



*"A hometown choice for excellence
in people, public service, and community."*

City of Oakland Park, Florida

Comprehensive Annual Financial Report

*For Fiscal Year Ended
September 30, 2011*

Comprehensive Annual Financial Report

of the



Fiscal Year Ended September 30, 2011

Prepared by the

Financial Services Department

City Of Oakland Park, Florida

TABLE OF CONTENTS

	PAGE
I. INTRODUCTORY SECTION	
Letter of Transmittal	i-vi
Organization Chart	vii
List of Principal Officials	viii
Certificate of Achievement in Financial Reporting	ix
Mission/Vision Statement	x
II. FINANCIAL SECTION	
Independent Auditors' Report	1-2
Management's Discussion and Analysis	3-17
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Assets	18
Statement of Activities	19
Fund Financial Statements:	
Balance Sheet - Governmental Funds	20
Reconciliation of the Balance Sheet to the Statement of Net Assets	21
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	22
Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balances of Governmental Funds to the Statement of Activities	23
Statement of Net Assets – Proprietary Funds	24
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds	25
Statement of Cash Flows – Proprietary Funds	26
Statement of Fiduciary Net Assets – Fiduciary Funds	27
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds	28
Notes to Financial Statements	29-60
Required Supplementary Information:	
Budgetary Comparison Schedules:	
General Fund	61
Fire Rescue Special Revenue Fund	62
Oakland Park CRA Fund	63
Notes to Budgetary Comparison Schedule	64
Schedule of Funding Progress – Pension Fund	65
Schedule of Funding Progress – OPEB	66
Schedule of Employer Contributions	67

City Of Oakland Park, Florida

TABLE OF CONTENTS

(continued)

	PAGE
II. FINANCIAL SECTION (continued)	
Combining Financial Statements:	
Combining Balance Sheet – Nonmajor Governmental Funds	68
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds	69
Combining Statement of Fiduciary Net Assets – Pension Trust Funds	70
Combining Statement of Changes in Fiduciary Net Assets – Pension Trust Funds	71
III. STATISTICAL SECTION	
Net assets by Component	72
Changes in net assets	73-74
Fund Balances of Governmental Funds	75
Changes in Fund Balances of Governmental Funds	76
Assessed Value and Estimated Actual Value of Taxable Property	77
Direct and Overlapping Property Tax Rates	78
Principal Property Taxpayers	79
Property Tax Levies and Collection	80
Ratios of Outstanding Debt by Type	81
Ratios of General Bonded Debt Outstanding	82
Direct and Overlapping Governmental Activities Debt	83
Legal Debt Margin Information	84
Pledged Revenue Coverage	85
Demographic and Economic Statistics	86
Principal Employers	87
Full-Time Equivalent City Government Employees by Function/Program	88
Operating Indicators by Function/Program	89
Capital Assets Statistics by Function/Program	90

City Of Oakland Park, Florida

TABLE OF CONTENTS

(continued)

	PAGE
IV. COMPLIANCE SECTION	
Schedule of Expenditures of Federal Awards, State Financial Assistance and Local Awards	91-93
Notes to the Schedule of Expenditures of Federal Awards, State Financial Assistance and Local Awards	94
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on An Audit of Financial Statements Performed In Accordance with <i>Government Auditing Standards</i>	95 - 96
Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Federal Program and State Project and Internal Control over Compliance In Accordance with OMB Circular A-133 and Rules of the Auditor General	97 – 98
Summary of Audit Results	99-100
Schedule of Findings and Questioned Costs – Federal Awards, State Projects	101
Summary Schedule of Prior Audit Findings	102-103
Management Letter in Accordance with the Rules of the Auditor General of the State of Florida	104





3650 N.E. 12th Avenue • Oakland Park, Florida 33334 • 954.630.4200 • www.oaklandparkfl.org

March 26, 2012

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, 2011, 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 TCBA Watson Rice LLP, Certified Public Accountants. The independent auditor has issued an unqualified 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 new 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 in June 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, 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.

Oakland Park provides a full range of municipal services including fire, emergency medical services, 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 in which 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 41,549, reflects a diverse residential community. 62.23% of our residents are white, 25.65% are black and 12.12% 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, near 40%, dedicated to parks, roads, waterways, canals, and lakes.

In 2011, as the housing market and the economy continued to decline, a further drop in permitting activity was noted. The Building Division of the Engineering and Community Development Department served approximately 12,275 customers and issued 2,750 permits with a construction value of \$22.3 million—a 36% decrease from 2010. The Local unemployment rate in the Tri-county area was down to 10% from 10.8% at year end and continues to improve. Overall real property taxable value declined further by 6% with the largest drop in industrial taxable value by 10.2% followed by institutional by 8.6%. The City's tax base comprises of 53% residential, 30% commercial and 16% industrial use. The value of new construction, together with the taxable value of the property located within Oakland Park, over the past five years is shown below:

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

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 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 construction on several Capital Improvement Program (CIP) projects under budget by combining utility system, roadway and drainage improvement concurrently. Chief among them are the following major projects:
 - Oakland Park Blvd. Watermain Relocation: installed new watermains on Oakland Park Blvd. at a cost of \$1.2 million to improve its distribution system in conjunction with the

installation of street lights by Florida Department of Transportation to improve the aesthetic appearance.

- NW 21st Ave Improvements: connected a 72” trunkline that outfalls into C-13 Canal to add the stormwater flows and improve the drainage system in this area. Additional sidewalks, landscaping and lighting were installed to improve the area appearance. Total project cost was \$1.3 million including federal grants.
 - Lakeside Rock Island Neighborhood Improvement: installed a new sewer system to serve this neighborhood’s needs. In addition, drainage, landscaping and roadway improvements were done concurrently to save project costs. Total project cost was \$3.8 million which was partially funded by federal grants.
 - Lloyd Estates Drainage Improvements: completed roadway and watermain replacement which provide greater flood protection for the area residents and improved the roadway and water system. Total project cost was \$2 million including federal grants.
 - NE 5th Ave Improvement: this project enhanced the NE 5th Ave from Oakland Park blvd. to NE 38th Street with decorative lighting, added drainage, roadway and landscape at a cost of \$2 million.
 - Floranada Business District Drainage Phase II: this project added drainage, water system and roadway improvements at a cost of \$1 million which include the installation of three deep-wells that will serve to alleviate excess stormwater after significant rainfall events.
 - NE 38 Street & Dixie Highway Intersection Improvements: At \$1.7 million project costs, this project brought much needed safety upgrades to the intersection with widened roadway and dedicated left turn lanes. The improved traffic lights with mast arms and decorative street lighting greatly enhanced the appearance of this major entryway to the City’s downtown area.
 - Sleepy River North and Cherry Creek dredging projects: these two projects at combined cost of \$1.4 million provide improved flows in and out of the two systems and better drainage protection for the area residents. The projects were done with minimal adverse affect to the adjacent properties while addressing the environmental concerns of the residents.
- Completed design, permitting and initiated bidding for the construction of Lloyd Estates Residential & Industrial Drainage Improvement Project and Water and Wastewater Improvement Project,
 - Secured award of Transportation Enhancement Program grant through the Metropolitan Planning Organization to reimburse the City for up to \$1.0 million for the construction of the NW 38 St from Powerline Road to Royal Palm Drive Improvement Project.
 - Completed design & permitting of Garden Acres Neighborhood Improvement project and secured EPA Grant funding of \$485,000 towards construction of sanitary sewer system in FY 2012.

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 generally

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 unrestricted fund balance or net assets for fiscal contingency of the current year operating appropriation including transfers at a minimum of 25% and a maximum of 30% for General Fund, and a minimum of 10% with 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 implemented GASB54 *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 which include nonspendable, restricted, committed, assigned and unassigned are used to depict the funds availability and purposes. This information is presented in the financial section of this report.

The Commission also adopted an investment policy that follows recommended practices by GFOA, which 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 the exercise of standard of prudence in investing City funds and sufficient internal control be established. 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 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, under the America 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 net present value of savings as a result was \$86,703, or 5.6% of the refunded bonds. The City's underlying credit rating for the bond issue was AA-, however, bond insurance was purchased to improve the bond rating to AAA and thereby reducing the future financing cost. This is phase one of the long-term financing the City is seeking to finance the five-year capital improvement plan. Phase two of the borrowing for \$11 million will ensue once phase one water and sewer improvement projects are well underway.

The City also refinanced its loan with Florida League of Cities and replaced it with a bank qualified loan from a financial institute. The refinanced loan of \$15.6 million was completed in December 2010 with a fixed rate of 3.7%. The net present value of savings as a result was \$1.8 million or 12.3% of the refunded debt. In March and September 2011, the City entered into loan agreement with Broward County borrowing \$2 million for real property acquisition for downtown redevelopment. These loans are interest and payment free for the first five years and may be converted to grants if certain conditions are met. Interest rate will be determined at the time when repayment begins based on the Municipal Market Data "A" revenue bond rate then. Another financing took place this year was the stormwater assessment bonds for \$5.7 million in December 2011. These bonds composed of serial and term bonds that were rated AA- by S&P with variable rates range from 2% to 4.625%. The proceeds will be used for improving the city's stormwater runoff management system.

The business environment nationwide including the City itself has been through a turbulent time in recent years. With the housing market remaining sluggish and daunting property tax reform, the City is facing an unprecedented challenge. The City continues to re-examine the way it does its business and strives to reduce its operational costs without an enormous impact to the services it provides 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, seven 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
- Focus on Oakland Park's image
- Customer-focused service

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. A new logo has been created to establish the City brand. The City website has been given a face lift and designed to be more user-friendly. More channels are available for customer to make payments and single point customer contact have been implemented to improve customer service. Downtown redevelopment is slowly but surely improving despite current economic condition. Newly improved community centers provide better facilities for residents' enjoyment. These are what the City staff endeavor to attain in order to meet its strategic plan.

In addition, the City is embarking on a major change 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 were 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 new enterprise resource plan (ERP) that can be provided to the City in a Software-as-a-Service (SaaS) model. During this fiscal year, the City accomplished the phases 1 and 2.

Phase 1 of the strategic plan was implemented when the City eliminated the single point of network infrastructure failure by introducing a redundant network infrastructure with eight separate points of contact, while also eliminating an in-house telephone software and hardware infrastructure through using the State of Florida data and communication networking solutions. Phase 2 or eliminating the in-house email system was implemented through a service level agreement contract with the industrial strength data center and exchange server with Microsoft Corporation. During the next fiscal year the City anticipates identifying and moving various software applications to secure data centers which is Phase 3 of the strategic plan. Finally, (Phase 4) the City is engaging an ERP consultant to assist in the development of specifications for the SaaS citywide software system(s).

Independent Audit

In accordance with Florida Statutes Section 218.39, the City has engaged the firm of TCBA 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, 2010. 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, TCBA 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

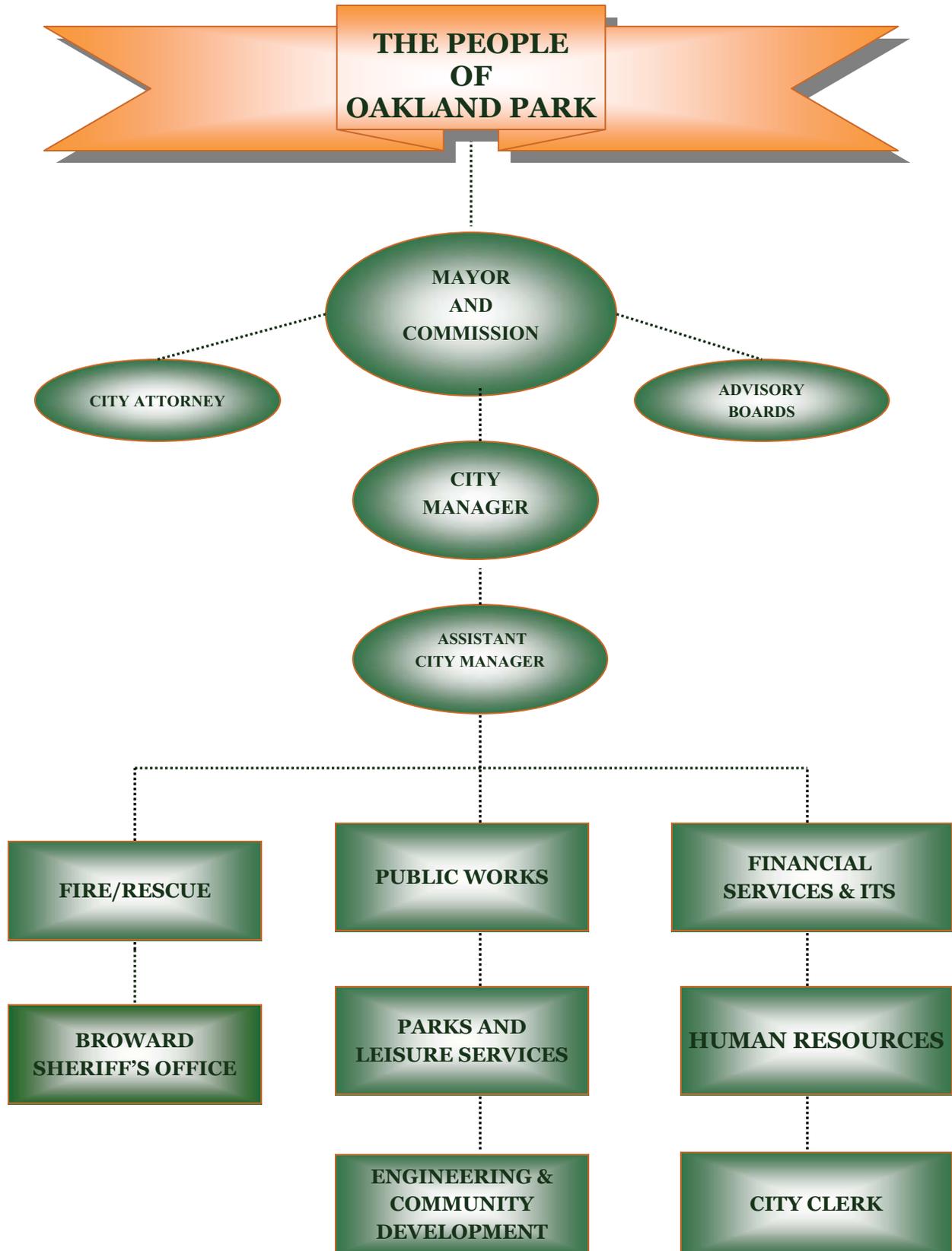


William F. Underwood, II
Financial Services and ITS Director



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, 2011

CITY COMMISSION

SUZANNE BOISVENUE

Mayor

ANNE SALLEE

Vice Mayor

JOHN ADORNATO

Commissioner

SHARI MCCARTNEY

Commissioner

JEDIDIAH SHANK

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

John Bukata

PUBLIC WORKS DIRECTOR

Dave Womacks

FIRE CHIEF

Don Widing

ENGINEERING AND COMMUNITY DEVELOPMENT DIRECTOR

Harris Hamid

CITY CLERK

Janette Smith

PARKS & LEISURE SERVICES DIRECTOR

Jenna LaFleur

OM&B DIRECTOR

Robert Anathan

COMMUNITY & ECONOMIC DEVELOPMENT DIRECTOR

Raymond Lubomski

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, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Davison

President

Jeffrey R. Enez

Executive Director



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.

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oakland Park, Florida, (the "City") as of and for the year ended September 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the Pension Trust Fund for the Police and Firefighters Pension Plan, which represents 64% of the assets of the aggregate remaining fund information. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Pension Trust Fund for the Police and Firefighters, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oakland Park, Florida, as of September 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2012 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the Required Supplementary Information on pages 3 through 17 and 61 through 71, respectively, are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Fort Lauderdale, Florida
March 26, 2012

TCBA Water Rice LLP



MANAGEMENT'S DISCUSSION AND ANALYSIS

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 2011. 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 the 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 ending September 30, 2011:

- The assets of the City of Oakland Park exceeded its liabilities at the close of the most recent fiscal year by \$155.3 million (net assets). Of this amount, \$25.3 million (unrestricted net assets) may be used to meet the ongoing obligations to citizens.
- The City's \$35.9 million in revenues for governmental activities trailed the \$37.7 million in expenses, causing a \$1.8 million decrease in net assets before prior period adjustments. The decrease mainly was due to the absence of a capital grant from Broward county compared to a year ago and reductions in property, franchise and communication taxes.
- The business-type activities for the City recognized \$27.6 million in revenue against \$23.3 million in expenses that resulted in a \$4.3 million increase in net assets before prior period adjustments. The positive result is largely attributed to the combined effect of \$1.2 million from water and sewer fee increases and \$0.9 million operating cost reduction despite the absence of a non-recurring capital grant.
- The General Fund's revenues exceeded expenditures by \$4.7 million before transfers and prior year adjustments. With net \$5.4 million in transfers to other funds which resulted in a net decrease in fund balance was \$0.7 million before prior period adjustments.
- At the end of the current year, fund balance for the General Fund was \$16.3 million, or 48.4% of total General Fund expenditures and other financing uses. Of this balance, \$0.9 million was restricted for grant matching and certification and training, \$2 million was non-spendable amount tied to inventory, prepaid pension and advance to other funds, and \$1.9 million was assigned for subsequent year's budget. The remaining \$11.5 million was unassigned and available for new spending.
- Within the City's capital projects programs, \$3.9 million was spent during the year for capital improvement program.

- The CRA fund's expenditures exceeded its revenues and other financing sources by \$0.2 million. The shortfall was covered by the use of fund balance. The CRA funding is supplemented annually by transfers from the General fund.
- The Fire Rescue Fund's expenditures exceeded its revenues by \$4.3 million before the transfers. The fund typically receives money transfers from the General fund to supplement its operation.
- The City's total debt increased by \$1.9 million during the fiscal year due to the issuance of notes payable to Broward County to finance downtown property acquisitions.

OVERVIEW OF THE FINANCIAL STATEMENTS

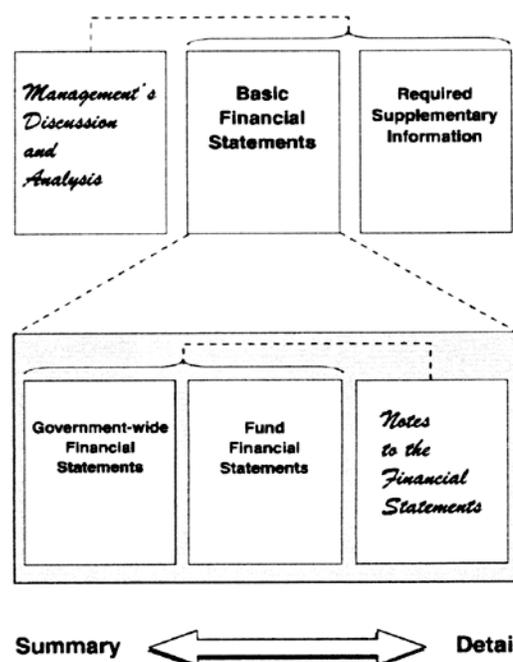
This annual report consists of four parts—*management's discussion and analysis* (this section), the *basic financial statements*, *required supplementary information* and an additional section that presents *combining statements* for nonmajor governmental funds and capital assets used in the operations 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

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



OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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 18 and 19 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, Fire Rescue Fund, Small Town Renaissance Capital Projects Fund, which are considered to be major funds. 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, the Fire Rescue and the CRA Special Revenue Funds to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 20 to 23 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 24 to 26 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 27 to 28 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 29 to 60 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 61 to 67 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 68 to 71 of this report.

Our analysis of the financial statements of the City begins below. Certain reclassifications, such as tax revenues and assets of prior year's figures, in this and the statistical sections have been made to conform to current year presentation. The Statement of Net Assets 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 year 2010 and fiscal year 2011 are presented for comparison purposes.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Assets:

As noted earlier, net assets may serve as a useful indicator over time of a government's financial position. The table below summarizes Oakland Park's net assets for fiscal year 2011 and fiscal year 2010:

City of Oakland Park, Florida						
Net Assets						
(In Thousands)						
	Governmental		Business-type		Total	
	Activities		Activities			
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 24,305	\$ 26,131	\$ 28,081	\$ 30,703	\$ 52,386	\$ 56,834
Capital assets	81,661	79,640	69,193	63,551	150,854	143,191
Total assets	<u>105,966</u>	<u>105,771</u>	<u>97,274</u>	<u>94,254</u>	<u>203,240</u>	<u>200,025</u>
Long-term liabilities	19,785	18,033	21,919	21,891	41,704	39,924
Other liabilities	2,642	2,776	3,604	5,745	6,246	8,521
Total liabilities	<u>22,427</u>	<u>20,809</u>	<u>25,523</u>	<u>27,636</u>	<u>47,950</u>	<u>48,445</u>
Net Assets:						
Invested in capital assets, net of related debt	64,905	65,305	59,006	55,756	123,911	121,061
Restricted for:						
Capital projects	2,956	2,361	2,386	4,612	5,342	6,973
Special revenue	770	315	-	-	770	315
Unrestricted	<u>14,908</u>	<u>16,981</u>	<u>10,359</u>	<u>6,251</u>	<u>25,267</u>	<u>23,232</u>
Total net assets	<u>\$ 83,539</u>	<u>\$ 84,962</u>	<u>\$ 71,751</u>	<u>\$ 66,619</u>	<u>\$ 155,290</u>	<u>\$ 151,581</u>

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

- 1) Net results of activities will impact current assets and unrestricted net assets.
- 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 assets, and increase invested in capital assets, net of debt.
- 5) Principal payment on debt will reduce current assets, long-term debt, reduce unrestricted net assets and increase invested in capital assets, net of debt.
- 6) Reduction of capital assets through depreciation will reduce capital assets and invested in capital assets, net of debt.

The City's combined net assets were \$155.3 million for fiscal year 2011, \$83.5 million for governmental activities and \$71.8 million for business-type activities. This represents a \$3.7 million increase over fiscal year 2010 net assets which is an improvement in overall financial position from last year of 2.4%. The increase in net assets was primarily as a result of operations in the business-type activities.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Statement of Net Assets: (continued)

A significant portion of these net assets are restricted as to use. For fiscal year 2011, the net assets of governmental activities are 77.7% restricted while business-type activities net assets are 82.2% restricted.

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. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the net assets, \$3.7 million, or 4.5% represents resources for governmental activities that are subject to external restrictions on how they may be used while \$2.4 million or 3.3% are resources subject to external restrictions for business-type activities. The remaining balance of *unrestricted net assets*, \$25.3 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 assets, 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:

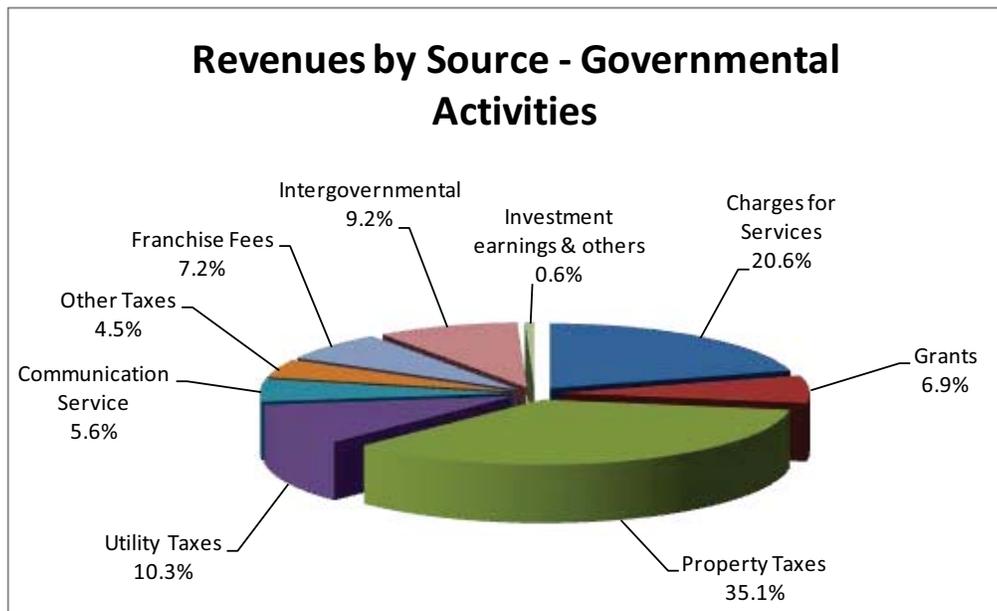
- 1) ***Introduction of new programs or increase in the City's boundary*** can have a substantial impact on property, non-ad valorem assessments, sales, gas, or other tax revenues as well as consumer spending habits for building permits, user fees and consumption.

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 42% 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 assets 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 2011, property taxes, at \$12.6 million, represent 35.1% of revenues while charges for services, at \$7.4 million, comprise 20.6% of revenues. Other major sources of revenues include \$3.7 million from utility taxes, \$2.6 million from franchise fees, \$2 million from communication service taxes and \$1.6 million in other taxes, totaling \$9.9 million that represent 27.6% of the revenues.

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GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Statement of Activities: (continued)

The following table reflects the City's revenues and expenses for fiscal year 2011 compared to fiscal year 2010, with the resulting change in net assets:

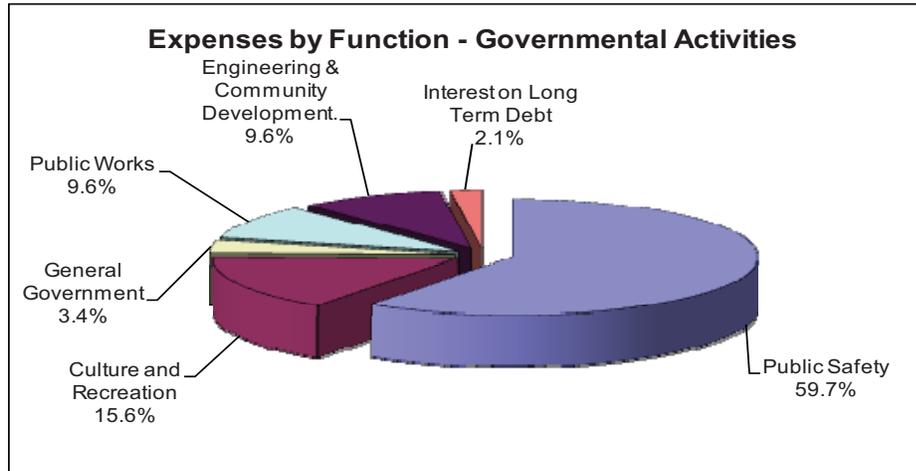
City of Oakland Park, Florida						
Changes in Net Assets (in Thousands)						
	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	\$ 7,362	\$ 7,788	\$ 24,323	\$ 23,105	\$ 31,685	\$ 30,893
Operating grants/contributions	658	236	335	6	993	242
Capital grants/contributions	1,816	6,056	2,896	6,025	4,712	12,081
General revenues						
Property taxes	12,631	14,905	-	-	12,631	14,905
Franchise fees	2,570	2,647	-	-	2,570	2,647
Utility taxes	3,676	3,577	-	-	3,676	3,577
Communication Service Taxes	2,026	2,246	-	-	2,026	2,246
Other Taxes	1,634	1,660	-	-	1,634	1,660
Intergovernmental	3,338	3,196	-	-	3,338	3,196
Investment earnings	69	91	66	58	135	149
Miscellaneous revenue	168	224	-	-	168	224
Total revenues	<u>35,948</u>	<u>42,626</u>	<u>27,620</u>	<u>29,194</u>	<u>63,568</u>	<u>71,820</u>
Expenses:						
General government	1,258	2,438	-	-	1,258	2,438
Public safety	22,516	22,438	-	-	22,516	22,438
Public works	3,632	3,538	-	-	3,632	3,538
Water & Sewer	-	-	12,741	13,053	12,741	13,053
Solid Waste	-	-	7,526	7,912	7,526	7,912
Stormwater	-	-	3,054	3,193	3,054	3,193
Engineering & Community development	3,547	3,347	-	-	3,547	3,347
Culture/recreation	5,943	6,080	-	-	5,943	6,080
Interest on long-term debt	815	773	-	-	815	773
Total expenses	<u>37,711</u>	<u>38,614</u>	<u>23,321</u>	<u>24,158</u>	<u>61,032</u>	<u>62,772</u>
Increase in net assets before transfers	(1,763)	4,012	4,299	5,036	2,536	9,048
Transfers	-	(211)	-	211	-	-
Increase in net assets	<u>(1,763)</u>	<u>3,801</u>	<u>4,299</u>	<u>5,247</u>	<u>2,536</u>	<u>9,048</u>
Net assets beginning of year, as previously reported	84,962	81,161	66,619	61,372	151,581	142,533
Prior period adjustment	340	-	833	-	1,173	-
Net assets beginning of year, as restated	<u>85,302</u>	<u>81,161</u>	<u>67,452</u>	<u>61,372</u>	<u>152,754</u>	<u>142,533</u>
Net assets end of year	<u>\$ 83,539</u>	<u>\$ 84,962</u>	<u>\$ 71,751</u>	<u>\$ 66,619</u>	<u>\$ 155,290</u>	<u>\$ 151,581</u>

When compared with fiscal year 2010, property taxes decline of \$2.3 million reflects the effect of continuing lower property value. Capital contributions decreased \$4.2 million due to the absence of a non-recurring Broward County donated infrastructure improvements. Communication Service taxes and charges for services both declined for the year. Investment earnings continue to decline due to abnormally low interest rate environment. A prior period adjustment of \$0.3 million was reported for governmental activities that related to the release of prior year contingent reserve. As a result, the beginning net assets was restated with an increase of \$0.3 million.

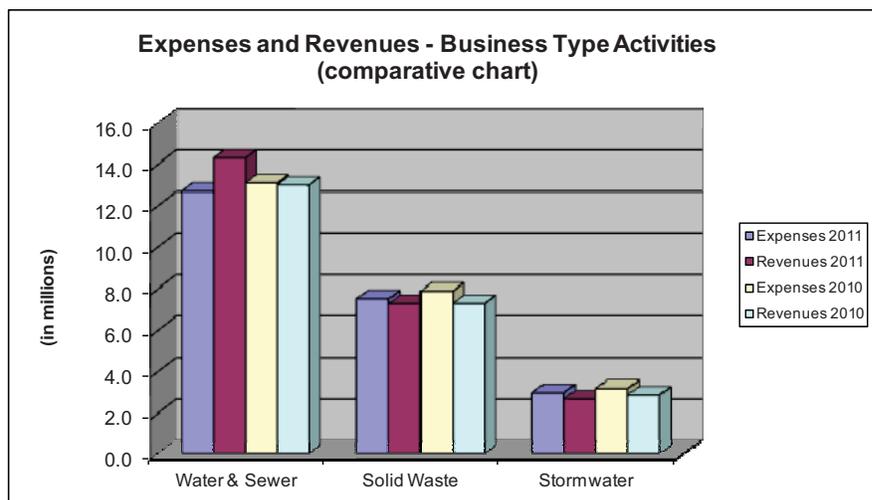
GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

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 \$22.5 million, public safety costs represent 59.7% of total governmental expenses.



Revenue earned by business-type activities is primarily concentrated in one source, charges for services, \$24.3 million. This figure represents the fees charged for each of the City's enterprise funds, \$14.3 million for Water and Sewer, \$7.3 million for Solid Waste and \$2.7 million for Stormwater. Operating revenues increased by \$1.4 million or 10.8% 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 and the Stormwater funds revenue decreased slightly at \$45,667 and \$115,886, respectively. In addition, a prior period adjustment was reported in both the Water and Sewer and the Stormwater funds of \$0.7 million and \$0.1 million, respectively, due to a sewer fee refund, additional grant reimbursements and the reversal of unearned revenue. The net effect of the adjustment increased the beginning net assets.



GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Statement of Activities: (continued)

For business-type expenses, the \$23.2 million represents \$12.7 million for Water and Sewer, \$7.5 million for Solid Waste and \$3 million for Stormwater, compared to \$24.2 million in total expenses the previous year. The decrease of \$2.0 million in total expense was the result of the decreases in costs of sewer treatment costs in the Water and Sewer fund.

Although the City continues to control costs during the year, due to declining property tax revenue, the City's net assets decreased by \$1.8 million for the governmental activities. However, with the increase in water and sewer rates, a \$4.3 million net increase for the business-type activities was achieved. 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 has not yet formerly adopted a fund balance policy, however, the City did implement the new fund balance reporting standard under GASB54, 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 \$21 million, with the General Fund representing \$16.3 million of which \$2 million is non-spendable, \$0.9 million is restricted and \$2 million is assigned for the subsequent year's budget, leaving \$11.5 million in unassigned fund balance which is available for any purpose.

Included in this year's total change in fund balances for the General Fund is a \$4.7 million excess of revenues over expenditures. The net result is \$1.4 million less than prior year that is a combining result of reduced property and communication service taxes and continuing cost cutting in operational and personnel costs. After deducting the \$5.6 million transfer to the fire rescue and other non-major funds, a loss of \$0.8 million flowed through to fund balance before prior year adjustments.

Expenditures at \$28.3 million were well below the final approved budget of \$29.6 million as the City staff continue to curtail operational spending. Please refer to the General Fund Budget Highlights section below for further information.

The Fire Rescue Fund expenditures exceeded its revenues by \$4.3 million. This fund's operation has been supplemented annually by General Fund transfers. The fund had a negative change in fund balance of \$1 million after the transfer of \$3.3 million from the General Fund.

During fiscal year 2011, the City spent \$3.9 million on various capital improvements including \$1.3 million on Dixie Highway enhancement and \$0.7 on NE 5th Ave improvement, resulting in a decrease of the fund balance of \$0.5 million. At year-end, \$2.6 million is available for future projects related to the capital improvement program.

GOVERNMENT FUNDS' FINANCIAL ANALYSIS (CONTINUED)

The CRA Fund expenditures exceeded its revenues and other financing sources by \$157,323. Of the total expenditure of \$2.4 million, a sum of \$2.1 million was spent on real property acquisition using intergovernmental loan that may be converted to grants if certain conditions were met. This fund's operation has been supplemented annually by General Fund transfers.

The fund balance in the other non-major governmental funds decreased \$0.1 million from \$0.9 million to \$0.8 million. Total expenditures exceeded revenues by \$0.3 million which was covered by \$0.3 million transferred in from the General Fund, to fund the Transportation funds' operations as well as the debt services for capital leases.

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 2011, a combined \$71.7 million net asset balance was reported, of which \$10.3 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 and the Solid Waste funds represent the bulk of the unrestricted assets at \$7.2 and \$2.1 million, respectively.

Net assets for the proprietary funds increased a combined \$4.3 million before prior period adjustments, resulted from a combination of water and sewer fee increase and operating costs reduction.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City Commission made revisions to the original appropriations. 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 decreased by \$0.3 million or 0.1% from the originally approved budget of \$35.3 million, including transfers. Of this, approximately \$116,000 was related to FY10 encumbered purchase orders rolled over to FY11.

The FY 11 General Fund budget reflected the continuing fiscal pressures that Oakland Park continued to face due to the struggling economy and severely depressed real estate values. Consequently, the originally budgeted FY 11 General Fund revenue was \$33.8 million, down \$1.2 million from the amended FY 10 budgeted revenue, due to a \$2.6 million reduction in property tax revenue related to declining property values. This was partly offset by minor increases in other categories of revenue. The FY 11 expense originally budgeted was \$29.5 million, down \$0.8 million from the amended FY 10 expense budget, reflecting, among other things, a reduction of five full-time employees and also reductions in other activities. Since the revenue decline of \$1.2 million was greater than the expense decline of \$0.7 million, the FY 11 budget reflected an increase in the utilization of available fund balance to \$1.6 million.

During the course of the year, it became necessary to amend the budget, primarily to reflect weaker than expected franchise fees, utility taxes and communications services taxes. Consequently the revenue budget was reduced by \$0.6 million or 1.7% to \$33.2 million. To maintain a balanced budget, reductions in transfers out from the General Fund and an increase in the utilization of available fund balance to \$1.9 million, an increase of \$0.3 million, were implemented.

GENERAL FUND BUDGETARY HIGHLIGHTS (CONTINUED)

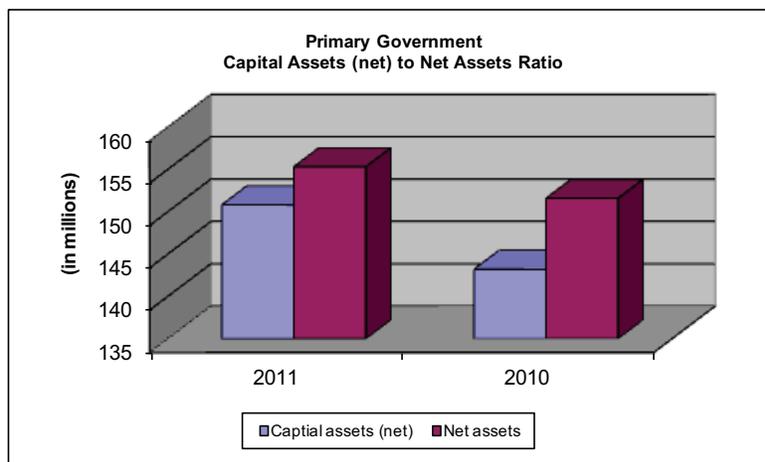
Performance against the amended budget was mostly favorable. Actual revenue was \$33.0 million, down \$0.2 million from the amended budget, primarily due additional weakness in the communications services taxes and greater than anticipated declines in building activity revenue and court fines, mostly likely a reflection of continuing soft economy. However, even though the revenue was down \$0.2 million from the amended budget, utilization of available fund balance was reduced from \$1.9 million to \$0.8 million, a \$1.1 million positive variance, due to a very significant reduction in expenditures in comparison to the amended budget and less than expected pension costs. General government departments, primarily City Clerk, Human Resources, Financial Services and Information Technology Services, in aggregate were \$0.7 million under the amended budget. The reduction was mainly attributed to two vacant positions, reorganization of Information Technology Services to combine with Financial Services department and less than anticipated election costs. Public Safety and Public Works were \$0.1 million and \$0.2 million under budget respectively with savings attributed to lower utility and repair costs. The Engineering and Community Development department was also \$0.1 million under budget due to unexpended project costs while the Parks and Leisure Services department was another \$0.2 million under budget due to two vacant positions. In total these produced \$1.3 million of expense savings. Personnel costs were essentially on budget with non-routine non-personnel expenditures occurring at a slower rate than originally anticipated.

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, 2011 amounts to \$150.8 million compared to \$143.2 million from the previous year. Completed capital projects attributed to the net increase of \$7.6 million. Among the major projects completed are entryway at Dixie Highway and NE 38th Street intersection, water system and stormwater improvements along NE 5th Ave and Rock Island Road, and water main along Oakland Park Blvd. Capital projects under construction dropped by \$5.7 million.

Capital assets net represents 97.1% and 94.5% of the total primary government net assets for year 2011 and 2010, respectively.



CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

Capital assets: (continued)

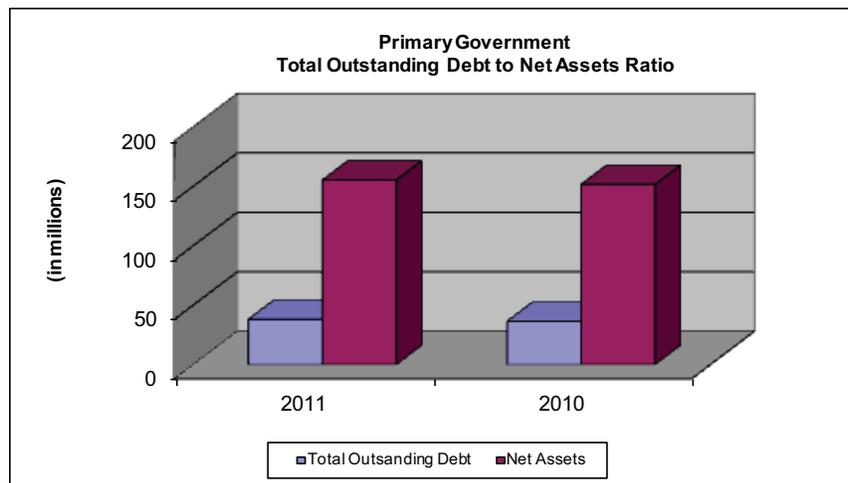
The City's capital assets net for its governmental and business-type activities for fiscal year 2011 and fiscal year 2010 is detailed below:

City of Oakland Park, Florida						
Capital assets						
(Net of Depreciation)						
(In thousands)						
	Governmental Activities		Business-type Activities		Total	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Land and easements	\$ 14,506	\$ 13,047	\$ 58	\$ 58	\$ 14,564	\$ 13,105
Construction in progress	848	1,535	2,751	7,839	3,599	9,374
Intangible - software	89	131	-	-	89	131
Buildings	12,198	12,027	118	129	12,316	12,156
Improvements other than buildings	12,715	13,482	-	-	12,715	13,482
Machinery and equipment	5,005	5,352	2,911	3,045	7,916	8,397
Infrastructure	36,300	34,066	63,355	52,480	99,655	86,546
Total	<u>\$ 81,661</u>	<u>\$ 79,640</u>	<u>\$ 69,193</u>	<u>\$ 63,551</u>	<u>\$ 150,854</u>	<u>\$ 143,191</u>

The City's fiscal year 2011 capital budget provided \$16.2 million spending for capital projects with \$4.3 million slated for Garden Acre streetscape and utility system improvements, \$6.2 million for other utility system improvements in Lloyd Estate, Central, East and West zones. 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 42.

Debt Administration:

Presented below is a chart showing the relationships of the City's total outstanding debt compared to its total assets for the last two years. The outstanding debt to net assets ratios were 24.6% and 24%, for year 2011 and 2010, respectively. An increase of \$1.9 million was attributable to the new loan from Broward County.



CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

Debt Administration: (continued)

At year-end the City had \$38.3 million in outstanding debt, as noted in the following chart:

City of Oakland Park, Florida						
Outstanding Debt						
(In thousands)						
	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Loans	\$ 16,527	\$ 14,585	\$ 6,457	\$ 6,059	\$ 22,984	\$ 20,644
Revenue bonds	-	-	14,252	14,503	14,252	\$ 14,503
Capital lease payable	88	259	834	1,037	922	\$ 1,296
Total	<u>\$ 16,615</u>	<u>\$ 14,844</u>	<u>\$ 21,543</u>	<u>\$ 21,599</u>	<u>\$ 38,158</u>	<u>\$ 36,443</u>

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 and school boards) primarily rely on property and a limited array of permitted other taxes (telecommunication, gasoline, utilities, services, etc.) and fees (franchise, building permits, 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.

With the implementation of GASB54, the classifications of fund balance have been changed to non-spendable, restricted, committed, assigned and unassigned to assist the financial statements users to better understand the purposes and availabilities of the net resources. The first three categories reflect different degrees of constraints that indicate the amounts may not be available for appropriation unless they met their criteria. The latter two categories, however, are available for spending. For FY12, the amount appropriated that is assigned for anticipated budget shortfall using available fund balance was \$1.7 million for General Fund. The FY 12 General Fund budget continued to be very severely fiscally constrained, although the year over year decline was less severe than in prior years as the economy began to finally reflect modest improvement and the decline in the property tax base ameliorated. Comparison to FY 11 is a little obscured since the Fire Rescue and the Transportation funds were consolidated into the General Fund for FY 12. The adopted FY 12 General Fund budget at \$40.5 million including the use of assigned fund balance represents a \$2.6 million or 6% decrease from the adjusted FY 11 budget of \$43.1 million after eliminating the interfund transfers.

When compared to a adjusted FY 11 amended budget reflecting the inclusion of these additional departments, the FY 12 budgeted revenue is increased \$1.0 million. This is attributable to the

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

decision to increase the fire assessment revenue with the residential fee being increased by 12% to \$167 per year for the first time since 2006. Property tax revenue was budgeted to be down slightly by \$0.4 million compared to FY11 in response to a 5.5% decline in the City's property tax base. Additionally, the fees paid by the enterprise funds were increased by \$0.5 million in recognition of the additional services being provided by the General Fund departments.

In response to the continuing fiscally constrained environment, FY 12 budgeted expenditures have been decreased \$1.6 million from the adjusted FY 11 budget. Spending levels were reduced in the City Manager's Office (\$0.3 million), the Engineering and Community Development department (\$0.4 million), the Parks and Leisure Services department (\$0.6 million) and the Public Works Building Maintenance division (\$0.3 million). The restated FY 11 amended budget, which included the departments brought into the FY 12 General Fund, reflected utilization of \$3.4 million of fund balance. With the increased FY 12 budgeted revenue and reduced budgeted expense, the FY 12 budgeted utilization of fund balance declines to \$1.7 million. Through the first half of FY 12 results are essentially on track with the budget. The only major variance thus far is a \$0.3 million Public Safety grant, to possibly be awarded after competition with many other state and local Public Safety organizations around the country for this funding, will not be received. The previously noted \$0.5 million contingency had been established partly as an offset for this possibility, protecting the City's overall use of General Fund unassigned fund balance.

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.org. If you have questions about the report or need additional financial information, contact William F. Underwood, II, Financial Services and ITS Director, City of Oakland Park, 3650 NE 12 Avenue, Oakland Park, Florida 33334.

BASIC FINANCIAL STATEMENTS

CITY OF OAKLAND PARK, FLORIDA
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2011

	Governmental Activities	Business Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 16,208,268	\$ 9,463,003	\$ 25,671,271
Accounts receivable - net	2,614,680	2,735,247	5,349,927
Inventories	72,761	212,076	284,837
Prepays	1,818,105	15,741	1,833,846
Other assets	5,000	-	5,000
Restricted assets:			
Cash and cash equivalents	3,439,073	15,654,636	19,093,709
Net pension assets	147,233	-	147,233
Capital assets not being depreciated	15,354,763	2,809,211	18,163,974
Capital assets being depreciated, net	<u>66,306,460</u>	<u>66,384,209</u>	<u>132,690,669</u>
Total assets	<u>105,966,343</u>	<u>97,274,123</u>	<u>203,240,466</u>
LIABILITIES			
Accounts payable and accrued expenses	1,291,719	2,200,699	3,492,418
Customer deposits	-	1,234,065	1,234,065
Accrued interest payable	250,221	158,313	408,534
Unearned revenues	850,107	7,839	857,946
Claims payable	-	-	-
Other liabilities	250,149	2,851	253,000
Noncurrent liabilities:			
Due within one year	1,098,108	776,912	1,875,020
Due in more than one year:			
Bonds and notes payables	15,925,844	20,813,316	36,739,160
Compensated absences	1,265,803	215,743	1,481,546
Net pension obligation	946,147	-	946,147
Net OPEB obligation	<u>549,000</u>	<u>113,000</u>	<u>662,000</u>
Total liabilities	<u>22,427,098</u>	<u>25,522,738</u>	<u>47,949,836</u>
NET ASSETS			
Invested in capital assets, net of related debt	64,905,390	59,006,190	123,911,580
Restricted for:			
Capital projects	2,955,884	2,385,823	5,341,707
Public safety	349,847	-	349,847
Library	31,718	-	31,718
Parks and recreation	28,478	-	28,478
Tree preservation	344,824	-	344,824
Other purposes	15,053	-	15,053
Unrestricted	<u>14,908,051</u>	<u>10,359,372</u>	<u>25,267,423</u>
Total net assets	<u>\$ 83,539,245</u>	<u>\$ 71,751,385</u>	<u>\$ 155,290,630</u>

See notes to basic financial statements.

CITY OF OAKLAND PARK, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2011

		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS				
		PROGRAM REVENUES		CHANGES IN NET ASSETS		
<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
	\$ 1,258,173	\$ 689,905	\$ 513,755	\$ -	\$ (54,513)	\$ (54,513)
	22,515,601	5,134,575	23,766	215,654	(17,141,606)	(17,141,606)
	3,631,164	-	-	-	(3,631,164)	(3,631,164)
	3,547,260	998,090	-	1,599,992	(949,178)	(949,178)
	5,943,331	539,417	119,913	-	(5,284,001)	(5,284,001)
	814,840	-	-	-	(814,840)	(814,840)
	<u>37,710,369</u>	<u>7,361,987</u>	<u>657,434</u>	<u>1,815,646</u>	<u>(27,875,302)</u>	<u>(27,875,302)</u>
Total governmental activities						
Business-type activities:						
Water and sewer	12,740,960	14,292,649	241,748	70,804	-	1,864,241
Solid waste	7,525,930	7,294,361	93,131	-	-	(138,438)
Stormwater	3,054,220	2,735,721	-	2,825,473	-	2,506,974
	23,321,110	24,322,731	334,879	2,896,277	-	4,232,777
Total business activities						
Total primary government	<u>\$ 61,031,479</u>	<u>\$ 31,684,718</u>	<u>\$ 992,313</u>	<u>\$ 4,711,923</u>	<u>(27,875,302)</u>	<u>(23,642,525)</u>
GENERAL REVENUES						
Taxes:						
Property taxes				12,632,161		12,632,161
Franchise fees				2,569,590		2,569,590
Utility taxes				3,676,217		3,676,217
Communication service taxes				2,025,458		2,025,458
Other taxes				1,634,116		1,634,116
Unrestricted investment earnings				68,935	66,552	135,487
Intergovernmental revenue - unrestricted				3,337,877		3,337,877
Miscellaneous				167,812		167,812
Total revenues				<u>26,112,166</u>	<u>66,552</u>	<u>26,178,718</u>
Change in net assets				<u>(1,763,136)</u>	<u>4,299,329</u>	<u>2,536,193</u>
Net assets, beginning as previously stated				84,962,381	66,618,811	151,581,192
Prior period adjustment				340,000	833,245	1,173,245
Net assets, beginning restated				<u>85,302,381</u>	<u>67,452,056</u>	<u>152,754,437</u>
Net assets, ending				<u>\$ 83,539,245</u>	<u>\$ 71,751,385</u>	<u>\$ 155,290,630</u>

Functions/Programs

Primary Government:

Governmental activities:

General government

Public safety

Public works

Engineering and community development

Culture and recreation

Interest and fiscal charges

Total governmental activities

Business-type activities:

Water and sewer

Solid waste

Stormwater

Total business activities

Total primary government

See notes to basic financial statements.

CITY OF OAKLAND PARK, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2011

	Major Funds					
	Special Revenue	Special Revenue	Small Town Renaissance	Other Governmental	Total Governmental	
	General	Fire Rescue	Oakland Park CRA	Capital Projects Fund	Funds	Funds
ASSETS						
Cash and cash equivalents	\$ 13,895,954	\$ 1,253,969	\$ 66,052	\$ -	\$ 992,293	\$ 16,208,268
Accounts receivable - net	1,778,394	192,042	-	562,891	81,353	2,614,680
Due from other funds	15,606	-	-	-	-	15,606
Inventories	72,761	-	-	-	-	72,761
Prepayments	1,787,620	29,464	1,021	-	-	1,818,105
Other assets	5,000	-	-	-	-	5,000
Advance to other funds	114,531	-	-	-	-	114,531
Temporarily restricted assets:						
Cash and cash equivalents	223,936	-	-	2,808,712	406,424	3,439,072
Total assets	\$ 17,893,802	\$ 1,475,475	\$ 67,073	\$ 3,371,603	\$ 1,480,070	\$ 24,288,023
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ 759,024	\$ 226,715	\$ 61,518	\$ 164,227	\$ 80,235	\$ 1,291,719
Due to other funds	-	-	-	-	15,606	15,606
Compensated absences	131,130	-	-	-	-	131,130
Other liabilities	244,149	-	6,000	-	-	250,149
Deferred and unearned revenues	471,363	-	-	562,891	447,788	1,482,042
Advance from other funds	-	-	-	-	114,531	114,531
Total liabilities	<u>1,605,666</u>	<u>226,715</u>	<u>67,518</u>	<u>727,118</u>	<u>658,160</u>	<u>3,285,177</u>
Fund balances:						
Nonspendable:						
Inventories	72,761	-	-	-	-	72,761
Prepaid costs	1,787,620	29,464	1,021	-	-	1,818,105
Advance to other funds	114,531	-	-	-	-	114,531
Restricted for:						
Public safety	-	-	-	-	324,755	324,755
Library	-	-	-	-	31,718	31,718
Parks and recreation	-	-	-	-	9,730	9,730
City beautification	-	-	-	-	2,095	2,095
Tree preservation	-	-	-	-	344,824	344,824
Fire station facility	-	-	-	-	129,584	129,584
Park development	-	-	-	-	16,653	16,653
Grant matching	839,952	-	-	-	-	839,952
Education	92,541	-	-	-	-	92,541
Assigned to:						
Capital projects	-	-	-	2,644,485	-	2,644,485
Public safety	-	1,219,296	-	-	-	1,219,296
Streets and resurfacing	-	-	-	-	77,129	77,129
Subsequent year's budget	1,894,337	-	-	-	-	1,894,337
Unassigned	11,486,394	-	(1,466)	-	(114,578)	11,370,350
Total fund balances	<u>16,288,136</u>	<u>1,248,760</u>	<u>(445)</u>	<u>2,644,485</u>	<u>821,910</u>	<u>21,002,846</u>
Total liabilities and fund balances	\$ 17,893,802	\$ 1,475,475	\$ 67,073	\$ 3,371,603	\$ 1,480,070	\$ 24,288,023

See notes to basic financial statements.

CITY OF OAKLAND PARK, FLORIDA
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2011

Fund balances - total governmental funds (Page 19) \$ 21,002,846

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	106,292,830
Less accumulated depreciation	(24,631,607)

Net pension obligation	(798,914)
Net OPEB obligation	(549,000)

Accrued bond interest payable not reported in the governmental funds	(250,221)
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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	(16,669,430)
Capital leases	(87,674)
Compensated absences	(1,543,662)

Bond issuance costs are charged to expenditures in the governmental funds but are capitalized and amortized in government-wide statements

Deferred charges	142,141
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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	631,936
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Net assets of governmental activities (Page 17)	\$ 83,539,245
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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, 2011

	<u>Major Funds</u>					<u>Total Governmental Funds</u>
	<u>General</u>	<u>Special Revenue Fire Rescue</u>	<u>Special Revenue Oakland Park CRA</u>	<u>Small Town Renaissance Capital Projects Fund</u>	<u>Other Governmental Funds</u>	
REVENUES:						
Taxes:						
Property	\$ 12,632,161	\$ -	\$ -	\$ -	\$ -	\$ 12,632,161
Franchise fees	2,569,590	-	-	-	-	2,569,590
Utility taxes	3,676,217	-	-	-	-	3,676,217
Communications service taxes	2,025,458	-	-	-	-	2,025,458
Other taxes	577,971	324,109	-	-	732,036	1,634,116
Licenses and permits	957,796	6,573	-	-	179,370	1,143,739
Intergovernmental	2,977,018	20,835	-	-	340,024	3,337,877
Charges for services	6,533,001	4,946,406	-	-	-	11,479,407
Fines and forfeitures	491,432	-	-	-	-	491,432
Investment earnings (loss)	42,618	5,926	573	15,012	4,806	68,935
Grants	364,702	-	-	1,187,853	358,492	1,911,047
Other	183,909	4,497	5,084	-	4,300	197,790
Total revenues	<u>33,031,873</u>	<u>5,308,346</u>	<u>5,657</u>	<u>1,202,865</u>	<u>1,619,028</u>	<u>41,167,769</u>
EXPENDITURES:						
Current:						
General government	5,003,438	-	-	-	-	5,003,438
Public safety	12,418,589	9,653,921	-	-	25,092	22,097,602
Public works	2,591,503	-	-	-	1,218,358	3,809,861
Engineering and community develop.	3,085,978	-	245,956	-	-	3,331,934
Culture and recreation	5,103,924	-	-	-	37,601	5,141,525
Debt service:						
Principal	-	-	-	429,297	171,068	600,365
Interest	-	-	-	884,697	7,195	891,892
Bond issue costs	-	-	-	148,969	-	148,969
Capital outlay	133,263	-	2,148,652	2,496,978	476,990	5,255,883
Total expenditures	<u>28,336,695</u>	<u>9,653,921</u>	<u>2,394,608</u>	<u>3,959,941</u>	<u>1,936,304</u>	<u>46,281,469</u>
Excess (deficiency) of revenues over expenditures	4,695,178	(4,345,575)	(2,388,951)	(2,757,076)	(317,276)	(5,113,700)
OTHER FINANCING SOURCES (USES):						
Loan proceeds	-	-	2,085,443	10,992,811	-	13,078,254
Refunding bond issued	-	-	-	-	-	-
Payment to refunded bond agent	-	-	-	(10,565,000)	-	(10,565,000)
Transfers in	136,125	3,368,750	146,185	1,796,025	299,479	5,746,564
Transfers out	(5,591,117)	(19,322)	-	-	(136,125)	(5,746,564)
Total other financing sources (uses)	<u>(5,454,992)</u>	<u>3,349,428</u>	<u>2,231,628</u>	<u>2,223,836</u>	<u>163,354</u>	<u>2,513,254</u>
Net change in fund balances	<u>(759,814)</u>	<u>(996,147)</u>	<u>(157,323)</u>	<u>(533,240)</u>	<u>(153,922)</u>	<u>(2,600,446)</u>
Fund balances, beginning	16,707,950	2,244,907	156,878	3,177,725	975,832	23,263,292
Prior period adjustment	340,000	-	-	-	-	340,000
Fund balances, beginning as restated	<u>17,047,950</u>	<u>2,244,907</u>	<u>156,878</u>	<u>3,177,725</u>	<u>975,832</u>	<u>23,603,292</u>
Fund balances, ending	<u>\$ 16,288,136</u>	<u>\$ 1,248,760</u>	<u>\$ (445)</u>	<u>\$ 2,644,485</u>	<u>\$ 821,910</u>	<u>\$ 21,002,846</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, 2011

Amounts reported for governmental activities in the statement of activities (Page 18) are different because:

Net change in fund balances - total governmental funds (page 22)	\$ (2,600,446)
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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.

Expenditures for capital outlays	5,255,883
Less current depreciation	(3,020,092)

The net effect of various transactions involving capital assets	(214,628)
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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.

Loan proceeds	(2,085,443)
Revenue refunding bonds issued	(10,992,811)
Payment to refunded bond escrow agent	10,565,000
Bond issue costs	148,969
Principal payments of bonds/notes payable	429,297
Principal payments of capital leases	171,068
Amortization of deferred charges from issuance of debt	(6,828)

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:

Net decrease in Compensated absences	78,811
Net decrease in accrued interest payable	77,052
Net increase in pension obligation	-
Net increase in OPEB obligation	(131,000)

Some revenues reported in the statement of activities do not provide current financial resources and are not reported as revenues in the funds.	631,936
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Some revenues reported in the fund statements are revenues of prior periods and are not reported as revenues in the statement of activities.	(69,904)
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Change in net assets of governmental activities (Page 18)	\$ (1,763,136)
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See notes to basic financial statements.

CITY OF OAKLAND PARK, FLORIDA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2011

	<u>Business-type Activities - Enterprise Funds</u>			
	<u>Water</u>	<u>Solid Waste</u>	<u>Stormwater</u>	<u>Total</u>
	<u>and Sewer</u>			
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 6,600,350	\$ 2,032,633	\$ 554,559	\$ 9,187,542
Accounts receivable, net	1,269,346	634,149	831,752	2,735,247
Inventories	212,076	-	-	212,076
Prepayments	3,596	10,081	2,064	15,741
Total current assets	<u>8,085,368</u>	<u>2,676,863</u>	<u>1,388,375</u>	<u>12,150,606</u>
Noncurrent assets:				
Restricted cash and cash equivalents	14,722,855	275,461	931,781	15,930,097
Capital assets:				
Land	50,500	-	7,599	58,099
Construction in progress	1,848,676	-	902,436	2,751,112
Buildings	440,600	-	92,393	532,993
Machinery and equipment	3,231,453	2,451,387	471,377	6,154,217
Infrastructure	37,919,020	-	46,164,325	84,083,345
Total capital assets	43,490,249	2,451,387	47,638,130	93,579,766
Less accumulated depreciation	<u>(16,781,560)</u>	<u>(1,580,975)</u>	<u>(6,023,811)</u>	<u>(24,386,346)</u>
Total capital assets, net	<u>26,708,689</u>	<u>870,412</u>	<u>41,614,319</u>	<u>69,193,420</u>
Total noncurrent assets	<u>41,431,544</u>	<u>1,145,873</u>	<u>42,546,100</u>	<u>85,123,517</u>
Total assets	<u>49,516,912</u>	<u>3,822,736</u>	<u>43,934,475</u>	<u>97,274,123</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	1,608,780	416,376	175,543	2,200,699
Due to other funds	-	-	2,851	2,851
Accrued interest payable	83,887	1,524	72,902	158,313
Compensated absences	13,262	22,350	11,746	47,358
Customer deposits	958,604	275,461	-	1,234,065
Unearned revenues	7,839	-	-	7,839
Current portion of bonds/loans payable	310,000	208,531	211,023	729,554
Total current liabilities	<u>2,982,372</u>	<u>924,242</u>	<u>474,065</u>	<u>4,380,679</u>
Noncurrent liabilities:				
Compensated absences	60,417	101,817	53,509	215,743
Revenue bonds payable	15,487,309	-	-	15,487,309
Loan payable	-	625,804	4,700,203	5,326,007
Net OPEB obligation	37,831	47,829	27,340	113,000
Total noncurrent liabilities	<u>15,585,557</u>	<u>775,450</u>	<u>4,781,052</u>	<u>21,142,059</u>
Total liabilities	<u>18,567,929</u>	<u>1,699,692</u>	<u>5,255,117</u>	<u>25,522,738</u>
NET ASSETS				
Invested in capital assets, net of related debt	22,266,428	36,077	36,703,685	59,006,190
Restricted for capital projects	1,493,203	-	892,620	2,385,823
Unrestricted	7,189,352	2,086,967	1,083,053	10,359,372
Total net assets	<u>\$ 30,948,983</u>	<u>\$ 2,123,044</u>	<u>\$ 38,679,358</u>	<u>\$ 71,751,385</u>

See notes to basic financial statements.

CITY OF OAKLAND PARK, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>Business-type Activities - Enterprise Funds</u>			
	<u>Water</u>			
	<u>and Sewer</u>	<u>Solid Waste</u>	<u>Stormwater</u>	<u>Total</u>
Operating revenues:				
Charges for sales and services:				
Metered water sales (pledged)	\$ 7,767,879	\$ -	\$ -	\$ 7,767,879
Sewer fees (pledged)	6,292,999	-	-	6,292,999
Residential solid waste service	-	2,919,677	-	2,919,677
Commercial solid waste service	-	4,103,846	-	4,103,846
Other charges for services	177,318	135,123	-	312,441
Stormwater fees	-	-	2,749,590	2,749,590
Other revenues	<u>54,453</u>	<u>135,715</u>	<u>(13,869)</u>	<u>176,299</u>
Total operating revenues	<u>14,292,649</u>	<u>7,294,361</u>	<u>2,735,721</u>	<u>24,322,731</u>
Operating expenses:				
Water system operation	5,151,093	-	-	5,151,093
Sewer system operation	4,673,739	-	-	4,673,739
Administrative support	1,454,183	1,574,232	988,477	4,016,892
Solid waste operation	-	5,788,447	-	5,788,447
Stormwater system operation	-	-	1,197,722	1,197,722
Depreciation	<u>635,452</u>	<u>135,381</u>	<u>644,100</u>	<u>1,414,933</u>
Total operating expenses	<u>11,914,467</u>	<u>7,498,060</u>	<u>2,830,299</u>	<u>22,242,826</u>
Operating income	2,378,182	(203,699)	(94,578)	2,079,905
Non-operating revenues (expenses)				
Investment earnings (loss)	56,252	5,389	4,911	66,552
Interest and fiscal charges	(826,493)	(27,870)	(223,921)	(1,078,284)
Grants and contributions	<u>241,748</u>	<u>93,131</u>	<u>-</u>	<u>334,879</u>
Total non-operating revenues (expenses)	<u>(528,493)</u>	<u>70,650</u>	<u>(219,010)</u>	<u>(676,853)</u>
Income before transfers and contributions	1,849,689	(133,049)	(313,588)	1,403,052
Grants and capital contributions	<u>70,804</u>	<u>-</u>	<u>2,825,473</u>	<u>2,896,277</u>
Changes in net assets	<u>1,920,493</u>	<u>(133,049)</u>	<u>2,511,885</u>	<u>4,299,329</u>
Net assets, beginning as previously reported	28,335,716	2,256,093	36,027,002	66,618,811
Prior period adjustment	<u>692,774</u>	<u>-</u>	<u>140,471</u>	<u>833,245</u>
Net assets, beginning as restated	29,028,490	2,256,093	36,167,473	67,452,056
Net assets, end of year	<u>\$ 30,948,983</u>	<u>\$ 2,123,044</u>	<u>\$ 38,679,358</u>	<u>\$ 71,751,385</u>

See notes to basic financial statements.

CITY OF OAKLAND PARK, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Business-type Activities - Enterprise Funds			
	Water and Sewer	Solid Waste	Stormwater	Total
Cash flows from operating activities:				
Cash received from customers	\$ 14,610,136	\$ 7,225,672	\$ 5,236,696	\$ 27,072,504
Cash paid to suppliers	(8,318,965)	(4,029,985)	(1,432,591)	(13,781,541)
Cash paid to employees	(1,574,333)	(1,772,220)	(935,849)	(4,282,402)
Cash paid for interfund services used	(1,454,183)	(1,574,232)	(988,477)	(4,016,892)
Net cash provided by operating activities	<u>3,262,654</u>	<u>(150,765)</u>	<u>1,879,779</u>	<u>4,991,668</u>
Cash flows from noncapital financing activities:				
Grants available for operating purpose	241,748	93,131	-	334,879
Net cash provided by (used in) noncapital financing activities	<u>241,748</u>	<u>93,131</u>	<u>-</u>	<u>334,879</u>
Cash flows from capital and related financing activities:				
Acquisition/construction of capital assets	(2,923,774)	-	(4,133,681)	(7,057,455)
Capital grants and contributions	70,804	-	2,825,473	2,896,277
Proceeds from capital debt	-	-	4,838,913	4,838,913
Payment of bond issue costs	-	-	(18,312)	(18,312)
Payment for retirement of bonds	-	-	(44,625)	(44,625)
Principal paid on bonds/loans payable	(310,000)	(202,395)	(4,602,993)	(5,115,388)
Interest paid on capital debt	(829,436)	(29,146)	(245,949)	(1,104,531)
Net cash (used in) capital and related financing activities	<u>(3,992,406)</u>	<u>(231,541)</u>	<u>(1,381,174)</u>	<u>(5,605,121)</u>
Cash flows from investing activities:				
Interest on investments	56,252	5,389	4,911	66,552
Net cash provided by (used in) investing activities	<u>56,252</u>	<u>5,389</u>	<u>4,911</u>	<u>66,552</u>
Net increase (decrease) in pooled cash and cash equivalents	(431,752)	(283,786)	503,516	(212,022)
Pooled cash and cash equivalents, beginning	21,754,957	2,591,880	982,824	25,329,661
Pooled cash and cash equivalents, ending	<u>\$ 21,323,205</u>	<u>\$ 2,308,094</u>	<u>\$ 1,486,340</u>	<u>\$ 25,117,639</u>
Displayed as:				
Unrestricted	\$ 6,600,350	\$ 2,032,633	\$ 554,559	\$ 9,187,542
Restricted	14,722,855	275,461	931,781	15,930,097
Total, September 30	<u>\$ 21,323,205</u>	<u>\$ 2,308,094</u>	<u>\$ 1,486,340</u>	<u>\$ 25,117,639</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 2,378,182	\$ (203,699)	\$ (94,578)	\$ 2,079,905
Adjustments to reconcile operating income to net cash provided used by operating activities:				
Depreciation, amortization and OPEB expense	635,452	135,381	644,100	1,414,933
Change in assets and liabilities:				
(Increase) decrease in accounts receivables	265,169	126,355	2,357,653	2,749,177
(Increase) decrease in inventories	(68,541)	-	-	(68,541)
(Increase) decrease in other assets	(2,036)	(10,081)	(1,806)	(13,923)
Increase (decrease) in accounts payable and accrued liabilities	(344,011)	(26,264)	(1,173,983)	(1,544,258)
Increase (decrease) in accrued liabilities	-	-	-	-
Increase (decrease) in due to other funds	-	-	2,851	2,851
Increase (decrease) in deferred revenue	(312,000)	(19,500)	-	(331,500)
Increase (decrease) in customers' deposits	8,560	(175,544)	-	(166,984)
Increase (decrease) in net OPEB obligation	11,820	13,075	7,105	32,000
Increase (decrease) in compensated absences	(2,715)	9,512	(2,034)	4,763
prior period adjustment	692,774	-	140,471	833,245
Net cash provided by operating activities	<u>\$ 3,262,654</u>	<u>\$ (150,765)</u>	<u>\$ 1,879,779</u>	<u>\$ 4,991,668</u>
Noncash from capital and related financing activities:				
Loan receivable	-	-	255,907	255,907
Capital assets contributions	61,300	-	-	61,300
Total noncash from capital and related financing activities	<u>\$ 61,300</u>	<u>\$ -</u>	<u>\$ 255,907</u>	<u>\$ 317,207</u>

See notes to basic financial statements.

CITY OF OAKLAND PARK, FLORIDA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
SEPTEMBER 30, 2011

	Pension Trust Funds
Assets	
Cash and short-term investments	\$ <u>2,223,856</u>
Receivables:	
Contributions	-
Accounts	36,228
Accrued interest and dividends	<u>245,664</u>
Total receivables	<u>281,892</u>
Investments, at fair value:	
U.S. Government and agency securities	7,579,394
Corporate bonds and notes	10,283,865
Mutual funds	23,924,871
Common stocks	22,990,600
International equity commingled fund	<u>3,195,444</u>
Total investments	<u>67,974,174</u>
Total assets	<u>70,479,922</u>
Liabilities	
Accounts payable and accrued expenses	46,296
Prepaid contributions	1,652,016
Drop plan payable	<u>938,080</u>
Total liabilities	<u>2,636,392</u>
Net Assets	
Net assets held in trust for pension benefits	<u>\$ 67,843,530</u>

See notes to basic financial statements.

CITY OF OAKLAND PARK, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

	<u>Pension Trust Funds</u>
Additions:	
Contributions:	
Plan members	\$ 714,988
City	4,599,011
State of Florida	535,835
Broward Sheriff's Office	470,912
Total contributions	<u>6,320,746</u>
Investment income:	
Investment earnings	1,426,096
Net appreciation in fair value of investments	<u>(716,056)</u>
Total	710,040
Less:	
Investment expenses	(239,021)
Deferred retirement option plan participants' earnings	<u>(22,683)</u>
Net investment income	<u>448,336</u>
Misc. income:	<u>8,687</u>
Total additions	<u>6,777,769</u>
Deductions:	
Pension benefits paid	7,166,976
Participants' contributions refunded	5,649
Administrative expenses	<u>210,582</u>
Total deductions	<u>7,383,207</u>
Change in net assets	(605,438)
Net assets, beginning	<u>68,448,968</u>
Net assets, ending	<u>\$ 67,843,530</u>

See notes to basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

**CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

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 Statement No. 39, 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 the expenditures have been budgeted in the City's annual budget. 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 unit.

b. *Government-wide and Fund Financial Statements*

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for 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, 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. Fire rescue fund derives its revenue from fire assessments and charges for services with substantial supplemental transfers from the General Fund. CRA mainly derives its revenues from the General Fund transfers along with other financing sources.

The **capital projects fund** (Small Town Renaissance Capital Projects Fund) accounts for the acquisition of equipment and construction of major capital projects not being financed by proprietary funds.

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.

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.

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

d. **Assets, Liabilities, and Net Assets 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 – Florida Prime fund A (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 Net Assets 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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

3. Property Taxes (continued)

County are provided for in the Laws of Florida.

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, 2011 was 5.7252 mills (\$5.7252 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 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 assets 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 Assets or Fund Equity (continued)

<u>Assets</u>	<u>Years</u>
Buildings	50
Improvements other than buildings	20
Machinery and Equipment	5-20
System Infrastructure	50-65
Public Domain Infrastructure	50-65

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, 2011 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 assets. 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. 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 or resolution but may be removed or modified by the same formal action are

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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. Assignments are made by City management based on the Commission direction or its authority may be delegated. 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 City has not yet formally adopt a fund balance policy addressing the order to which restricted and unrestricted fund balance are spent when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used, it is should be considered that committed amount would be reduced first, followed by assigned amounts, and then unassigned amounts.

10. Minimum Fund Balance Policy

The City's fiscal policy is to maintain an adequate General Fund fund balance and enterprise fund net assets to provide liquidity in the event of an economic downturn or natural disaster. The City Commission has adopted a financial standard to maintain a minimum 25% unrestricted fund balances which include committed, assigned and unassigned amounts as stated above for General Fund and 10% of unrestricted net assets for enterprise operating funds.

11. 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.

12. 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.

NOTE 2. DEPOSITS AND INVESTMENTS

a. Cash, Deposits and Investments

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

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

b. Cash Equivalents (continued)

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 \$10,033,282 as of September 30, 2011. Bank balance before reconciling items were \$9,872,977 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 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, 2011:

	<u>Total Value</u>	<u>Average Maturity</u>	<u>S&P Rating</u>
Florida Prime fund A	\$ 28,941,746	31 days	AAAm
LGSTF Fund B (NAV)	154,355	7.16 years	unrated

Investments

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:

	<u>Maximum (%)</u>	<u>Individual Issue (%)</u>
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

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.

City of Oakland Park General Employees Pension Plan (GEPP)

The GEPP's Board of Trustees has developed certain investment guidelines and has retained an investment monitor and managers. The investment monitor evaluates and reports on a quarterly basis compliance by the investment managers with the investment policy of the Board and investment performance of the GEPP. The investment managers are expected to maximize the return on the investment portfolio and may make transactions consistent with that expectation within the Board's guidelines.

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, 2011, the following fixed income investments are held for GEPP:

	<u>Average Fair Value</u>	<u>Fitch Maturity</u>	<u>Rating</u>
High Quality Government Mutual funds	\$7,834,027	.78 years	AA

The GEPP's investment policy does not set a parameter on the duration of its fixed income securities. However, as of September 30, 2011, 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, 2011, 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, 2011, other than mutual funds, the Plan does not currently hold any securities that exceed 5% of plan net assets.

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%

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

b. Investments (continued)

of its investment balance. The Plan has invested in international equity funds. As of September 30, 2011, the Plan's foreign investments were 10% 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.

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, 2011:

Investment Type	Investment Maturities (in years)				
	Fair Value	Less than 1	1 to 5	6 to 10	More than 10
U.S. treasuries	\$ 1,413,724	\$ -	\$ 722,926	\$ 203,532	\$ 487,266
U.S. agencies	6,165,669	-	543,071	2,584,922	3,037,676
Corporate bonds	10,283,866	255,501	2,178,079	7,257,384	592,902
Total fixed income securities	<u>\$ 17,863,259</u>	<u>\$ 255,501</u>	<u>\$ 3,444,076</u>	<u>\$ 10,045,838</u>	<u>\$ 4,117,844</u>

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NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

b. Investments (continued)

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

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, 2011, as applicable:

	<u>Fair Value</u>	<u>Percentage of Portfolio</u>
U.S. government guaranteed*	\$ 7,579,394	42.40 %
Quality rating of credit risk debt securities		
AA+	536,116	3.00
AA	154,548	0.87
AA-	583,288	3.27
A+	2,492,881	13.96
A	3,827,531	21.44
A-	1,607,145	9.00
BBB+	955,838	5.35
BBB	94,507	0.53
BBB-	32,011	0.18
Total credit risk debt securities	<u>10,283,865</u>	<u>57.60</u>
Total fixed income securities	<u>\$ 17,863,259</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, 2011.

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.

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NOTE 3. DISAGGREGATION OF ACCOUNTS RECEIVABLES AND ACCOUNTS PAYABLE BALANCES

Accounts Receivable balances at September 30, 2011, were as follows:

	<u>Accounts</u>	<u>Taxes</u>	<u>Due from Other Governments</u>	<u>Other</u>	<u>Allowance Uncollectible Accounts</u>	<u>Net</u>
Governmental Activities						
General Fund	\$ 225,971	\$ 1,632,092	\$ 31,857	\$ -	\$ (111,526)	\$ 1,778,394
Fire Rescue	4,271,969	16,698	-	-	(4,096,625)	192,042
Capital Project	-	-	562,891	-	-	562,891
Nonmajor	25,092	56,261	-	-	-	81,353
Total governmental activities	<u>\$ 4,523,032</u>	<u>\$ 1,705,051</u>	<u>\$ 594,748</u>	<u>\$ -</u>	<u>\$ (4,208,151)</u>	<u>\$ 2,614,680</u>
Business-type Activities						
Water/Sewer	\$ 1,728,599	\$ -	\$ 38,379	\$ -	\$ (497,632)	\$ 1,269,346
Solid waste	1,088,919	-	25,803	-	(480,573)	634,149
Stormwater	930,569	-	256,518	-	(355,335)	831,752
Total business-type activities	<u>\$ 3,748,087</u>	<u>\$ -</u>	<u>\$ 320,700</u>	<u>\$ -</u>	<u>\$ (1,333,540)</u>	<u>\$ 2,735,247</u>

Revenues of Fire Rescue funds are reported net of uncollectible amounts. Total amount charged to the provision related to revenues of the current period was \$802,136.

Accounts Payable and Accrued Liabilities balances at September 30, 2011, were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Total</u>
Governmental Activities			
General Fund	\$ 644,068	\$ 114,956	\$ 759,024
Fire Rescue	31,885	194,830	226,715
CRA	61,518	-	61,518
Capital Projects	164,227	-	164,227
Nonmajor and other funds	80,235	-	80,235
Total government activities	<u>\$ 981,933</u>	<u>\$ 309,786</u>	<u>\$ 1,291,719</u>
Business-type Activities			
Water and sewer	\$ 1,564,455	\$ 44,325	\$ 1,608,780
Solid waste	376,518	39,858	416,376
Stormwater	159,679	15,864	175,543
Total business-type activities	<u>\$ 2,100,652</u>	<u>\$ 100,047</u>	<u>\$ 2,200,699</u>

NOTE 4. CAPITAL ASSETS

The following is a summary of changes in capital assets for the fiscal year ended September 30, 2011:

	Balance Oct. 1, 2010	Increases	Decreases	Balance Sept. 30, 2011
Governmental activities:				
Capital assets not being depreciated:				
Land and Easements	\$ 13,046,629	\$ 1,648,784	\$ (188,950)	\$ 14,506,463
Construction in progress	1,535,041	4,796,670	(5,483,411)	848,300
Total assets not being depreciated	<u>14,581,670</u>	<u>6,445,454</u>	<u>(5,672,361)</u>	<u>15,354,763</u>
Capital assets being depreciated/amortized:				
Intangible-software	249,195	-	-	249,195
Buildings	14,997,215	499,867	-	15,497,082
Improv other than buildings	17,313,939	28,309	-	17,342,248
Machinery & equipment	13,161,227	777,773	(206,793)	13,732,207
Infrastructure	41,129,445	2,987,890	-	44,117,335
Total capital assets being depreciated	<u>86,851,021</u>	<u>4,293,839</u>	<u>(206,793)</u>	<u>90,938,067</u>
Less accumulated depreciation/amortization for:				
Intangible-software	(117,812)	(42,109)	-	(159,921)
Buildings	(2,969,848)	(329,756)	-	(3,299,604)
Improv other than buildings	(3,831,812)	(795,632)	-	(4,627,444)
Machinery & equipment	(7,809,097)	(1,099,636)	181,115	(8,727,617)
Infrastructure	(7,064,061)	(752,959)	-	(7,817,021)
Total accumulated depreciation	<u>(21,792,630)</u>	<u>(3,020,092)</u>	<u>181,115</u>	<u>(24,631,607)</u>
Total capital assets being depreciated, net	<u>65,058,391</u>	<u>1,273,747</u>	<u>(25,678)</u>	<u>66,306,460</u>
Governmental activities capital assets, net	<u>\$ 79,640,061</u>	<u>\$ 7,719,201</u>	<u>\$ (5,698,039)</u>	<u>\$ 81,661,223</u>
	Balance Oct. 1, 2010	Increases	Decreases	Balance Sept. 30, 2011
Business type activities:				
Capital assets not being depreciated:				
Land	\$ 58,099	\$ -	\$ -	\$ 58,099
Construction in progress	7,838,681	6,884,333	(11,971,903)	2,751,111
Total capital assets not being depreciated	<u>7,896,780</u>	<u>6,884,333</u>	<u>(11,971,903)</u>	<u>2,809,210</u>
Capital assets being depreciated/amortized:				
Buildings	532,994	-	-	532,994
Machinery & equipment	6,044,084	111,822	(1,689)	6,154,217
Infrastructure	72,050,141	12,033,203	-	84,083,344
Total capital assets being depreciated	<u>78,627,219</u>	<u>12,145,025</u>	<u>(1,689)</u>	<u>90,770,555</u>
Less accumulated depreciation/amortization for:				
Buildings	(404,252)	(10,236)	-	(414,488)
Machinery & equipment	(2,998,767)	(245,991)	1,689	(3,243,069)
Infrastructure	(19,570,082)	(1,158,705)	-	(20,728,787)
Total accumulated depreciation	<u>(22,973,101)</u>	<u>(1,414,932)</u>	<u>1,689</u>	<u>(24,386,344)</u>
Total capital assets being depreciated, net	<u>55,654,118</u>	<u>10,730,093</u>	<u>-</u>	<u>66,384,211</u>
Business type activities capital assets, net	<u>\$ 63,550,898</u>	<u>\$ 17,614,426</u>	<u>\$ (11,971,903)</u>	<u>\$ 69,193,421</u>

NOTE 4. CAPITAL ASSETS (Continued)

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

Governmental Activities:	
General government	\$ 232,532
Public safety	431,545
Public works	1,452,093
Engineering & Community development	32,984
Parks and Leisure Services	<u>870,938</u>
Total depreciation expense - governmental activities	<u>\$ 3,020,092</u>
Business-type Activities:	
Water and sewer	\$ 635,451
Solid waste	135,381
Stormwater	<u>644,100</u>
Total depreciation expense - business activities	<u>\$ 1,414,932</u>

NOTE 5. INTERFUND BALANCES AND TRANSFERS

Interfund balances at September 30, 2011 consisted of the following:

	<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
Due to/from	General Fund	Nonmajor gov'tal funds	\$ 15,606	provide interim resources
Advance to/from	General Fund	Nonmajor gov'tal funds	114,531	provide interim resources
			<u>\$ 130,137</u>	

Interfund transfers for the year ended September 30, 2011, consisted of the following:

	<u>General Fund</u>	<u>Fire Rescue Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>	<u>Purpose</u>
Transfer In:					
General Fund	\$ -	\$ -	\$ 136,125	\$ 136,125	Supplement budget
Fire Rescue Fund	3,368,750	-	-	3,368,750	Supplement budget
CRA	146,185	-	-	146,185	Supplement budget
Capital Projects	1,796,025	-	-	1,796,025	Capital expenditure
Nonmajor governmental	280,157	19,322	-	299,479	Supplement budget
	<u>\$ 5,591,117</u>	<u>\$ 19,322</u>	<u>\$ 136,125</u>	<u>\$ 5,746,564</u>	

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NOTE 6. RESTRICTED ASSETS

General Fund: The City agreed to reserve certain amount for the transferred police officers to BSO as accrued leave obligation in the agreement dated August 1, 2000. At September 30, 2011, the reserve balance is \$131,130.

Capital Projects Fund: Restricted assets and the related reservations of fund balance of the Capital Projects Fund consists of \$2,808,712 of cash equivalents in the State Treasurer’s Investment Pool a. All of the \$2,808,712 is restricted for construction projects.

Non-major Governmental Funds: Restricted assets consist of \$406,424 at September 30, 2011 which is reserved for park improvement.

Water and Sewer Fund: Restricted assets of the Water and Sewer Fund consist of the following balances at September 30, 2011:

FMLC loan	\$	412
Customer Deposits		903,466
Renewal and Replacement Reserve		665,507
Construction		13,153,470
		<u>\$ 14,722,855</u>

Solid Waste Fund: Restricted Assets of the Solid Waste Fund consists of \$275,461 at September 30, 2011 which is for customer deposits.

Stormwater Fund: Restricted assets of the Stormwater Fund at September 30, 2011 consist of \$592 of loan received from the Florida Municipal Loan Council and can only be expended on the approved projects and \$931,189 of funds reserved for construction projects.

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 with total asset value of \$1,178,215. This original lease amount was paid in full in December 2009.

On February 23, 2005, under the same Master Lease Agreement, the City entered into a capital lease agreement for the purchase of fire rescue equipment with total asset value of \$1,105,090. The Master Lease Agreement requires no down payment and interest rates are set at lease inception. Upon final payment of the lease, title to the capital assets will revert to the City.

On July 8, 2010 under the same Master Lease Agreement, the City entered into a capital lease agreement for the purchase of five solid waste transport trucks with total asset value of \$1,069,879. The Master Lease Agreement requires no down payment and interest rates are set at lease inception. Upon final payment of the lease, title to the capital assets will revert to the City.

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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, 2011:

Year ending September 30:	Governmental Activities
2012	\$ 319,766
2013	230,635
2014	230,635
2015	192,196
Total minimum lease payments	973,232
Less: amount representing interest at 2.99% and 3.326%	(51,223)
Present value of minimum lease payments	\$ 922,009

The assets acquired through the capital leases are as follows:

	Governmental Activities	Business-Type Activities
Asset:		
Machinery and Equipment	2,128,585	1,237,840
Less: Accumulated Depreciation	(1,455,500)	(383,183)
Net	\$ 673,085	\$ 854,657

NOTE 8. LONG-TERM DEBT

a. Revenue Bonds

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)

a. Revenue Bonds (continued)

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)

a. Revenue Bonds (continued)

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 45% of net revenues. Total principal and interest remaining to be paid on the bonds is \$29,693,039. Principal and interest paid for the current year were \$1,068,106. Total customer net revenues for current year were \$4,467,817.

The following table reflects the debt service requirements of the Water and Sewer Revenue Bonds, Series 2010 as of September 30, 2011:

Fiscal Year ending September 30:	2010A		2010B			Total Payment after est. subsidy
	Principal	Interest	Principal	Interest	Est. Subsidy	
2012	\$ 270,000	\$ 82,725	\$ -	\$ 692,631	\$ 242,421	\$ 802,935
2013	280,000	77,325	-	692,631	242,421	807,535
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
2017-2021	1,435,000	156,644	400,000	3,463,155	1,212,104	4,242,695
2022-2026	195,000	19,800	2,190,000	3,123,831	1,093,341	4,435,290
2027-2031	-	-	2,650,000	2,438,871	853,605	4,235,266
2032-2036	-	-	3,210,000	1,567,143	548,500	4,228,643
2037-2040	-	-	3,065,000	488,203	170,871	3,382,332
	<u>\$ 3,100,000</u>	<u>\$ 533,681</u>	<u>\$ 11,515,000</u>	<u>\$ 14,544,358</u>	<u>\$ 5,090,525</u>	<u>\$ 24,602,514</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 1st of each year with interest payments due on July 1st and January 1st 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, 2011, the City was in compliance with this covenant.

The following table reflects the debt service requirements of the Florida Municipal Loan Council – Loan II as of September 30, 2011:

NOTE 8. LONG-TERM DEBT (Continued)

b. Florida Municipal Loan Council (continued)

<u>Fiscal Year ending</u> <u>September 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 40,000	\$ 77,094	\$ 117,094
2013	40,000	75,494	115,494
2014	45,000	73,894	118,894
2015	45,000	72,038	117,038
2016	45,000	70,125	115,125
2017-2021	270,000	317,194	587,194
2022-2026	340,000	244,475	584,475
2027-2031	430,000	148,881	578,881
2032-2034	315,000	32,800	347,800
	<u>\$ 1,570,000</u>	<u>\$ 1,111,994</u>	<u>\$ 2,681,994</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 1st of each year with interest payments due on October 1st and April 1st, 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>
2012	\$ 145,524	\$ 157,273	\$ 302,797
2013	152,029	150,623	302,652
2014	158,825	143,675	302,500
2015	165,924	136,417	302,341
2016	173,341	128,835	302,175
2017-2021	990,093	518,026	1,508,119
2022-2026	1,232,066	270,645	1,502,711
2027-2028	573,374	25,910	599,284
	<u>\$ 3,591,176</u>	<u>\$ 1,531,404</u>	<u>\$ 5,122,580</u>

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NOTE 8. LONG-TERM DEBT (Continued)

d. 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 31st of each year of the fifteen (15) year period, commencing March 31, 2017.

e. 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 30th of each year of the fifteen (15) year period, commencing September 30, 2017.

f. State Revolving Fund loans

On September 24, 2009, the City entered into Clean Water State Revolving Fund Construction Loan Agreements with the Florida Department of Environmental Protection, Bureau of Water Facilities Funding as partial funding for the Lloyd Estates Drainage Project. The loan was comprised of 2 components: loan 1 for \$1,131,044 was made available via the American Recovery & Reinvestment Act of 2009 (ARRA) and loan 2, the second agreement from the fund, was for \$238,213. Both bear the interest rate of 2.29%. Funds were made available as draw downs against qualifying project expenditures.

Loan payment schedules were developed based on projected draw downs, with semi-annual payments of interest and principal beginning December 15, 2010 and semi-annually thereafter on June 15 and December 15 of each year until all amounts due have been fully repaid. During FY2011 \$170,904 was drawn down against loan 1 and \$23,819 was drawn against loan 2. Final loan documents and repayment schedules will be developed based on the final amounts actually draw down.

NOTE 8. LONG-TERM DEBT (Continued)

f. State Revolving Fund loans (continued)

<u>Fiscal Year ending</u> <u>September 30:</u>	<u>Loan # 1</u>		<u>Loan # 2</u>		<u>Combined</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2012	11,434	6,089	6,974	3,714	18,408	9,803
2013	11,697	5,826	7,134	3,553	18,832	9,379
2014	11,967	5,556	7,299	3,389	19,265	8,945
2015	12,242	5,281	7,467	3,221	19,709	8,501
2016	12,524	4,999	7,639	3,049	20,163	8,047
2017-2021	67,082	20,531	40,915	12,522	107,998	33,053
2022-2026	75,171	12,442	45,849	7,589	121,021	20,031
2027-2030	66,613	3,478	40,629	2,121	107,242	5,599
	<u>\$ 268,731</u>	<u>\$ 64,200</u>	<u>\$ 163,906</u>	<u>\$ 39,158</u>	<u>\$ 432,637</u>	<u>\$ 103,358</u>

g. Defeased Bonds

In December 2010, the City entered into a loan with Branch Banking & Trust and issued a 20 year promissory note for \$15,637,000 to refund the balance of Florida Municipal Loan Council (FMLC) Revenue bonds, Series 2000B. The refunding proceeds of \$15.6 million were deposited into and held in an irrevocable escrow deposit trust for the purpose of refunding the series 2000B bonds on May 1, 2011. As a result, the 2000B series bonds were considered to be defeased and the liability for those bonds was removed from the balance sheet. The advance refunding generated a net benefit of \$1,855,855 in cash flows savings and economic gain.

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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, 2011 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>
Governmental Activities:					
FLMC 2000B	\$ 10,855,000	\$ -	\$ (10,855,000)	\$ -	\$ -
Capital lease 2005	258,742	-	(171,068)	87,674	87,674
Note payable 2007	3,730,473	-	(139,297)	3,591,176	145,524
BB&T Refunding bonds 2010	-	10,992,811	-	10,992,811	455,921
CRA RCP loan	-	2,085,443	-	2,085,443	-
Less deferred amount for issuance discounts	-	(148,969)	6,827	(142,142)	-
Total bonds and notes payable	14,844,215	12,929,285	(11,158,538)	16,614,962	689,119
Other Liabilities:					
Compensated absences	1,825,028	141,809	(292,045)	1,674,792	408,989
Governmental activity long-term Liabilities.	\$ 16,669,243	\$ 13,071,094	\$ (11,450,583)	\$ 18,289,754	\$ 1,098,108
Business Activities:					
Bonds and Notes payable:					
FLMC 2000 405	4,585,000	-	(4,585,000)	-	-
FLMC 2004 401	1,610,000	-	(40,000)	1,570,000	40,000
Capital lease 2010 402	1,036,730	-	(202,395)	834,335	208,530
Revenue Refunding 2010 401	14,885,000	-	(270,000)	14,615,000	270,000
BB&T Refunding bonds 2010 405	-	4,644,189	-	4,644,189	192,615
State Revolving Fund Loan #1 405	-	279,907	(11,176)	268,731	11,434
State Revolving Fund Loan #2 405	-	170,723	(6,817)	163,906	6,974
Less deferred amount for issuance discounts	(518,146)	(170,320)	135,175	(553,291)	-
Total bonds and notes payable	21,598,584	4,924,499	(4,980,213)	21,542,870	729,553
Other liabilities:					
Compensated absences	258,339	51,264	(46,501)	263,102	47,358
Business-type activity long-term Liabilities	\$ 21,856,923	\$ 4,975,763	\$ (5,026,714)	\$ 21,805,972	\$ 776,911

For governmental activities, compensated absences are generally liquidated by the General Fund and Fire Rescue 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 Plans applies all GASB pronouncements as well as FASB pronouncements issued on or before November 30, 1089, unless they conflict with or contradict GASB pronouncements.

NOTE 9. EMPLOYEE RETIREMENT PLANS (Continued)

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.

Plan description, Contribution Information and Funding Policies

All regular full-time employees are covered by (1) the City of Oakland Park 401(a) Plan, a defined contribution plan, administered by an independent agent, ICMA Retirement Corporation, or (2) the 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 non-contributory, 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 seven (7) 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 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. 12th 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. 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, except for the executive management under contract. 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. Participants of the Retirement System for Police and Firefighters were required to contribute 10% of their compensation beginning July 2007. 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 2011, the City's contributions to the General Employees' Pension Plan and the Retirement System for Police and Firefighters were 52.2% and 37.8%, respectively.

The funded status of the Plans as of October 1, 2009, the date of the most recent actuarial valuation date is as follows (dollar amounts in thousands):

Pension Plan	(a) Actuarial Value of Assets	(b) 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	\$ 20,986	\$ 45,877	\$ 24,891	45.7%	\$ 6,281	396%
RSP&F	43,666	\$ 66,387	\$ 22,721	65.8%	\$ 5,324	427%

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 14.57% for senior management and 10.77% for regular employees up until June 30, 2011. Subsequently, the employer contribution rates were decreased to 6.27% and 4.91% for each respective class. The City's contribution to the FRS amounted to \$42,316 for senior management class and \$219,957 for regular class employees for the year ended September 30, 2011, 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 15% to 20% per contracts with each participant.

The Plan is administered by International City Management Association Retirement Corporation (ICMA).

The contribution requirements of covered payroll and actual contributions made for fiscal year 2011 and the two preceding fiscal years for FRS and 401(a) plans were as follows:

NOTE 9. EMPLOYEE RETIREMENT PLANS (Continued)

b. Funding Policy and Funded Status (continued)

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Contribution requirements	\$ 375,884	\$ 387,286	\$ 360,652
Contributions made by employer (100%)			
401 (a) Plan	\$ 96,669	\$ 142,426	\$ 154,733
FRS Plan	253,274	244,860	205,919
Contributions made by employees (100%)			
401 (a) Plan	5,501	-	-
FRS Plan	20,440	-	-
Total contributions made	<u>\$ 375,884</u>	<u>\$ 387,286</u>	<u>\$ 360,652</u>
Total covered payroll	\$ 3,309,534	\$ 3,202,015	\$ 3,003,165
Percentage of contribution to total covered payroll	11.36%	12.10%	12.01%

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 for the current year were as follows:

	<u>General Employees</u>	<u>Police and Firefighters</u>
Annual req contribution	\$ 3,051,661	\$ 1,962,037
Interest on net pension asset	35,048	(11,445)
Adjustment to annual required contribution	<u>(36,406)</u>	<u>11,888</u>
Annual pension cost	3,050,303	1,962,480
Contribution made	<u>(2,556,393)</u>	<u>(1,962,037)</u>
(increase) decrease in NPA	493,910	443
Beginning of year balance	452,237	(147,676)
Net pension obligation (asset), end of year	<u>\$ 946,147</u>	<u>\$ (147,233)</u>

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, 2009 and using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return and (b) projected salary increases of 5% per year. Both (a) and (b) 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 a level percentage of projected payroll on an closed basis. The remaining amortization period is 30 years.

NOTE 9. EMPLOYEE RETIREMENT PLANS (Continued)

b. 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)
2010	\$ 3,050,303	84%	\$ (946,147)
2009	2,863,505	82%	(452,237)
2008	2,279,923	73%	63,164

(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, 2009 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 on an closed basis. The remaining amortization period was 30 years.

Premium taxes from the State of Florida contributions of \$211,726 and \$324,109 were recognized as revenues and expenditures in the General Fund and the Fire Rescue Fund, respectively.

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
2010	\$ 1,962,480	100%	\$ 147,233
2009	1,980,510	100%	147,676
2008	2,005,115	100%	148,248

b. 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)

c. Defined Contribution Plan

The City offers a defined contribution plan, titled the "401(a) Executive Plan" (the Plan) created in accordance with Internal Revenue Service Code Section 401(a) and Ordinance number 0-77-11. The Plan provides a portable retirement program for executive management. If a participant separates from service and subsequently becomes employed with another unit of a state or local government, then the participant may rollover the benefits into the new employers' pension plan providing the plan permits rollovers. At September 30, 2011, there were seven (7) Plan members. Beginning July 1, 2011, Plan members are required to contribute 3% to the Plan. The City contributed 15% to 20% to the Plan which amounted to \$96,669 to the Plan for the year ended September 30, 2011. Provisions of the Plan may be amended by the City Commission. The Plan is administered by International City Management Association Retirement Corporation. The Plan is held in a trust for the exclusive benefit of the participants and their beneficiaries, consequently, the City has no fiduciary responsibility and, therefore, the net assets of the Plan are not included in the City's financial statements.

d. 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, 2011. The City currently contributes to the plan for executive management ranging from 3% up to 14% of salaries. For fiscal year 2011, the amount contributed was \$98,489.

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 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 2011, twenty retirees received the benefits. Annual required contributions amounted to \$263,000 for the current fiscal year, toward which the City made an implied contribution of \$59,000. At September 30, 2011, the City recorded a net OPEB obligation of \$549,000 for governmental activities and \$113,000 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

The funded status of this benefit as of January 1, 2009, the date of the most recent actuarial valuation date (every two years) is as follows:

Year ended September 30	(A) Annual Required contributions	Employer Contribution	(B) Percentage Contributed	Net OPEB asset (obligation)
2011	\$ 263,000	\$ 59,000	23%	\$ (662,000)
2010	355,000	95,000	27%	(499,000)
2009	342,000	86,000	25%	(255,001)

The unfunded actuarial accrued liability for benefits as of September 30, 2011 was \$1,369,000, 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 twelve years, the amount actually contributed to the plan and changes in the City's net OPEB obligation to the retirees as of September 30, 2011:

	2011		
	Governmental Activities	Business-type Activities	Total
Annual required contribution	\$ 215,000	\$ 48,000	\$ 263,000
Interest on net OPEB obligation	17,000	3,000	20,000
Adjustment to ARC	(50,000)	(10,000)	(60,000)
Annual OPEB cost	182,000	41,000	223,000
Employer Contribution	(50,000)	(9,000)	(59,000)
Interest on employer contribution	(1,000)	-	(1,000)
Increase in net OPEB obligation	131,000	32,000	163,000
Net OPEB obligation, beg. of year	418,000	81,000	499,000
Net OPEB obligation, end of year	\$ 549,000	\$ 113,000	\$ 662,000

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	(A) Annual Required contributions	Employer Contribution	(B) Percentage Contributed	Net OPEB asset (obligation)
2011	\$ 263,000	\$ 59,000	23%	\$ (662,000)
2010	355,000	95,000	27%	(499,000)
2009	342,000	86,000	25%	(255,001)

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

c. Actuarial Methods and Assumptions

Valuation date	1/1/2011
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	10% for 2011 graded to 6% for 2019
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 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 \$12,202,292 under the contract for the fiscal year ended September 30, 2011.

NOTE 12. COMMITMENTS AND CONTINGENCIES (Continued)

c. Police Services

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, 2011, 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, for 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, 2011, the City recorded expenses of \$989,641 and \$2,379,201 under the Broward County and 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, 2011:

Water and Sewer Improvement	\$ 533,042
Stormwater drainage	160,650
Street repair and construction	604,349
	<u>\$ 1,298,041</u>

Funding of the above projects is to be made primarily through loan proceeds, grants and City's funds.

NOTE 13. PRIOR PERIOD ADJUSTMENT

During the 2009-10 fiscal year, it was determined that the following prior period adjustments were required:

General Fund:	
Increase from release of contingent reserve	\$ 340,000
Water and Sewer Fund:	
Increase from reversal of unearned revenue	\$ 312,000
Increase from sewer service refund	377,016
Increase from additional grant reimbursement	3,758
	<u>\$ 692,774</u>
Stormwater Fund:	
Increase from additional grant reimbursement	\$ 140,471

NOTE 14. SUBSEQUENT EVENTS

On December 15, 2011, the City issued \$5,765,000 tax-exempt Stormwater Assessment Bonds, series 2011. The proceeds of the bonds are primarily to be used to finance stormwater system improvements. The bonds composed of serial and term bonds with interest rates range from 2% to 4.625% with final maturity in August 2041. A small portion of the proceeds were used to pay off State Revolving Program loans. As of December 15, 2011, the principal balances of \$252,215 and \$13,362 of loan I and II, respectively, were paid in full.

NOTE 15. NEW FINANCIAL STANDARDS NOT YET IMPLEMENTED

GASB Statement No. 59, *Financial Instrument Omnibus*; Statement No. 60 *Accounting and Financial Reporting for Service Concession Arrangements*; Statement No. 61, *Financial Reporting Entity Omnibus*; Statement 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*; Statement 63, *Statement of Net Position*; Statement 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions*. 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

CITY OF OAKLAND PARK, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011
(BUDGETARY BASIS)

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
Taxes:				
Property	\$ 12,572,876	\$ 12,499,656	\$ 12,632,161	\$ 132,505
Franchise fees	2,836,576	2,465,061	2,569,590	104,529
Utility taxes	3,664,860	3,588,800	3,676,217	87,417
Communications service taxes	2,346,000	2,200,000	2,025,458	(174,542)
Other taxes	391,303	599,182	577,971	(21,211)
Licenses and permits	1,307,942	1,132,742	957,796	(174,946)
Intergovernmental	3,037,052	3,043,630	2,977,018	(66,612)
Charges for services	6,566,668	6,554,063	6,533,001	(21,062)
Fines and forfeitures	651,000	593,000	491,432	(101,568)
Investment earnings	92,307	34,724	42,618	7,894
Grants	153,749	395,895	364,702	(31,193)
Other	153,700	100,733	183,909	83,176
Total revenues	<u>33,774,033</u>	<u>33,207,486</u>	<u>33,031,873</u>	<u>(175,613)</u>
Expenditures:				
Current:				
General government:				
City commission	217,146	191,353	169,672	21,681
City manager	954,561	920,316	858,254	62,062
City clerk	496,925	570,902	489,821	81,081
Human resources	1,379,166	1,152,531	1,035,441	117,090
Legal	305,000	305,000	225,329	79,671
Financial service	1,268,759	1,285,985	1,192,571	93,414
Information technology service	1,216,888	1,146,733	960,792	185,941
Non-departmental	272,046	108,901	79,171	29,730
Total general government	<u>6,110,491</u>	<u>5,681,721</u>	<u>5,011,051</u>	<u>670,670</u>
Public safety:				
Police	<u>12,247,550</u>	<u>12,514,234</u>	<u>12,418,589</u>	<u>95,645</u>
Total public safety	<u>12,247,550</u>	<u>12,514,234</u>	<u>12,418,589</u>	<u>95,645</u>
Public works:				
Administration	225,336	222,974	218,727	4,247
Building and maintenance	1,111,386	1,216,621	1,057,433	159,188
Garage	<u>1,274,231</u>	<u>1,403,175</u>	<u>1,376,488</u>	<u>26,687</u>
Total public works	<u>2,610,953</u>	<u>2,842,770</u>	<u>2,652,648</u>	<u>190,122</u>
Engineering and community develop.:				
Engineering	1,066,339	1,186,883	1,043,797	143,086
Community development	<u>2,063,681</u>	<u>2,031,804</u>	<u>2,034,567</u>	<u>(2,763)</u>
Total engineering and comm dev.	<u>3,130,020</u>	<u>3,218,687</u>	<u>3,078,364</u>	<u>140,323</u>
Culture/recreation:				
Library	537,368	517,651	501,204	16,447
Parks and recreation	<u>4,881,900</u>	<u>4,876,303</u>	<u>4,674,839</u>	<u>201,464</u>
Total culture/recreation	<u>5,419,268</u>	<u>5,393,954</u>	<u>5,176,043</u>	<u>217,911</u>
Total expenditures	<u>29,518,282</u>	<u>29,651,366</u>	<u>28,336,695</u>	<u>1,314,671</u>
Excess of revenues over expenditures	4,255,751	3,556,120	4,695,178	1,139,058
Other financing sources (uses):				
Transfers in	183,000	194,125	136,125	(58,000)
Transfers out	<u>(6,077,545)</u>	<u>(5,653,117)</u>	<u>(5,591,117)</u>	<u>62,000</u>
Net change in fund balance	<u>\$ (1,638,794)</u>	<u>\$ (1,902,872)</u>	<u>(759,814)</u>	<u>\$ 1,143,058</u>
Fund balance, beginning as previously stated			16,707,950	
Prior Period Adjustment			<u>340,000</u>	
Fund balance, beginning as restated			<u>17,047,950</u>	
Fund balance, ending			<u>\$ 16,288,136</u>	

See notes to budgetary comparison schedule.

CITY OF OAKLAND PARK, FLORIDA
BUDGETARY COMPARISON SCHEDULE
FIRE RESCUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011
(BUDGETARY BASIS)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 4,813,709	\$ 4,813,709	\$ 4,946,406	\$ 132,697
Other taxes	-	312,466	324,109	11,643
Licenses and permits	7,600	7,600	6,573	(1,027)
Intergovernmental	23,900	23,900	20,835	(3,065)
Investments earnings	10,000	10,000	5,926	(4,074)
Other	-	-	4,497	4,497
Total revenues	<u>4,855,209</u>	<u>5,167,675</u>	<u>5,308,346</u>	<u>140,671</u>
Expenditures:				
Current:				
Public safety	9,631,417	9,756,726	9,653,921	102,805
Capital outlay	<u>35,800</u>	<u>24,200</u>	-	<u>24,200</u>
Total expenditures	<u>9,667,217</u>	<u>9,780,926</u>	<u>9,653,921</u>	<u>127,005</u>
Deficiency of revenues over expenditures	(4,812,008)	(4,613,251)	(4,345,575)	267,676
Other financing sources (uses):				
Transfers in	3,629,507	3,430,750	3,368,750	(62,000)
Transfers out	-	-	(19,322)	(19,322)
Total other financing sources	<u>3,629,507</u>	<u>3,430,750</u>	<u>3,349,428</u>	<u>(81,322)</u>
Net change in fund balance	<u>\$ (1,182,501)</u>	<u>\$ (1,182,501)</u>	(996,147)	<u>\$ 186,354</u>
Fund balance, beginning			<u>2,244,907</u>	
Fund balance, end			<u>\$ 1,248,760</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, 2011
(BUDGETARY BASIS)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other revenues	\$ -	\$ -	\$ 5,084	\$ 5,084
Investments earnings	-	-	573	573
Total revenues	<u>-</u>	<u>-</u>	<u>5,657</u>	<u>5,657</u>
Expenditures:				
Current:				
Engineering and community develop.	200,096	255,096	245,956	9,140
Capital outlay	-	2,116,444	2,148,652	(32,208)
Total expenditures	<u>200,096</u>	<u>2,371,540</u>	<u>2,394,608</u>	<u>(23,068)</u>
Deficiency of revenues over expenditures	(200,096)	(2,371,540)	(2,388,951)	(17,411)
Other financing sources (uses):				
Loan Proceeds	-	2,077,093	2,085,443	8,350
Transfers in	51,834	146,185	146,185	-
Transfers out	-	-	-	-
Total other financing sources	<u>51,834</u>	<u>2,223,278</u>	<u>2,231,628</u>	<u>8,350</u>
Net change in fund balance	<u>\$ (148,262)</u>	<u>\$ (148,262)</u>	(157,323)	<u>\$ (9,061)</u>
Fund balance, beginning			<u>156,878</u>	
Fund balance, end			<u>\$ (445)</u>	

See notes to budgetary comparison schedule.

CITY OF OAKLAND PARK, FLORIDA
NOTES TO BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011

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 fire rescue 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. A reconciliation of GAAP to the budgetary basis is shown below. 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 \$.3 million for the fiscal year ended September 30, 2011. 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 rebudgeted in the next fiscal year.

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

(In thousands)
SEPTEMBER 30, 2011
(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)

10/1/2010	\$ 20,986	\$ 45,877	\$ 24,891	45.7%	\$ 6,281	396%
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%
10/1/2003	21,873	30,172	8,299	72.5%	6,112	136%
10/1/2002	20,518	29,189	8,671	70.3%	5,754	151%

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

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%
10/1/2003	36,972	46,238	9,266	80.0%	5,445	170%
10/1/2002	40,435	43,856	3,421	92.2%	5,304	65%

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

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
SEPTEMBER 30, 2011
(Unaudited)**

Year Ended September 30	(A) Annual Required Contribution	Employer Contribution	(B) Percentage Contributed
CITY OF OAKLAND PARK GENERAL EMPLOYEES' PENSION PLAN			
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%

CITY OF OAKLAND PARK RETIREMENT SYSTEM FOR POLICE AND FIREFIGHTERS

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%

(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, 2011
(Unaudited)

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL) - Projected Unit Credit	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a)/(b)	(c) Covered Payroll	UAAL as a Percentage of Covered Payroll (b-a)/(c)
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 biennially.

SCHEDULE OF EMPLOYER CONTRIBUTIONS
SEPTEMBER 30, 2011
(Unaudited)

Year ended September 30	(A) Annual Required contributions	Employer Contribution	(B) Percentage Contributed	Net OPEB asset (obligation)
2011	\$ 263,000	\$ 59,000	23%	\$ (662,000)
2010	355,000	95,000	27%	(499,000)
2009	342,000	86,000	25%	(255,001)

(A) Actuarially determined contributions requirements.

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

**COMBINING AND INDIVIDUAL FUND
STATEMENTS**

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE 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.

Transportation Fund – to account for the proceeds from the gas and fuel taxes that are restricted to the operations, acquisition and maintenance of streets and transportation facilities.

DEBT SERVICE FUND

SunTrust Master Lease– to account for the accumulation of transfers from other funds the debt services of SunTrust Master Lease agreement.

CITY OF OAKLAND PARK, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2011

	Special Revenue				Total
	Grant	Impact Fee	Transportation	Debt	Nonmajor
	Fund	Fund	Fund	Service	Governmental
				Fund	Fund
ASSETS					
Cash and cash equivalents	\$ 436,218	\$ 477,844	\$ 78,231	\$ -	\$ 992,293
Accounts receivable	25,092	-	56,261	-	81,353
Restricted cash and cash equivalents	-	406,424	-	-	406,424
Total assets	\$ 461,310	\$ 884,268	\$ 134,492	\$ -	\$ 1,480,070
LIABILITIES					
Accounts payable and accrued liabilities	\$ 21,484	\$ 1,341	\$ 57,363	\$ 47	\$ 80,235
Due to other funds	15,606	-	-	-	15,606
Other liabilities	-	-	-	-	-
Deferred and unearned revenues	58,017	389,771	-	-	447,788
Advance from other funds	-	114,531	-	-	114,531
Total liabilities	95,107	505,643	57,363	47	658,160
FUND BALANCES					
Restricted for:					
Public safety	324,755	-	-	-	324,755
Library	31,718	-	-	-	31,718
Parks and recreation	9,730	-	-	-	9,730
City beautification	-	2,095	-	-	2,095
Tree preservation	-	344,824	-	-	344,824
Fire station facility	-	129,584	-	-	129,584
Park development	-	16,653	-	-	16,653
Assigned to:					
Streets and resurfacing	-	-	77,129	-	77,129
Unassigned:	-	(114,531)	-	(47)	(114,578)
Total fund balances	366,203	378,625	77,129	(47)	821,910
Total liabilities and fund balances	\$ 461,310	\$ 884,268	\$ 134,492	\$ -	\$ 1,480,070

CITY OF OAKLAND PARK, FLORIDA
 COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>Special Revenue</u>				Total Nonmajor Governmental Fund
	Grant Fund	Impact Fee Fund	Transportation Fund	Debt Service Fund	
Revenues:					
Grants	\$ 358,492	\$ -	\$ -	\$ -	\$ 358,492
Taxes	-	-	732,036	-	732,036
Intergovernmental	-	-	340,024	-	340,024
Investment earnings (loss)	1,383	2,524	899	-	4,806
Licenses and permits	-	-	-	-	-
Fines and forfeitures	179,370	-	-	-	179,370
Other	-	4,300	-	-	4,300
Total revenues	<u>539,245</u>	<u>6,824</u>	<u>1,072,959</u>	<u>-</u>	<u>1,619,028</u>
Expenditures:					
Current:					
Public safety	25,092	-	-	-	25,092
Public works	-	-	1,218,358	-	1,218,358
Culture and recreation	34,911	2,690	-	-	37,601
Debt service:					
Principal	-	-	-	171,068	171,068
Interest	-	-	-	7,195	7,195
Capital Outlay	<u>262,652</u>	<u>9,462</u>	<u>204,876</u>	<u>-</u>	<u>476,990</u>
Total expenditures	<u>322,655</u>	<u>12,152</u>	<u>1,423,234</u>	<u>178,263</u>	<u>1,936,304</u>
Excess (deficiency) of revenues over expenditures	<u>216,590</u>	<u>(5,328)</u>	<u>(350,275)</u>	<u>(178,263)</u>	<u>(317,276)</u>
Other financing sources:					
Transfers in	19,322	-	101,941	178,216	299,479
Transfers out	<u>(136,125)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(136,125)</u>
Total other financing sources	<u>(116,803)</u>	<u>-</u>	<u>101,941</u>	<u>178,216</u>	<u>163,354</u>
Net change in fund balance	99,787	(5,328)	(248,334)	(47)	(153,922)
Fund balance, beginning	<u>266,416</u>	<u>383,953</u>	<u>325,463</u>	<u>-</u>	<u>975,832</u>
Fund balance, ending	<u>\$ 366,203</u>	<u>\$ 378,625</u>	<u>\$ 77,129</u>	<u>\$ (47)</u>	<u>\$ 821,910</u>

FIDUCIARY FUND TYPES



PENSION TRUST FUNDS

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 Assets
Pension Trust Funds
September 30, 2011

	General Employees Pension Fund	Police and Firefighters Pension Fund	Total
Assets			
Cash and short-term investments	\$ 945,057	\$ 1,278,799	\$ 2,223,856
Receivables:			
Contributions	-	-	-
Accounts	-	36,228	36,228
Accrued interest and dividends	-	245,664	245,664
Total receivables	<u>-</u>	<u>281,892</u>	<u>281,892</u>
Investments, at fair value:			
U.S. Government and agency securities	-	7,579,394	7,579,394
Corporate bonds and notes	-	10,283,865	10,283,865
Mutual funds	23,924,871	-	23,924,871
Common stocks	-	22,990,600	22,990,600
International equity fund	-	3,195,444	3,195,444
Total investments	<u>23,924,871</u>	<u>44,049,303</u>	<u>67,974,174</u>
Total assets	<u>24,869,928</u>	<u>45,609,994</u>	<u>70,479,922</u>
Liabilities			
Accounts payable and accrued expenses	-	46,296	46,296
Prepaid contributions	1,596,273	55,743	1,652,016
Drop plan payable	-	938,080	938,080
Total liabilities	<u>1,596,273</u>	<u>1,040,119</u>	<u>2,636,392</u>
Net Assets			
Net assets held in trust for pension benefits	<u>\$ 23,273,655</u>	<u>\$ 44,569,875</u>	<u>\$ 67,843,530</u>

CITY OF OAKLAND PARK, FLORIDA
Combining Statement of of Changes in Fiduciary Net Assets
Pension Trust Funds
For the Year September 30, 2011

	<u>General Employees Pension Fund</u>	<u>Police and Firefighters Pension Fund</u>	<u>Total</u>
Additions			
Contributions:			
Plan members	\$ 220,681	\$ 494,307	\$ 714,988
City	3,133,716	1,465,295	4,599,011
State of Florida	-	535,835	535,835
Broward Sheriff's Office	-	470,912	470,912
Total contributions	<u>3,354,397</u>	<u>2,966,349</u>	<u>6,320,746</u>
Investment income:			
Investment earnings	-	1,426,096	1,426,096
Net appreciation (depreciation) in fair value of investments	<u>141,008</u>	<u>(857,064)</u>	<u>(716,056)</u>
Total	141,008	569,032	710,040
Less:			
Investment expenses	-	(239,021)	(239,021)
Deferred retirement option plan participants' earnings	<u>-</u>	<u>(22,683)</u>	<u>(22,683)</u>
Net investment income	<u>141,008</u>	<u>307,328</u>	<u>448,336</u>
Misc. income:	<u>8,687</u>	<u>-</u>	<u>8,687</u>
Total additions	<u>3,504,092</u>	<u>3,273,677</u>	<u>6,777,769</u>
Deductions:			
Pension benefits paid	2,566,274	4,600,702	7,166,976
Participants' contributions refunded	-	5,649	5,649
Administrative expenses	<u>89,698</u>	<u>120,884</u>	<u>210,582</u>
Total deductions	<u>2,655,972</u>	<u>4,727,235</u>	<u>7,383,207</u>
Change in net assets	848,120	(1,453,558)	(605,438)
Net assets, beginning	<u>22,425,535</u>	<u>46,023,433</u>	<u>68,448,968</u>
Net assets, ending	<u>\$ 23,273,655</u>	<u>\$ 44,569,875</u>	<u>\$ 67,843,530</u>



STATISTICAL SECTION

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
Financial Trends – These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Net Assets by Component	72
Changes in Net Assets	73-74
Fund Balances, Governmental Funds	75
Changes in Fund Balance, Governmental Funds	76
Revenue Capacity – These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	
Assessed Value and Estimated Actual Value of Taxable Property	77
Direct and Overlapping Property Tax Rates	78
Principal Property Taxpayers	79
Property Tax Levies and collections	80
Debt Capacity - These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Ratios of Outstanding Debt by Type	81
Ratios of General Bonded Debt Outstanding	82
Direct and Overlapping Governmental Activities Debt	83
Legal Debt Margin Information	84
Pledged Revenue Coverage	85
Demographic and Economic Information – These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Demographic and Economic Statistics	86
Principal Employers	87
Operating Information – 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.	
Full-time Equivalent city Government Employees by Function/Program	88
Operating Indicators by Function/Program	89
Capital Asset Statistics by Function/Program	90

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 Assets by Component
Last Nine Fiscal Years
(Accrual Basis)**

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities									
Invested in Capital assets, net of related debt	\$ 12,674,416	\$ 17,166,452	\$ 17,816,772	\$ 39,818,067	\$ 53,895,457	\$ 55,337,625	\$ 60,159,043	\$ 65,305,447	\$ 64,905,390
Restricted for:									
Special Revenue	669,498	693,536	1,744,181	1,584,674	2,053,253	2,300,353	2,258,736	314,815	769,920
Capital projects	-	-	-	3,091,947	-	3,772,193	3,080,491	2,360,589	2,955,884
Debt service	-	-	-	-	-	230	164	-	-
Unrestricted	8,038,831	8,221,283	11,480,101	13,558,532	16,003,939	17,193,338	15,662,924	16,981,530	14,908,051
Total governmental activities net assets	\$ 21,382,745	\$ 26,081,271	\$ 31,041,054	\$ 58,053,220	\$ 71,962,649	\$ 78,603,739	\$ 81,161,358	\$ 84,962,381	\$ 83,539,245
Business-type activities									
Invested in Capital assets, net of related debt	\$ 20,751,202	\$ 21,877,711	\$ 20,580,381	\$ 33,130,758	\$ 43,576,892	\$ 45,517,049	\$ 46,578,666	\$ 55,756,450	\$ 59,006,190
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	5,135,975	6,935,027	12,121,837	9,486,478	8,310,013	9,271,111	6,603,580	6,250,513	10,359,372
Total business-type activities net assets	\$ 25,887,177	\$ 28,812,738	\$ 32,702,218	\$ 46,030,350	\$ 57,216,197	\$ 60,212,842	\$ 61,371,688	\$ 66,618,811	\$ 71,751,385
Primary Government									
Invested in Capital assets, net of related debt	\$ 33,425,618	\$ 39,044,163	\$ 38,397,153	\$ 72,948,825	\$ 97,472,349	\$ 100,854,674	\$ 106,737,709	\$ 121,061,897	\$ 123,911,580
Restricted for:									
Special revenue	669,498	693,536	1,744,181	1,584,674	2,053,253	2,300,353	2,258,736	314,815	769,920
Capital projects	-	-	-	5,895,175	4,685,729	9,115,172	11,269,933	6,972,437	5,341,707
Debt service	-	-	-	609,886	643,563	660,082	164	-	-
Unrestricted	13,174,806	15,156,310	23,601,938	23,045,010	24,313,952	25,886,070	22,266,504	23,232,043	25,267,423
Total primary government net assets	\$ 47,269,922	\$ 54,894,009	\$ 63,743,272	\$ 104,083,570	\$ 129,168,846	\$ 138,816,351	\$ 142,553,046	\$ 151,581,192	\$ 155,290,630

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 Net Assets
Last Nine Fiscal Years
(Accrual Basis)**

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses									
Governmental activities:									
General government	\$ 1,466,069	\$ 1,712,799	\$ 2,202,904	\$ 2,103,482	\$ 2,747,577	\$ 2,504,226	\$ 2,621,516	\$ 2,438,500	\$ 1,258,173
Public safety	16,811,156	15,674,753	16,103,824	19,367,880	19,706,593	20,228,595	21,277,262	22,438,120	22,515,601
Public works	1,688,833	2,139,947	2,081,813	2,504,491	3,022,188	3,357,843	3,618,324	3,537,960	3,631,164
Eng. & Community development	1,735,333	1,794,526	2,164,273	3,013,221	3,677,618	3,621,683	3,720,899	3,347,367	3,547,280
Culture and recreation	2,352,710	2,800,637	3,836,060	5,417,599	5,893,269	5,959,675	6,157,143	6,079,667	5,943,331
Interest on long term debt	776,634	671,834	695,396	699,745	675,693	821,630	802,500	772,769	814,840
Total governmental activities expenses	24,830,735	24,794,496	27,084,270	33,106,418	35,722,938	36,493,652	38,197,644	38,614,383	37,710,369
Business type activities									
Water and sewer	9,742,433	10,249,142	10,441,850	11,415,278	10,742,644	10,720,150	11,178,014	13,053,032	12,740,960
Solid waste	5,881,851	6,187,699	6,250,985	12,915,506	7,854,687	8,324,405	7,965,651	7,912,295	7,525,930
Stormwater	1,322,179	1,394,443	1,483,702	2,243,826	2,268,894	2,732,743	3,081,617	3,193,029	3,064,220
Total business type activities expenses	16,946,463	17,831,284	18,176,537	26,574,610	20,866,225	21,777,298	22,225,282	24,158,356	23,321,110
Total primary government expenses	\$ 41,777,198	\$ 42,625,780	\$ 45,260,807	\$ 59,681,028	\$ 56,589,163	\$ 58,270,950	\$ 60,422,926	\$ 62,772,739	\$ 61,031,479
Program Revenues									
Governmental activities									
Charges for services									
General government	\$ 360,012	\$ 183,406	\$ 899,381	\$ 1,507,299	\$ 1,219,655	\$ 955,459	\$ 956,841	\$ 943,405	\$ 689,905
Public safety	7,181,523	5,909,919	5,469,039	4,872,595	4,828,244	5,056,973	5,072,237	4,966,694	5,134,575
Eng. & Community development	1,099,968	1,232,073	1,389,814	2,191,517	2,438,051	1,677,335	1,117,734	1,362,529	998,090
Culture/Recreation	141,387	213,988	302,712	343,236	379,335	598,886	560,744	515,184	539,417
Operating grants and contributions	509,921	382,685	703,676	475,785	188,947	310,177	120,206	235,638	657,434
Capital grants and contributions	1,483,350	940,703	732,177	338,355	2,128,013	3,498,515	3,443,900	6,056,025	1,815,646
Total governmental activities program revenues	10,776,161	8,862,774	9,496,799	9,728,787	11,182,245	12,097,345	11,271,662	14,079,475	9,835,067
Business type activities									
Charges for services:									
Water and sewer	11,798,134	11,870,451	11,913,397	11,693,294	11,401,508	10,861,223	11,471,826	12,913,904	14,292,649
Solid waste	6,138,710	6,881,224	6,777,094	8,582,611	8,282,327	8,593,925	8,744,276	7,340,028	7,294,361
Stormwater	1,190,608	2,293,062	2,474,389	3,210,335	3,149,698	2,993,510	2,886,472	2,851,607	2,735,721
Operating grants and contributions	-	-	331,624	4,941,598	294,232	348	-	6,000	334,879
Capital grants and contributions	-	-	571,473	688,315	5,600,599	2,463,321	561,885	6,024,995	2,896,277
Total business type activities program revenues	19,127,452	21,044,737	22,067,977	29,086,153	28,728,364	24,912,327	23,664,459	29,136,534	27,563,887
Total primary government program revenues	\$ 29,903,613	\$ 29,907,511	\$ 31,564,776	\$ 38,814,940	\$ 39,910,609	\$ 37,009,672	\$ 34,936,121	\$ 43,216,009	\$ 37,388,954
Net (Expense)/Revenue									
Governmental activities	\$ (14,054,574)	\$ (15,931,722)	\$ (17,587,471)	\$ (23,377,631)	\$ (24,540,693)	\$ (24,396,307)	\$ (26,925,982)	\$ (24,534,908)	\$ (27,875,302)
Business type activities	2,180,989	3,213,453	3,891,440	2,511,543	7,862,139	3,135,029	1,439,177	4,978,178	4,232,777
Total primary government net expense	\$ (11,873,585)	\$ (12,718,269)	\$ (13,696,031)	\$ (20,866,088)	\$ (16,678,554)	\$ (21,261,278)	\$ (25,486,805)	\$ (19,556,730)	\$ (23,642,525)

(Continued)

**City of Oakland Park, Florida
Changes in Net Assets
Last Nine Fiscal Years
(Accrual Basis)**

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Revenues and Other Changes in Net Assets									
Governmental activities:									
Taxes:									
Ad valorem	\$ 8,950,986	\$ 9,832,684	\$ 10,888,858	\$ 14,750,985	\$ 17,163,113	\$ 16,244,067	\$ 16,052,029	\$ 14,905,227	\$ 12,632,161
Franchise fees	1,855,311	1,955,397	2,058,438	2,622,372	3,066,551	3,052,000	2,938,113	2,647,258	2,569,590
Utility taxes	4,828,291	4,794,523	4,894,914	3,288,220	3,388,683	3,376,226	3,275,238	3,576,651	3,676,217
Communication service taxes	-	-	-	2,195,104	2,197,071	2,207,164	2,614,835	2,245,920	2,025,458
Other taxes	-	-	-	804,371	781,076	1,161,605	1,133,684	1,660,518	1,634,116
Unrestricted investment earnings	278,358	210,847	624,202	1,322,084	1,939,118	911,087	31,459	91,123	68,935
Intergovernmental revenue - unrestricted	3,327,550	3,372,347	3,660,842	4,574,494	4,343,402	3,575,248	3,181,234	3,196,371	3,337,877
Miscellaneous	(154,641)	329,770	420,000	900,500	437,824	520,000	(23,991)	224,169	167,812
Transfers - net	-	-	-	19,931,667	5,143,284	-	-	-	-
Capital assets, transferred from other gov.	-	-	-	50,389,797	38,440,122	31,047,397	29,483,601	28,335,931	26,112,166
Total governmental activities	19,085,855	20,495,568	22,547,254	61,168,376	61,168,376	61,168,376	61,168,376	61,168,376	61,168,376
Business type activities:									
Unrestricted investment earnings	187,943	176,559	418,040	757,135	608,903	381,616	669	57,639	66,552
Transfers	154,641	(329,770)	(420,000)	(900,500)	(437,824)	(520,000)	(281,000)	211,306	-
Capital assets, transferred from other gov.	-	-	-	10,921,944	3,152,629	-	-	-	-
Total business type activities	342,584	(153,211)	(1,960)	10,778,579	3,323,708	(138,384)	(280,331)	268,945	66,552
Total primary government	\$ 19,428,439	\$ 20,342,357	\$ 22,545,294	\$ 61,168,376					
Change in Net Assets									
Governmental activities	\$ 5,031,281	\$ 4,563,846	\$ 4,959,783	\$ 27,012,166	\$ 13,899,429	\$ 6,651,090	\$ 2,557,619	\$ 3,801,023	\$ (1,763,136)
Business type activities	2,523,573	3,060,242	3,889,480	13,290,122	11,185,847	2,995,645	1,158,846	5,247,123	4,299,329
Total primary government	\$ 7,554,854	\$ 7,624,088	\$ 8,849,263	\$ 40,302,288	\$ 25,085,276	\$ 9,646,735	\$ 3,716,465	\$ 9,048,146	\$ 2,536,193

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									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund										
Reserved	\$ 980,516	\$ 463,733	\$ 345,516	\$ 934,327	\$ 825,810	\$ 828,663	\$ 930,119	\$ 975,280	\$ 702,241	\$ -
Unreserved, reported in:										
General fund, designated for:										
Community Redevelopment Agency	200,000	200,000	200,000							
Equipment repairs and replacement	2,133,459	2,133,459	2,133,459	2,133,459	2,133,459	2,133,459	2,133,459			
General Employee's Pension/Benefits	406,167	300,000	2,133,459							
Natural disaster/public emergency	-	2,641,883	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	10,429,170	-
Grant matching	-	-	-	-	-	-	-	2,466,733	2,089,952	-
General fund, unreserved, undesignated	1,380,917	2,553,692	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
Prepaid Costs	-	-	-	-	-	-	-	-	-	1,787,620
Advance to other funds	-	-	-	-	-	-	-	-	-	114,531
Restricted for										
Grant matching	-	-	-	-	-	-	-	-	-	839,952
Education	-	-	-	-	-	-	-	-	-	92,541
Assigned to										
Subsequent year's budget	-	-	-	-	-	-	-	-	-	1,894,337
Unassigned	-	-	-	-	-	-	-	-	-	11,486,394
Total general fund	\$ 5,101,059	\$ 8,292,767	\$ 8,095,961	\$ 8,933,876	\$ 13,359,569	\$ 16,320,194	\$ 17,147,013	\$ 16,759,435	\$ 16,771,854	\$ 16,288,136
All Other Governmental Funds										
Reserved										
Special Revenue Funds	-	1,553,491	1,249,471	1,744,181	2,021,247	2,653,409	2,497,708	2,537,632	1,381,695	-
Capital Project Funds	8,627,969	5,098,372	7,057,407	7,195,677	7,009,596	3,955,404	1,596,533	891,463	661,557	-
Debt service	-	-	-	79	79	79	230	164	-	-
Other	-	2,283,469	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	1,537,809	3,151	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
Library	-	-	-	-	-	-	-	-	-	31,718
Parks and recreation	-	-	-	-	-	-	-	-	-	9,730
City beautification	-	-	-	-	-	-	-	-	-	2,095
Tree preservation	-	-	-	-	-	-	-	-	-	344,824
Fire station facility	-	-	-	-	-	-	-	-	-	129,584
Park development	-	-	-	-	-	-	-	-	-	16,653
Assigned to										
Capital Projects	-	-	-	-	-	-	-	-	-	2,644,485
Public safety	-	-	-	-	-	-	-	-	-	1,219,296
Streets and resurfacing	-	-	-	-	-	-	-	-	-	77,129
Unassigned	-	-	-	-	-	-	-	-	-	(116,044)
Total all other governmental funds	\$ 10,165,678	\$ 8,928,483	\$ 10,278,366	\$ 12,212,049	\$ 11,667,022	\$ 8,595,960	\$ 12,061,006	\$ 6,148,345	\$ 6,491,437	\$ 4,714,710
Total governmental funds	\$ 15,266,737	\$ 17,221,250	\$ 18,374,327	\$ 21,145,925	\$ 25,026,591	\$ 24,916,154	\$ 29,208,019	\$ 22,907,780	\$ 23,263,291	\$ 21,002,846

Source: City of Oakland Park, Financial Services Department

Note: The City implemented GASB54 fund balance reporting prospectively from FY2011. Fiscal policy on minimum fund balance reserve was changed in Sept. 2009 from 10% of General Fund revenue to 15% of its appropriations.

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

	Fiscal Year									
	2002*	2003*	2004*	2005*	2006	2007	2008	2009	2010	2011
Revenues										
Taxes:										
Ad Valorem	\$ 8,241,777	\$ 8,950,986	\$ 9,832,684	\$ 10,888,858	\$ 14,750,985	\$ 17,163,113	\$ 16,244,067	\$ 16,052,029	\$ 14,905,227	\$ 12,632,161
Utility taxes	2,615,051	2,826,049	2,800,636	2,854,208	3,288,220	3,368,683	3,376,226	3,275,238	3,576,651	3,676,217
Communication Service	2,227,188	2,002,242	1,993,887	2,040,706	2,195,104	2,197,071	2,207,164	2,614,835	2,245,920	2,025,458
Other Taxes	586,462	598,928	609,577	607,481	804,371	781,076	1,161,605	1,133,684	1,660,518	1,634,116
Franchise fees	1,828,291	1,855,311	1,955,397	2,058,438	2,622,372	3,066,551	3,052,000	2,938,113	2,647,258	2,569,590
Licenses and permits	918,206	949,317	1,013,801	1,403,480	2,225,257	2,471,831	1,708,199	1,132,104	1,253,298	1,143,739
Intergovernmental	2,577,221	2,728,622	2,762,770	3,425,094	5,288,683	4,343,402	3,632,843	3,204,843	3,196,371	3,337,877
Charges for service	4,110,564	10,025,767	10,969,364	10,684,354	11,369,982	11,262,183	12,085,958	11,253,302	10,942,077	11,479,407
Fines and forfeitures	596,099	468,759	471,423	628,590	530,139	436,453	566,544	736,046	780,455	491,432
Fire assessment	2,340,423	2,279,676	-	-	-	-	-	-	-	-
Development impact fees	2,850	-	-	-	-	-	-	-	-	-
Grants	260,400	1,993,271	1,323,388	619,046	-	2,217,229	2,343,473	2,783,196	2,911,980	1,911,047
Investment earnings	-	278,358	210,847	624,202	1,322,084	1,935,118	911,088	31,459	91,123	68,935
Other	3,355,377	363,105	348,505	234,820	1,246,865	552,204	100,436	127,657	245,619	197,790
Total revenues	29,659,909	35,320,391	34,292,279	36,069,277	45,644,062	49,798,914	47,389,603	45,282,506	44,456,497	41,167,769
Expenditures										
Current:										
General government	5,988,212	6,442,951	6,341,629	6,784,954	7,885,414	7,421,517	6,430,053	5,884,361	5,546,051	5,003,438
Public safety	15,668,803	16,568,098	15,473,048	15,891,603	18,770,414	19,017,434	19,716,715	20,796,664	22,037,642	22,097,602
Public works	1,889,020	1,532,554	1,974,916	1,758,356	1,901,300	3,514,795	3,739,216	3,830,871	3,375,566	3,809,861
Eng. and Community development	-	1,720,727	1,788,414	2,160,239	3,017,978	3,559,552	3,578,734	3,704,052	3,382,561	3,331,934
Library	-	-	-	-	-	-	-	-	-	-
Culture/Recreation	2,457,575	2,248,224	2,708,952	3,728,523	5,049,997	5,309,048	5,303,451	5,473,631	5,282,113	5,141,525
Grants	260,704	-	-	-	-	-	-	-	-	-
Debt service:										
Principal	220,000	280,351	369,520	455,510	545,226	565,687	586,500	743,868	672,427	600,365
Interest	680,138	684,597	691,359	706,261	704,151	682,838	739,707	813,354	783,068	891,892
Bond issue costs	-	-	-	-	-	-	-	-	-	148,969
Capital outlay	3,338,630	4,911,949	4,255,814	3,337,322	4,789,418	10,276,304	7,523,361	10,616,944	2,810,252	5,255,883
Total expenditures	30,503,082	34,389,451	33,603,652	34,822,768	42,663,898	50,347,175	47,617,737	51,863,745	43,889,680	46,281,469
Excess (deficiency) of revenues over expenditures	(843,173)	930,940	688,627	1,246,509	2,980,164	(548,261)	(228,134)	(6,581,239)	566,817	(5,113,700)
Other Financing Sources (Uses)										
Bond/loan proceeds	-	-	-	-	-	-	4,000,000	-	-	13,078,254
Capital lease proceeds	-	1,178,215	-	1,105,090	-	-	-	-	-	-
Payment to refunding bond agent	-	-	-	-	-	-	-	-	-	(10,565,000)
Transfers in	-	600,145	5,625,220	7,494,656	6,947,675	9,528,150	10,110,095	7,861,847	6,834,269	5,746,564
Transfers out	-	(754,786)	(5,295,450)	(7,074,656)	(6,047,175)	(9,090,326)	(9,590,096)	(7,580,847)	(7,045,575)	(5,746,564)
Total other financing sources (uses)	-	1,023,574	329,770	1,525,090	900,500	437,824	4,519,999	281,000	(211,306)	2,513,254
Net change in fund balances	\$ (843,173)	\$ 1,954,514	\$ 1,018,397	\$ 2,771,599	\$ 3,880,664	\$ (110,437)	\$ 4,291,865	\$ (6,300,239)	\$ 355,511	\$ (2,600,446)
Debt service as a percentage of noncapital expenditures	3.3%	3.3%	3.6%	3.7%	3.3%	3.1%	3.3%	3.8%	3.5%	3.6%

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)

<u>Assessment Value</u>									
Fiscal Year (2)	Residential Property	Commercial Property	Industrial Property	Personal & Other property	Total Assessed Property Value(1)	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	
2002	\$ -	\$ -	\$ -	\$ 151,913	\$ 1,867,500	\$ 398,609	\$ 1,468,891	5.9715	
2003	-	-	-	141,982	2,113,055	510,487	1,602,568	5.9715	
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	

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	City Direct Rate		Overlapping Rates				
	Oakland Park Basic Rate	Broward County	Broward County School Board	South Florida Water Mgmt District	North Broward Hospital District	Florida Inland Navigation District	Children Services Council
2002	5.9715	7.4005	8.7541	0.6970	2.4803	0.0385	0.3055
2003	5.9715	7.3650	8.8825	0.6970	2.4803	0.0385	0.3316
2004	5.9715	7.1880	8.4176	0.6970	2.5000	0.0385	0.3920
2005	5.8868	7.0230	8.2695	0.6970	2.4803	0.0385	0.4231
2006	5.8868	6.7830	8.0623	0.6970	2.1746	0.0385	0.4231
2007	5.5823	6.0661	7.8687	0.6970	1.8317	0.0385	0.4073
2008	4.7662	5.2868	7.6484	0.6240	1.6255	0.0345	0.3572
2009	5.1041	5.3145	7.4170	0.6240	1.7059	0.0345	0.3754
2010	5.7252	5.3889	7.4310	0.6240	1.7059	0.3450	0.4243
2011	5.7252	5.5530	7.6310	0.6240	1.8750	0.0345	0.4696

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 Seven Years Ago
(dollars in thousands)**

Taxpayer	2011			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	\$ 31,876	1	1.41%	\$ 22,255	2	1.27%
Florida Power & Light Co	31,208	2	1.38%			0.00%
Alliance HTFL LP	17,023	3	0.75%	-		0.00%
Lowe's Home Centers Inc	16,248	4	0.72%	-		0.00%
Southern Tier Southeast	15,815	5	0.70%	-		0.00%
Mainstreet AEW V	14,745	6	0.65%			0.00%
Sela LLC	13,996	7	0.62%			
Oakland Center Associates, LTD	12,502	8	0.55%			
Bridgewater Place Assoc LTD	12,085	9	0.53%			0.00%
SSTI 4950 N Dixie Hwy LLC	11,019	10	0.49%			
Festival Center LLC				17,332	5	0.99%
Mederos Crystal Lake Condos LLC				15,302	8	0.87%
Holy Cross Hospital Inc						
SSC Property Holdings Inc				-		0.00%
Set Point Associates LTD PRTNR						
Weingarten Nostat Inc				21,762	3	1.24%
Rak Lakeview Ltd Partnership						
OPA of Broward						0.00%
FL Health Complex Inc				-		0.00%
SCI Forest Fund LLC				-		0.00%
Eastside Village Lofts						0.00%
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%
Total	<u>\$ 176,517</u>		<u>7.81%</u>	<u>\$ 190,841</u>		<u>10.88%</u>

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
2002	\$ 8,771,481	\$ 8,214,594		93.65%	29,117	\$ 8,243,711	93.98%
2003	9,565,701	8,929,742		93.35%	26,307	8,956,049	93.63%
2004	10,476,783	9,808,887		93.62%	29,332	9,838,219	93.90%
2005	11,457,293	10,798,135		94.25%	105,499	10,903,634	95.17%
2006	15,295,576	14,606,182		95.49%	96,549	14,702,731	96.12%
2007*	17,774,596	17,061,562		95.99%	74,503	17,136,065	96.41%
2008	16,860,344	16,059,798		95.25%	39,324	16,099,122	95.49%
2009	16,445,025	15,911,781		96.76%	34,138	15,945,919	96.97%
2010	15,730,894	14,846,618		94.38%	105,935	14,952,553	95.05%
2011	12,933,809	12,461,669		96.35%	-	12,461,669	96.35%

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 Nine Fiscal Years**

Governmental Activities										Business-Type Activities																		
Fiscal Year	Revenue bonds		Refunding Bonds		Wachovia Series 2007		CRA RCP		Capital Lease		Utility Bonds		Stormwater FMLC		Stormwater Refunding Bonds		State Revolving Fund Loan		Water & Sewer FMLC		Solid Waste Lease		Total Primary Government		Percent. of Personal Income		Per Capita	
	FMLC		BB&T	Note	Loan		Lease		BB&T	FMLC	BB&T	SRF	FMLC	SRF	FMLC	SRF	FMLC	SRF	FMLC	SRF	FMLC	SRF						
2003	\$ 12,575,000	\$ -	\$ -	\$ -	\$ -	\$ 1,102,864	\$ 3,550,000	\$ 5,320,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,547,864	n/a	n/a	n/a	n/a	
2004	12,360,000	-	-	-	-	948,344	3,300,000	5,230,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,648,344	n/a	n/a	n/a	n/a	
2005	12,135,000	-	-	-	-	1,822,924	3,040,000	5,135,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,912,924	n/a	n/a	n/a	n/a	
2006	11,900,000	-	-	-	-	1,512,698	2,765,000	5,035,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22,962,698	2.45%	\$ 541	\$ 522	\$ 590	
2007	11,655,000	-	-	-	-	1,192,011	2,480,000	4,930,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	21,972,011	2.36%	\$ 522	\$ 590	\$ 562	
2008	11,400,000	-	-	-	-	860,510	2,180,000	4,820,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24,940,510	2.67%	\$ 590	\$ 866	\$ 866	
2009	11,135,000	-	-	-	-	3,863,810	1,860,000	4,705,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,726,641	2.22%	\$ 866	\$ 935	\$ 935	
2010	10,855,000	-	-	-	-	3,730,473	14,885,000	4,485,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	36,860,945	3.73%	\$ 935	\$ 935	\$ 935	
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	\$ 935	\$ 935	

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

Fiscal Year	General Bonded Debt Outstanding	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2002	-	0.00%	-
2003	-	0.00%	-
2004	-	0.00%	-
2005	-	0.00%	-
2006	-	0.00%	-
2007	-	0.00%	-
2008	-	0.00%	-
2009	-	0.00%	-
2010	-	0.00%	-
2011	-	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, 2011**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Broward County Debt Service *	\$ 356,215,000	1.746%	\$ 6,217,899
Broward Public Schools Debt Service **	-	1.629%	-
Subtotal, overlapping debt			6,217,899
Oakland Park direct debt			<u>16,757,104</u>
Total direct and overlapping debt			<u><u>\$ 22,975,003</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' total taxable asessed 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

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

Legal Debt Margin Calculation for Fiscal Year 2011

Assessed value	\$ 2,259,171
Bonded debt limit - 15% of assessed value	338,876
Debt applicable to limit	
General Obligation Bonds	-
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	\$ 338,876

	Fiscal Year									
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Debt Limit	\$ 220,334	\$ 240,385	\$ 263,170	\$ 293,223	\$ 391,452	\$ 479,664	\$ 530,455	\$ 483,277	\$ 351,643	\$ 338,876
Total net debt application to limit	-	-	-	-	-	-	-	-	-	0
Legal debt margin	\$ 220,334	\$ 240,385	\$ 263,170	\$ 293,223	\$ 391,452	\$ 479,664	\$ 530,455	\$ 483,277	\$ 351,643	\$ 338,876
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 Nine Fiscal Years
(dollars in thousands)

Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
Water and Sewer - 2004A FMLC Loan						
2003	\$ -	\$ -	\$ -	\$ -	\$ -	-
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
General - 2000B FMLC Loan						
2003	\$ 25,304	\$ 20,750	\$ 4,554	\$ 205	\$ 665	5.23
2004	25,423	19,860	5,563	215	656	6.39
2005	27,222	20,741	6,481	225	646	7.44
2006	32,636	23,975	8,661	235	636	9.95
2007	32,148	22,343	9,805	245	635	11.14
2008	30,182	23,265	6,917	255	613	7.97
2009	28,177	24,699	3,478	265	601	4.02
2010	28,103	24,851	3,252	280	588	3.75
Stormwater - 2000B FMLC Loan						
2003	\$ 25,304	\$ 20,750	\$ 4,554	\$ 85	\$ 281	12.44
2004	25,423	19,860	5,563	90	277	15.16
2005	27,222	20,741	6,481	95	273	17.61
2006	32,636	23,975	8,661	100	269	23.48
2007	32,148	22,343	9,805	105	267	26.36
2008	30,182	23,265	6,917	110	259	18.75
2009	28,177	24,699	3,478	115	254	9.43
2010	27,565	24,313	3,252	120	249	8.81
General - 2007 Wachovia Loan						
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
Utility System Revenue Bonds, 2010 series						
2010	\$ 12,914	\$ 11,296	\$ 1,618	\$ -	\$ -	n/a
2011	14,293	9,825	4,468	270	776	4.27
General - 2010 BB&T Refunding Bonds						
2011	\$ 20,035	\$ 15,705	\$ 4,330	\$ 290	\$ 428	6.03
Stormwater - 2010 BB&T Refunding Bonds						
2011	\$ 20,035	\$ 15,705	\$ 4,330	\$ 125	\$ 270	10.96

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.

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

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

	Population*	Personal Income	Per Capita Personal income*	Unemploy ment Rate**
2006	42,427	\$ 939,079,218	\$ 22,134	3.10%
2007	42,081	931,420,854	22,134	3.60%
2008	42,241	934,962,294	22,134	6.10%
2009	42,242	1,070,623,490	25,345	7.90%
2010	42,565	989,551,120	23,248	8.80%
2011	41,549	1,037,436,981	24,969	7.00%

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 Five Years Ago**

2011

2006

Employer	Employees	Rank	Percentage of Total City Employment	Employer	Employees	Rank	Percentage of Total City Employment
Ngu Nations Group USA	300	1	1.70%	Tenet Healthcare Corp	1000	1	5.06%
Home Depot	300	2	1.70%	Sunshine Sportswear Inc	500	2	2.53%
City of Oakland Park	254	3	1.44%	Home Depot	312	3	1.58%
Agency Workforce Innovation	172	4	0.98%	AAA All Emergency Restoration	300	4	1.52%
US Veterans Affairs Department	145	5	0.82%	Fort Lauderdale Public Works	280	5	1.42%
H Lamm Industries	140	6	0.79%	City of Oakland Park	271	6	1.37%
Broward Paper & Packaging	135	7	0.77%	Steel Fabricators LLC	200	7	1.01%
Lipton Toyota	130	8	0.74%	Jobs & Benefits Ctr	172	8	0.87%
Gateway Insurance	110	9	0.62%	Northeast High School	165	9	0.84%
Warranty USA	110	10	0.62%	Lauderdale Clinical Svc	163	10	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 Eight Fiscal Years

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

*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 Six Fiscal Years

Function/Program	2006	2007	2008	2009	2010	2011
Police						
Physical arrests	3,546	3,093	3,152	3,407	2,111	2,038
Parking violations	318	153	110	110	61	116
Traffic violations	10,022	10,268	10,845	16,585	8,438	5,586
Fire Rescue						
Emergency responses	8,921	8,147	7,431	7,732	7,491	7,394
Fires extinguished	194	144	118	134	130	122
Inspections	4,693	3,190	4,587	4,764	4,210	3,200
Refuse collection						
Refuse collected (tons per day)	155	168	149	146	140	145
Recyclables collected (tons per day)	8	6	3	3	4	8
Other public works						
Street resurfacing (miles)	0	5	6	5	5	5
Potholes repaired	100	2,200	1200	1,956	1,588	1,164
Parks and Leisure						
Athletic field permits issued	*	150	415	540	388	392
Community center admissions	*	1,000	150,000	170,000	46,700	56,010
Library						
Volumes in collection	43,508	53,777	56,006	56,446	56,437	48,462
Total volumes borrowed	48,607	105,970	107,413	112,912	112,687	106,904
Water						
New connections	1,065	986	924	n/a	42	1,044
Water main breaks	88 **	97	52	58	105	66
Average daily consumption (thousands of gallons)	4,397	4,060	3358	3,771	3,540	3,105
Peak daily consumption (thousands of gallons)	*	*	*	4,200	3,790	3,221
Sewer						
Avg. daily sewage treatment by other (in thousands)	6,292 ***	5,806 ***	6156 ***	5,675 ***	8,427 ***	5,387 ***

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 Six Fiscal Years

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



COMPLIANCE SECTION

City of Oakland Park, Florida

Schedule of Expenditures of Federal Awards, State and Local Financial Assistance

Fiscal Year Ended September 30, 2011

<u>Federal Agency/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Contract Grant Number</u>	<u>Expenditures</u>
U.S. Department of Housing and Urban Development			
Community Development Block Grant - 35th Year	14.218	FBDS1071910	\$ 275,496
Community Development Block Grant - 36th Year	14.218	OP250B010511	<u>260,940</u>
			<u>536,436</u>
2005 Community Development Block Grant Disaster Recovery Initiative -1	14.228	07-DB-3V-11-16-01-Z08	651,165
Community Development Block Grant - Disaster Recovery Initiative (Supplemental)	14.228	08DB-D3-11-16-01-A06	<u>401,499</u>
			<u>1,052,664</u>
Total U.S. Department of Housing and Urban Development			<u>1,589,100</u>
U.S. Department of Justice			
ARRA - FY2009 Recovery Act JAG Program	16.804	2009-SB-B9-3324	<u>115,733</u>
Total U.S. Department of Justice			<u>115,733</u>
Federal Emergency Management Agency			
<i>Pass-Through FL Division of Emergency Management</i>			
Hazard Mitigation Grant - Post Disaster Redevelopment Planning Program	97.039	11HS-4A-11-16-02-452	28,431
Pre-Disaster Mitigation Grant - Sleepy River/Lloyd Estates	97.039	08DM-07-11-16-02-107	961,243
Hazard Mitigation Grant - Sleepy River/Lloyd Estates	97.039	07HM-4-11-16-02-082	<u>585,591</u>
Total Federal Emergency Management Agency			<u>1,575,265</u>
U.S. Department of Homeland Security			
FY2010 Assistnace to Firefighters Graant	97.044	EMW-2010-FO-00483	215,654
<i>Pass-Through FL Division of Emergency Management</i>			
2009 Urban Areas Security Initiative	97.067	11DS-32-11-16-02-017	<u>25,092</u>
Total U.S. Department of Homeland Security			<u>240,746</u>
U.S. Department of Energy			
ARRA Energy Efficiency and Conservation Block Grant	81.128	DE-EE0002284	<u>32,475</u>
Total U.S. Department of Energy			<u>32,475</u>
U.S. Department of Transportation			
<i>Pass-Through State of Florida Department of Transportation</i>			
ARRA Hwy Planning & Construction Grant - Local Agency Program Agreement	20.205	APW-50	<u>931,491</u>
Total U.S. Department of Transportation			<u>931,491</u>
Balance Forwarded			<u>\$ 4,484,809</u>

See Note to Schedule of Expenditures of Federal Awards, State and Local Financial Assistance.

City of Oakland Park, Florida

Schedule of Expenditures of Federal Awards, State and Local Financial Assistance
Fiscal Year Ended September 30, 2011

<u>Federal Agency/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Contract Grant Number</u>	<u>Expenditures</u>
Balance Carried Forward			<u>\$ 4,484,809</u>
U.S. Environmental Protection Agency			
<i>Pass-Through State of Florida Department of Environmental Protection</i>			
ARRA Capitalization Grant for State Revolving Funds	66.458	SW061400	<u>17,107</u>
Total U.S. Environmental Protection Agency			<u>17,107</u>
U.S. Department of Agriculture			
<i>Pass-Through State of Florida Department of Education</i>			
ARRA Capitalization Grant for State Revolving Funds	10.559	04-0773	<u>20,530</u>
Total U.S. Department of Agriculture			<u>20,530</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 4,522,446</u></u>

See Note to Schedule of Expenditures of Federal Awards, State and Local Financial Assistance.

City of Oakland Park, Florida

Schedule of Expenditures of Federal Awards, State and Local Financial Assistance
Fiscal Year Ended September 30, 2011

<u>State Agency/Pass-Through Grantor/Program Title</u>	<u>CSFA Number</u>	<u>Contract Grant Number</u>	<u>Expenditures</u>
Florida Department of Environmental Protection			
FDEP Cherry Creek Dredging	37.039	LP6766	\$ 219,426
FDEP Sleepy River Dredging	37.039	LP6767	122,607
FDEP Floranada Drainage Phase II	37.039	LP8956	<u>240,000</u>
Total Florida Department of Environmental Protection			<u>582,033</u>
Florida Department of State			
State Aid to Libraries 2005	45.030	05-ST-05	13,946
State Aid to Libraries 2006	45.030	06-ST-06	26,733
State Aid to Libraries 2007	45.030	07-ST-07	21,236
State Aid to Libraries 2008	45.030	08-ST-08	33,802
State Aid to Libraries 2009	45.030	09-ST-09	<u>18,233</u>
Total Florida Department of State			<u>113,950</u>
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u>\$ 695,983</u>
 Local Awards/Program Title			
Broward County			
Florida Inland Navigation District/NE 12 Terrace Boat Ramp Canoe & Kayak Launch			<u>\$ 27,324</u>
TOTAL EXPENDITURES OF LOCAL AWARDS			<u>\$ 27,324</u>

See Note to Schedule of Expenditures of Federal Awards, State and Local Financial Assistance.

CITY OF OAKLAND PARK, FLORIDA

Note To Schedule of Expenditures of Federal Awards,
State Financial Assistance and Local Awards
For The Fiscal Year Ended September 30, 2011

NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards, State Financial Assistance and Local Awards includes the federal grant, state and local grant activity of the City of Oakland Park, Florida and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and the Rules of the State Department of Financial Services. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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

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

We have audited the 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, 2011, and have issued our report thereon dated March 26, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

Internal Control Over Financial Reporting

Management of the City of Oakland Park, Florida is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an

opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted additional matters, such as items not considered significant enough to be significant deficiencies, were communicated to the management of the City in a separate letter dated March 26, 2012.

This report is intended solely for the information and use of the Governing Board, management, the Auditor General of the State of Florida, and federal and state awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than those specified parties.

Fort Lauderdale, Florida
March 26, 2012

TCBA Watson Rice LLP



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133; AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

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

Compliance

We have audited the compliance of the City of Oakland Park, Florida (the "City") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement*, and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on each of its major Federal programs and State projects for the year ended September 30, 2011. The City's major Federal programs and State projects are identified in the summary of auditors' results section of the accompanying *Schedule of Findings and Questioned Costs*. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major Federal programs and State projects is the responsibility of City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Auditor General. Those standards, OMB Circular A-133, and Chapter 10.550, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program or State project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City of Oakland Park, Florida complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs and State projects for the year ended September 30, 2011. However, the results of our auditing procedures disclosed a matter, which is not an instance of noncompliance with those requirements, which is described in the accompanying schedule of findings and questioned costs as item 2006-03.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to Federal programs and State projects. In planning and performing our audit, we considered City's internal control over compliance with requirements that could have a direct and material effect on a major Federal program or State project in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *deficiency* in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program or State project on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program or State project will not be prevented, or detected and corrected, on a timely basis.

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

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Governing Board, and the Auditor General of the State of Florida, and Federal and State awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Schedule of Expenditures of Federal Awards and State Financial Assistance

We have audited the financial statements of the City of Oakland Park, Florida (the "City"), as of and for the year ended September 30, 2011, and have issued our report thereon dated March 26, 2012. Our audit was performed for the purpose of forming an opinion on the financial statements of the City. The accompanying schedule of expenditures of Federal awards and State financial assistance is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Auditor General, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Fort Lauderdale, Florida
March 26, 2012

TCBA Water Price LLP

CITY OF OAKLAND PARK, FLORIDA

Schedule of Findings and Questioned Costs
Fiscal Year Ended September 30, 2011

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:	Unqualified
Internal control over financial reporting:	
■ Material weaknesses identified?	_____ Yes <u> x </u> No
■ Significant control deficiencies identified that are not considered to be material weaknesses?	_____ Yes <u> x </u> None Reported
Noncompliance material to financial statements noted?	_____ Yes <u> x </u> No

Federal Program

Internal control over major programs:	
■ Material weaknesses identified?	_____ Yes <u> x </u> No
■ Significant control deficiencies identified that are not considered to be material weaknesses?	_____ Yes <u> x </u> None Reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	_____ Yes <u> x </u> No

Identification of major programs:

CFDA Numbers

14.218
20.205
97.044

Name of Federal Program

Community Development Block Grant
ARRA Highway Planning and Construction Grant
Assistance to Firefighters

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$300,000</u>
--	------------------

Auditee qualified as low-risk auditee?	<u> ✓ </u> Yes _____ No
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CITY OF OAKLAND PARK, FLORIDA

Schedule of Findings and Questioned Costs
Fiscal Year Ended September 30, 2011

SECTION I - SUMMARY OF AUDITORS' RESULTS (Continued)

State Financial Assistance

Internal control over major projects:

- Material weaknesses identified? Yes **x** No
- Significant control deficiency identified that are not considered to be material weaknesses? Yes **x** None Reported

Type of auditor's report issued on compliance for major projects: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 215.97 F.S. and Chapter 10.550 "Rules of the Auditor General"? Yes **x** No

Identification of major programs:

CSFA Numbers

37.039

Name of State Financial Assistance Project

Statewide Surface Water Restoration and
Wastewater Project

Dollar threshold used to distinguish between Type A and Type B programs:

\$208,795

CITY OF OAKLAND PARK, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - FEDERAL PROGRAMS AND STATE PROJECTS
FISCAL YEAR ENDED SEPTEMBER 30, 2011
(Continued)

SECTION II FINDINGS RELATED TO FINANCIAL STATEMENTS AUDIT AS REQUIRED TO BE REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

None.

SECTION III FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

SECTION IV FINDINGS AND QUESTIONED COSTS FOR STATE FINANCIAL ASSISTANCE

None.

CITY OF OAKLAND PARK, FLORIDA

Summary Schedule of Prior Audit Findings
For the Year Ended September 30, 2011

2010-01 *Verify Vendors under Federal Awards*

Condition

Vendors getting awards of \$25,000 and above, under a federal award, should be verified in the Excluded Party List System (EPLS) to ensure compliance with the federal requirement.

We noted that the City does not have a system in place to ensure that vendors providing goods and services amounting to \$25,000 and above, under a federal award, are not debarred or suspended.

Current Year Status

No similar condition was noted during the year.

2010-02 *Submit Quarterly Progress/Status Reports Timely*

Condition

As provided for in the various grant agreements signed by the City with the Florida State Department of Environmental Protection (FLDEP), the City must submit Status Reports on the 5th day of January, May & September for various projects funded by FLDEP under CSFA 37.017.

We noted that the City was late in submitting the following Status Reports :

Project Name	Reporting period	Date submitted
Dr. Carter Woodson Park Renovation	5/5/2009	8/12/2009
Dr. Carter Woodson Park Renovation	9/5/2009	10/12/2009
Wimberly Complex Enhancements	1/5/2010	1/27/2010
Wimberly Complex Enhancements	5/5/2009	6/3/2009

Current Year Status

Although there were no expenditures under CSFA 37.017, there was no similar condition noted in the examination of federal expenditures and state financial assistance during the year.

CITY OF OAKLAND PARK, FLORIDA

Summary Schedule of Prior Audit Findings
For the Year Ended September 30, 2011
(Continued)

2006-03 Compliance Monitoring

Criteria

Ensuring compliance of OMB A-133 requirements and grant agreements is a function that grant recipients should seriously and consistently commit to as part of its responsibility for implementing federally or state-funded projects.

Condition

During the fiscal year 2006, multiple individuals had responsibility for ensuring compliance with contract requirements. In addition, the City had not adopted written policies and procedures governing the accounting and administration of its grant programs.

Current Year Status

The City's grant administration is still decentralized although a responsible person in the Financial Services Department has been tasked to coordinate with the implementing departments as regards the compliance of the requirements specific to the grant being administered by the concerned department.

Management Response

Management understands the need to monitor all contracts to ensure compliance with grantor requirements. However, due to continuing budget constraint, it is not feasible to add a position specifically dedicated to grant management. The grant management policy and procedures have been established and distributed to the responsible departments. The compliance responsibility rests with each department that applies and utilizes the grants. The department staff will be trained to utilize a project management application to assist them meeting the reporting requirements. Each department director will be the responsible for overseeing their grant management function. The Financial Services department will oversee the financial administration of the grants. Management has implemented these measures and believes they are sufficient to mitigate the need for a dedicated grant manager.

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

Honorable Mayor and City Commission
City of Oakland Park, Florida

We have audited the basic financial statements of the City of Oakland Park, Florida (the "City") as of and for the fiscal year ended September 30, 2011, and have issued our report thereon dated March 26, 2012.

We conducted our audit in accordance with auditing standards generally accepted in the United of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*. We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters, Independent Auditors' Report on Compliance with Requirements Applicable to each Major Federal Program and State Project and on Internal Control over Compliance, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedules, which are dated March 26, 2012, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditors' report or schedule:

- Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report except as noted under the heading "Prior Year Findings and Recommendations".
- Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the City complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we have recommendations described in ML-2011-01 through ML-2011-04.
- Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

- Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) deficiencies in internal control that are not significant deficiencies. In connection with our audit, we did not have any such matters.
- Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The City of Oakland Park was incorporated on June 7, 1929. The City included the Oakland Park Community Redevelopment Agency as its blended component unit.
- Section 10.554(1)(i)7.a., Rules of the Auditor General, requires a statement be included as to whether or not the local government entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific conditions met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Section 10.554(1)(i)7.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the City for the fiscal year ended September 30, 2011, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2011. In connection with our audit, we determined that these two reports were in agreement.
- Pursuant to Sections 10.554(l)(i)7.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provide by same.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of management, and the Florida Auditor General, and Federal and State awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties.

Fort Lauderdale, Florida
March 26, 2012

TCBA Watson Rice LLP

CITY OF OAKLAND PARK, FLORIDA

Management Letter
Fiscal Year Ended September 30, 2011

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

ML-2011-01 Information Technology (IT) Disaster Recovery Plan

The City of Oakland Park (the City), Florida has an Information Technology (IT) Disaster Recovery Plan. However, the existing plan has never been tested. Best practices require that organizations develop, implement and test a Disaster Recovery Plan. Currently, it is not known if the City would be able to timely resume operations after an unscheduled interruption or disaster.

Recommendation

We recommend that the City update and test their Disaster Recovery Plan as soon as possible. This test should include the return and restoration of back-up media from off-site storage.

Management's Response

The ITS division is working in the development of a COOP (Continuity of Operations Plan) which incorporates the City completing its multiphase ITS strategy. The City completed improved redundancy in the voice and data network systems after October 2011. The next phase is to either move all critical applications or artifacts, offsite to world-class data centers capable of providing redundancy or purchase such applications from vendors who deliver the needed applications via a SaaS model. The selection criteria for such vendors are that they have facilities and processes (e.g., SAS 70 Type II) that ensure high availability and FIMSA protection certification. Currently back-up systems are performed live via network infrastructure to an offsite data warehouse "Live Vault." This system has been proven to be most effective in the restoration of data. The City plans to have a new ERP system in place in approximately 65 weeks which will address the balance of the disaster recovery plan. The Financial and ITS director are responsible for implementing the disaster recovery plan.

ML-2011-02 Information Technology (IT) Access Control Procedures

The City uses an informal process to grant, change and remove Users' access to critical information systems and resources. A formal Access Authorization Form is not being used. Ensuring reliable access controls are in place and operating effectively involves implementing and monitoring preventive, detective, and corrective procedures that address the various access risk points. Preventative procedures generally address the first risk point that involves initiating or granting access and include documented access policies and procedures and supporting documentation for approvals that grant access to systems/programs/networks, as well as maintaining these policies and procedures updated as practices change. Detective procedures generally address the second risk point that involves activities after access has been obtained and include monitoring of user accounts for compliance with logical access parameters, revoking access privileges for terminated users, and reviewing audit trail logs. Corrective procedures

CITY OF OAKLAND PARK, FLORIDA

Management Letter
Fiscal Year Ended September 30, 2011

ML-2011-02 Formalize Access Control Procedures (Continued)

generally address the third and final risk point that involves taking actions that remediate matters that do not comply with policies and procedures identified through the preventive and/or detective procedures.

Recommendation

We recommend that the City formalize their access control administration and procedures by implementing a formal way to grant, change and revoke access to critical IT resources. The financial management system owner should review Users' access privileges at least once every six months. The entire process should be documented and the appropriated records maintained for audit purposes. In addition, we recommend that the city conduct penetration testing of their network related to the FMS.

Management's Response

The City will implement a structured process for ITS to administer access control. A form or template will be completed where Department Directors will advise and approve a user's access to systems. ITS division will review and process the requests. This can be accomplished within the next 120 days. Regarding the penetration test, the City is currently soliciting quotes for a firm to conduct a penetration test or an "ethical hack." The selection of a firm and testing is estimated to be completed by September 2013. The Financial and ITS director are responsible for implementing these measures.

ML-2011-03 Information Technology (IT) Segregation of Duties

During our testing, we found one instance where an employee (Accounting Technician II) had access to Accounts Payable and also had access to create new vendors. These are incompatible duties and they increase the potential for fraud.

The Comptroller has full access to FMS and access to the security administration module. Access to the security module should be an IT function with authorization from the CFO or Comptroller. As a result, the Comptroller has the access to perform incompatible duties. These two existing situations increase the potential for fraud and/or abuse. The City has not implemented mitigating controls to address this vulnerability.

Recommendation

We recommend that the City immediately review the access profiles of the Accounting/Finance staff and revoke access that would allow incompatible duties to be performed.

Management's Response

The ITS staff have already reviewed and implemented restrictive access to various accounting staff to avoid incompatible duties.

CITY OF OAKLAND PARK, FLORIDA

Management Letter
Fiscal Year Ended September 30, 2011

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS (Continued)

ML-2011-04 Inventory of Utility Meters

We noted that the City does not perform a periodic or cyclical physical inspection of water meters installed in homes and buildings within the service area and compare the information against its database of utility customers. Such inventory will provide an added assurance that all homes and commercial establishments within the City's service area are properly billed for the services provided by the City.

Recommendation

We suggest that the City perform a periodic (e.g., annual or bi-annual) physical inspection of all homes and buildings within the service area to ensure that all working meters are active on the City's billing system.

Management's Response

To perform regular inspections of the City's utility system and perform periodic meter inventory is a significant undertaking that requires careful planning and resource allocation. Management recognizes its importance and will explore any practical options to obtain this objective. A preliminary step would be to contract a professional to study the situation and make recommendations. The next step would be to determine the most cost effective solution and the availability of funding. The Public Work director will be responsible for this project with an anticipated study done by October 2012.

ML-2011-05 GASB 54 Adoption

We noted that the City implemented GASB 54 by following the new classifications for reporting fund balances. However, the City has not formally adopted a fund balance policy which specifies the order in which the City assumes restricted, committed, assigned, and unassigned amounts are to be spent when amounts in more than one classification are available for a particular purpose pursuant to GASB 54.

Recommendation

We encourage the City to formally adopt a GASB 54 fund balance policy by having the City Commission pass a resolution so that in subsequent years, the terminologies in the budget appropriation process are aligned with GASB 54 format.

Management's Response

Management intends to prepare a formal fund balance policy that will define the flow of use of fund balances when multiple fund resources are available.

CITY OF OAKLAND PARK, FLORIDA

Management Letter
Fiscal Year Ended September 30, 2011

II. STATUS OF PRIOR YEAR'S RECOMMENDATIONS AND MANAGEMENT'S RESPONSE

<u>Finding Number</u>	<u>Prior Year Comment</u>	<u>Comment Has Been Addressed</u>	<u>Comment Partially Implemented</u>
ML-10-01	Review of Utility Billing Process		✓

ML-2010-01 Review of Utility Billing Process

Finding and Recommendation

In the Utility Department, we noted that there is no Supervisory Control over changes made to the billing data such as water consumption and billing rate prior to processing the data for billing. Although we understand that the edits made by the Billing Coordinator are necessary to correct some erroneous information (such as zero consumption or high usage), the absence of Supervisory review and approval does not allow the detection of errors made in the process.

It was suggested that the Billing Manager review and sign-off on the edits/changes made to provide the necessary check and balance and to signify approval. Such review and approval should also cover the processing of refunds to customers.

Current Year Status

We noted that the Utility Manager currently performs a random review of the changes made to the billing data such as water consumption and billing rate prior to processing the data for billing. However, we believe the random review is not adequate to provide a reasonable assurance of the validity and propriety of the changes made to the raw billing data.

Management's Response

The Billing Manager has been reviewing and approving all of changes made in the exception report after the meter re-reads have been performed. He also reviews and approves the customer refunds. In addition to reviewing changes made by the billing coordinator, the Billing Manager has been conducting random sampling for each billing cycle to examine the anomalous charges or credit balances. Due to time constraint, the Billing Manager can only sample test certain amount of transactions, however, he believes the test sample provide sufficient assurance the billing is done appropriately.

