	404	448
Community center admissions	*	1,000	150,000	170,000	46,700	56,010	57,937	63,580
Library								
Volumes in collection	43,508	53,777	56,006	56,446	56,437	48,462	48,462	47,825
Total volumes borrowed	48,607	105,970	107,413	112,912	112,687	106,904	106,200	98,695
Water								
New connections	1,065	986	924	n/a	42	1,044	32	23
Water main breaks	88 **	97	52	58	105	66	50	46
Avg daily consumption (thousands of gals.)	4,397	4,060	3358	3,771	3,540	3,105	3,084	3,039
Sewer								
Avg. daily sewage treatment by other (in thousands)	6,292 ***	5,806 ***	6156 ***	5,675 ***	8,427 ***	5,387 ***	6,129 ***	7,431 ***

Source: Various City departments

\*Not tracked by the City

\*\*Includes 57 resulting from Hurricane Wilma, 10/05

\*\*\*The City does not have a wastewater treatment facility

Note: Data prior to 2006 are not available



**City of Oakland Park, Florida**  
**Capital Asset Statistics by Function/Program**  
**Last Eight Fiscal Years**

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Police								
Stations	1	1	1	1	1	1	1	1
Zone offices	1	1	1	1	1	1	1	1
Patrol units	75	63	69	61	72	63	68	63
Fire stations	3	3	3	3	3	3	3	3
Refuse Collection								
Collection trucks	10	9	9	9	10	11	10	10
Other public works								
Streets (miles)	132	132	134	134	134	134	134	134
Highways (miles)	0 (a)	0 (a)	0 (a)	0 (a)	0 (a)	0 (a)	0 (a)	0 (a)
Streetlights	2023 *	2023 *	2027 *	2321 *	2321 *	2351 *	2383 *	2406 *
Traffic signals	0 (a)	0 (a)	0 (a)	0 (a)	0 (a)	0 (a)	0 (a)	0 (a)
Parks and Leisure								
Acreage	183	183	189	189	189	189	198	198.5
Playgrounds	6	8	8	8	9	10	10	10
Baseball/softball diamonds	9	9	9	9	9	9	9	9
Soccer/football fields	3	3	3	3	3	3	3	3
Tennis courts	12	12	12	14	14	14	14	14
Community centers	3	3	4	4	4	4	4	4
Basketball Courts	3	3	3	3	3	5	5	5
Handball/Racquetball Courts	4	4	4	4	4	4	4	4
Bocce Courts	2	2	2	2	2	2	2	2
Dog Park	1	1	1	1	1	1	1	1
Exercise Trail with Exercise Stations	3	3	3	3	3	3	3	3
Boat Ramp	1	1	1	1	1	1	1	1
Canoe/Kayak Launch						1	1	1
Water								
Water mains (miles)	197	197	197	197	197	197	197	197
Fire hydrants	1126	1128	1269	790	810	1135	1135	785
Storage capacity (thousand of gallons)	0 **	0 **	0 **	0 **	0 **	0 **	0 **	0 **
Sewer								
Sanitary sewers (miles)	100	100	100	100	100	100	100	100
Storm sewers (miles)	60	62.2	60	60.1	60.1	61.6	62	62
Treatment capacity (thousand of gallons)	0 ***	0 ***	0 ***	0 ***	0 ***	0 ***	0 ***	0 ***
Transit - minibuses	2	2	2	0	0	0	0	0

Source: Various City departments

\*Majority are owned by FPL; the City pays a maintenance fee

\*\*No water storage tanks owned by the City

\*\*\*The City does not have a wastewater treatment facility

Note: Data prior to 2006 are not available

(a) Non owned by the City