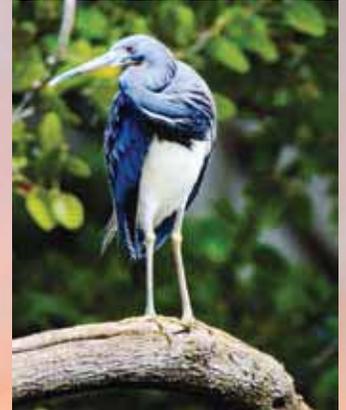


Comprehensive Annual Financial Report



City of Oakland Park, Florida
ENGAGED • INSPIRED • UNITED



*For Fiscal Year Ended
September 30, 2012*

Comprehensive Annual Financial Report

of the



Fiscal Year Ended September 30, 2012

Prepared by the

Financial Services Department

City Of Oakland Park, Florida

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INTRODUCTION SECTION



March 18, 2013

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, 2012, pursuant to Section 218.39 of the Florida Statutes and City Charter. The financial statements included in this report conform to the generally accepted accounting principles in the United States (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. The financial statements have been audited by BCA Watson Rice LLP, Certified Public Accountants. The independent auditor has issued an 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 June 7, 1929. The City's Charter was adopted by the State Legislature on July 15, 1959. The City operates under the Commission-Manager form of government where five members, one of whom is the Mayor, are elected at large. The City Commission determines the policies that guide the City's operations, hiring a City Manager to implement and administer these policies on a full-time basis.

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

Oakland Park provides a full range of municipal services including fire, emergency medical 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 to live and work.

Economic Condition and Outlook

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

Oakland Park, with a population of approximately 42,020, reflects a diverse residential community. 62.63% of our residents are white, 25.65% are black and 11.72% are of other races. Close to 60% of our residents are under the age of 45 with the median age being 38.8. Although Oakland Park is primarily a residential community with slightly over 40% of land use dedicated to residences, the City also has a relatively high proportion devoted to commercial, light industrial and community facility uses, close to 20%, as well as a significant amount of land use, near 40%, dedicated to parks, roads, waterways, canals, and lakes.

In 2012, the housing market and the economy began to stabilize with an increase in permitting activity. The Building Division of the Engineering and Community Development Department served approximately 12,942 customers and issued 2,909 permits with a construction value of \$40.6 million—a 82% increase from 2011. 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 remained steady. 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 eight years is shown below:

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

Major Initiatives

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

- Completed the Lloyd Estates Residential & Industrial Drainage Improvement project (Bid Pack 7), to alleviate flooding of NW 38, 39, and 40 Streets between Andrews Avenue and Powerline Road and on NW 10 Terrace, NW 10 Ave, NW 9 Terrace, NW 35 Ct and NW 36 Street. Total project cost at \$3.1 million was funded by a combination of grant and bond proceeds.
- Completed the 5399 Municipal Building Hardening Project at a cost of \$690,000 which included improvements to the roof and walls of the building to make it capable of withstanding a Category 4 hurricane.

- Implementation of the City's water and wastewater improvement plan continued during the year as several projects (Bid Packs) were under design or construction. The design of Bid Packs 9 (East Zone, North of 38th) and 10 (Central Zone, South of 38th), were initiated. Construction began on Bid Pack 3 (West of I95, South of OPB), Bid Pack 4 (West of I95, North of OPB), Bid Pack 5 (Garden Acres Neighborhood) and Bid Pack 6, which encompasses lift station rehabilitation throughout the City. The total costs to date of \$4.3 million for the above projects have been funded by bond proceeds.
- Designed and built the NE 12 Ave Parking Lot, demolished the 1201 East Oakland Park Blvd building and installed landscape improvement in the area. Also removed several old, blighted buildings within downtown to provide temporary parking and green space in the interim while strategically positioning this area to enhance the future redevelopment potential from the FEC rail transit line and the CRA Plan. The total project costs of \$1.9 million was mostly funded by Broward County loans.
- Completed two real property acquisitions in downtown area for future development. Total costs of \$1.1 million was funded by Broward County loans.
- Executed a Joint Participation Agreement with Broward County to facilitate the installation of a connector to Royal Palm Park as part of the Twin Lakes South Neighborhood Improvement Project.
- Awarded the construction contract for the Floranada Roadway Improvement project that includes traffic calming features such as a roundabout at NE 13 Avenue, traffic chokers with crosswalks, a sidewalk and bridge of the North side of Floranada Road and sidewalks on NE 18 Avenue.
- Completed a Post Disaster Redevelopment Plan (PDRP) with funding from the Federal Emergency Management Agency. The Plan identifies policies, operational strategies, and roles and responsibilities for implementation that will guide decisions that affect long-term recovery and redevelopment of the community after a disaster.
- Completed the preparation of the Commercial Boulevard Mixed Use Overlay District as part of the Phase II implementation.
- Developed a strategy to participate with Broward County and 13 other municipalities in the "Go Solar" Broward Rooftop Solar Challenge as it relates to a streamlined zoning, building and permitting process.

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 accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

The City Commission adopted and updated several fiscal policies during the year that have an impact over ongoing City operations. These policies establish the framework for sound financial management. The revised fiscal policies provide guidelines for budgeting, accounting records, investment and debt management. The policy provides for adequate fund balances and net assets in the City's various operating funds. The City's minimum fund balance policy was in place to maintain unassigned fund balance or net assets for fiscal contingency of the current year operating appropriation including transfers at a minimum of 20% and a maximum of 25% for General Fund, and a minimum of 10% with a maximum of 25% for enterprise funds. This will serve to maintain the City's financial health, maintain excellent credit ratings and ensure that sufficient funds will be available to cover unforeseen events. The City's General Fund and enterprise funds have met the minimum balance requirement. In addition, the City continued to refine its implementation of GASB 54 *Fund Balance Reporting and Governmental Fund Type Definitions* which require governments to report fund balance classifications by the relative strength of the spending constraints placed on the purposes for which resources can be used. Five classifications 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 and complies with Florida Statutes, 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's staff will monitor the municipal bond market for opportunities to obtain interest savings by refunding outstanding debt. As a general rule, the present value savings of a particular refunding should exceed 3% of the refunded maturities. Bond insurance will be used when it provides an economic savings for the City.

The City has traditionally issued tax-exempt debt which results in significant interest cost savings compared with the interest cost on taxable debt. However, in August 2010, under the American Recovery and Reinvestment Act, the City took advantage of the tax credit under the program and issued \$11.5 million of Build America Bonds to finance its water and wastewater systems. Along with that bond issuance was \$3.7 million in tax-exempt bonds to retire \$1.5 million of Series 1994 bonds and to provide new money for the

water and wastewater systems improvements. The City's underlying credit rating for the bond issue was AA-. Phase two of the borrowing for \$17.2 million tax-exempt bonds was completed in September 2012. The Series 2012 bonds consist of serial and term bonds with coupon rates ranging 3%~3.875%. The proceeds will be utilized to finance major utility projects including repairs and replacement of the aging water distribution system and reducing infiltration and inflow into the wastewater system. The City was able to achieve AA- rating for this issuance without the purchase of insurance.

In December 2011, the City issued \$5.7 million Series 2011 Stormwater Assessment bonds to finance the improvement of its stormwater runoff management system. The Series 2011 bonds consist of serial and term bonds with coupon rates ranging from 2%~4.625%. In addition, in July 2012, the City amended its loan agreement with Broward County borrowing additional \$1.1 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. The interest rate on the outstanding principal will be determined at the time when repayment begins based on the Municipal Market Data "A" revenue bond rate.

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 operational costs without a huge impact to the services it provides to residents. The City is committed to explore all avenues to ensure that residents continue to be provided excellent services in the most cost-efficient manner. Under the City Commission guidance, five Strategic Performance Areas (SPAs) have been identified:

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

Each of these areas has its performance goals and key intended results. The actions taken in the preceding paragraphs demonstrate the City's progress toward these goals. In FY12, the City added five additional deputy sheriffs to increase its neighborhood protection. Downtown redevelopment is slowly but surely improving despite current economic condition. Construction on the north anchor of the Culinary Arts District commenced in November 2012 with anticipated completion of a brewery and a city plaza this summer. The new public plaza will offer residents a relaxing place to enjoy the Culinary Arts District, a central market and restaurants.

In addition, the City continues implementing major changes in its information technology system. The City Commission approved a four-phase strategic plan modifying the manner in which the City will handle its technological requirements into the future. The four phases are to (1) eliminate the single point of network infrastructure failure, (2) eliminate in-house email systems, (3) move software applications from in-house servers to industrial strength data centers (4) identify new enterprise resource plan (ERP) that can be provided to the City in a Software-as-a-Service (SaaS) model. Phases 1 and 2 were completed and significant progress was made to reduce the number of in-house hardware servers and begin migration to industrial strength data centers. Finally, the City identified the SaaS provider for the City's ERP system and completed contract negotiations subsequent to the September 30, 2012.

Independent Audit

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

Awards

The Governmental Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2011. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments

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

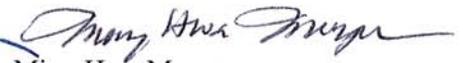
Respectfully submitted,



John Stinson
City Manager

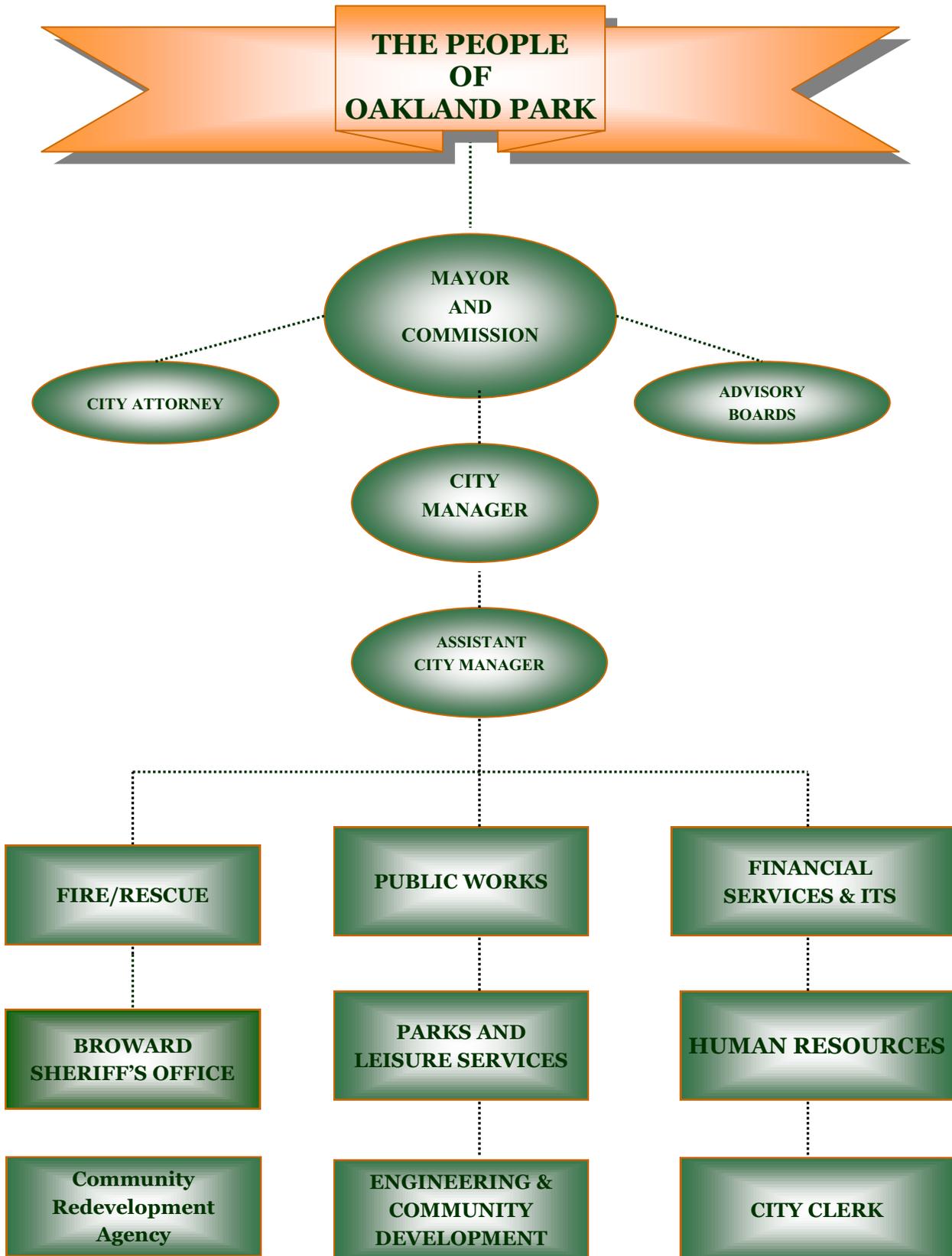


William F. Underwood, II
Financial Services and ITS Director



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, 2012

CITY COMMISSION

ANNE SALLEE

Mayor

JOHN ADORNATO

Vice Mayor

JEDIDIAH SHANK

Commissioner

SHARI MCCARTNEY

Commissioner

SUZANNE BOISVENUE

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

Kenneth Resor

FIRE CHIEF

Don Widing

ENGINEERING AND COMMUNITY DEVELOPMENT DIRECTOR

Harris Hamid

CITY CLERK

Renee Shrout

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, 2011

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.



Christopher P. Morill

President

Jeffrey R. Emer

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.

FINANCIAL SECTION

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, 2012, 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 of the Police and Firefighters Pension Plan, which represents 61% 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, 2012, 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.

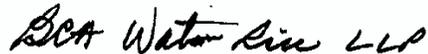
In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2013 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other 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.

Accounting principles generally accepted in the United States of America require that *supplementary information, such as management's discussion and analysis and budgetary comparison information* on pages 3 through 17 and 63 through 68, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by *the Governmental Accounting Standards Board*, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City's basic financial statements. The *combining and individual nonmajor fund financial statements* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City's basic financial statements. The accompanying *introductory and statistical section* are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Fort Lauderdale, Florida
March 18, 2013

Handwritten signature in black ink that reads "BCA Water Line 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 2012. The information in this section should be considered in conjunction with additional information that is furnished in the letter of transmittal, the City's financial statements and other required supplemental information.

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

FINANCIAL HIGHLIGHTS

The following are the highlights of financial activity for the fiscal year ended September 30, 2012:

- The assets of the City of Oakland Park exceeded its liabilities at the close of the most recent fiscal year by \$156.5 million, an overall net increase of \$1.2 million compared to a year ago. Of this total net asset amount, \$23 million (unrestricted net assets) may be used to meet the ongoing obligations to citizens.
- The City's \$34.9 million in revenues for governmental activities trailed the \$38 million in expenses, causing a \$3.1 million decrease in net assets. The decrease was mainly due to the reduction in capital grants and the property, franchise and communication taxes compared to a year ago.
- The business-type activities for the City recognized \$27.9 million in revenue against \$23.6 million in expenses that resulted in a \$4.3 million increase in net assets. The positive result is largely attributed to the combined effect of \$0.9 million from Water and Sewer fund due to rate increases and \$0.4 million from the Stormwater fund due to a change of collection channel in addition to \$2.5 million capital grants received.
- The General Fund's revenues exceeded expenditures by \$0.3 million before transfers. With net \$0.6 million in transfers out to other funds which resulted in a net decrease in fund balance by \$0.3 million.
- At the end of the current year, fund balance for the General Fund was \$15.9 million, or 39.8% of total General Fund expenditures and other financing uses. Of this balance, \$0.9 million was restricted for grant matching, certification and training, \$0.2 million was non-spendable amount that tied to inventory, prepaid pension and advances to other funds, and \$2.6 million was assigned for subsequent year's budget. The remaining \$12.2 million was unassigned and available for new spending.
- The CRA fund's expenditures exceeded its revenues by \$2 million. The shortfall was due to acquisition of real properties which was covered by Broward county capital loans and a

FINANCIAL HIGHLIGHTS (CONTINUED)

temporary loan from the General fund. The CRA funding is supplemented annually by transfers from the General fund.

- The City's total debt increased by \$21.3 million during the fiscal year mainly due to the issuance of series 2012 utility bonds and series 2011 stormwater bonds to finance the construction of City's infrastructure.

OVERVIEW OF THE FINANCIAL STATEMENTS

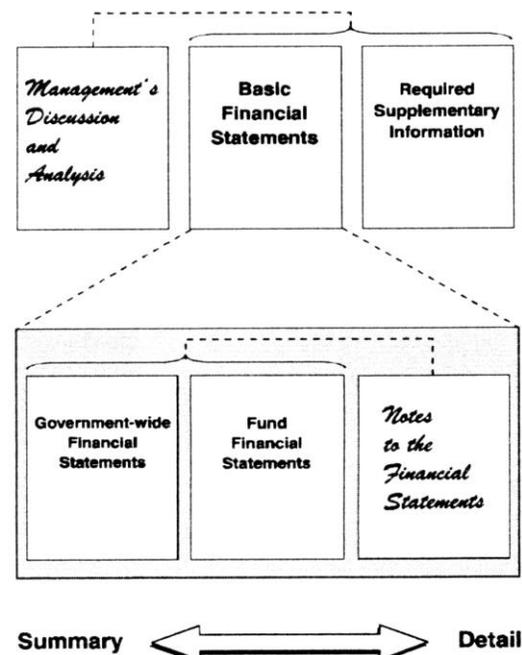
This annual report consists of four parts—*management's discussion and analysis* (this section), the *basic financial statements*, *required supplementary information* and an additional section that presents *combining statements* for nonmajor governmental funds and capital assets used in the operations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

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

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

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

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



OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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

The basic governmental fund financial statements can be found on pages 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 62 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 63 to 68 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 69 to 72 of this report.

Our analysis of the financial statements of the City begins below. 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 2011 and fiscal year 2012 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 2012 and fiscal year 2011:

City of Oakland Park, Florida						
Net Assets						
(In Thousands)						
	Governmental		Business-type		Total	
	Activities		Activities			
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 21,969	\$ 24,305	\$ 50,587	\$ 28,081	\$ 72,556	\$ 52,386
Capital assets	82,124	81,661	75,940	69,193	158,064	150,854
Total assets	104,093	105,966	126,527	97,274	230,620	203,240
Long-term liabilities	20,580	19,785	44,126	21,919	64,706	41,704
Other liabilities	3,107	2,642	6,347	3,604	9,454	6,246
Total liabilities	23,687	22,427	50,473	25,523	74,160	47,950
Net Assets:						
Invested in capital assets, net of related debt	65,134	64,905	65,033	59,006	130,167	123,911
Restricted for:						
Capital projects	2,279	2,956	-	2,386	2,279	5,342
Other	988	770	-	-	988	770
Unrestricted	12,005	14,908	11,021	10,359	23,026	25,267
Total net assets	\$ 80,406	\$ 83,539	\$ 76,054	\$ 71,751	\$ 156,460	\$ 155,290

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 \$156.5 million for fiscal year 2012, \$80.4 million for governmental activities and \$76 million for business-type activities. This represents a \$1.2 million increase over fiscal year 2011 net assets which is an improvement in overall financial position from last year of 0.7%. 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 2012, the net assets of governmental activities are 85.1% restricted while business-type activities net assets are 85.5% 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, \$1 million, or 1.2% represents resources for governmental activities that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets*, \$23 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:

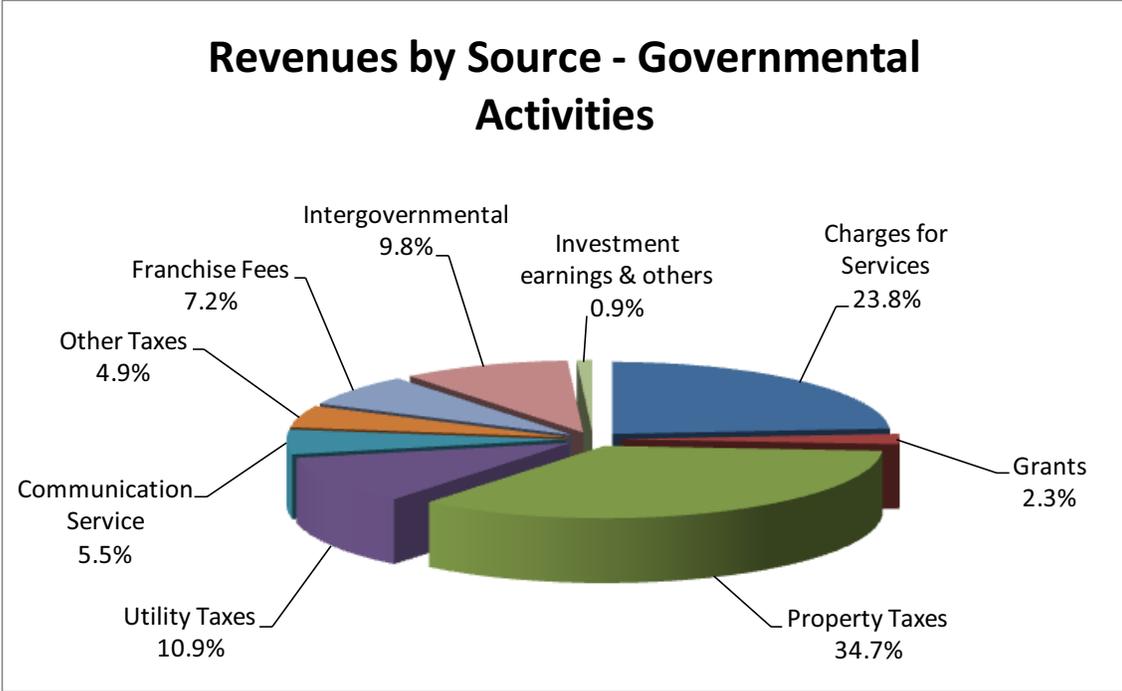
- 1) ***Introduction of new programs or increase in the City's boundary*** can have a substantial impact on property, non-ad valorem assessments, sales, gas, or other tax revenues as well as consumer spending habits for building permits, user fees and consumption.

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 40% of the City’s operating costs.
- 3) **Salary increases** such as cost of living, performance increases and market adjustments can impact personal service costs.
- 4) **While inflation** appears to be reasonably modest, the City is a major consumer of certain commodities such as chemicals, supplies, fuels and parts. Some functional expenses may experience unusual commodity specific increases.

As noted earlier, the *statement of activities* presents information showing how the City’s net 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 2012, property taxes, at \$12.1 million, represent 34.8% of revenues while charges for services, at \$8.3 million, comprise 23.8% of revenues. Other major sources of revenues include \$3.8 million from utility taxes, \$2.4 million from franchise fees, \$1.9 million from communication service taxes and \$1.7 million in other taxes, totaling \$9.8 million that represent 28.2% of the revenues.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Statement of Activities: (continued)

The following table reflects the City's revenues and expenses for fiscal year 2012 compared to fiscal year 2011, with the resulting change in net assets:

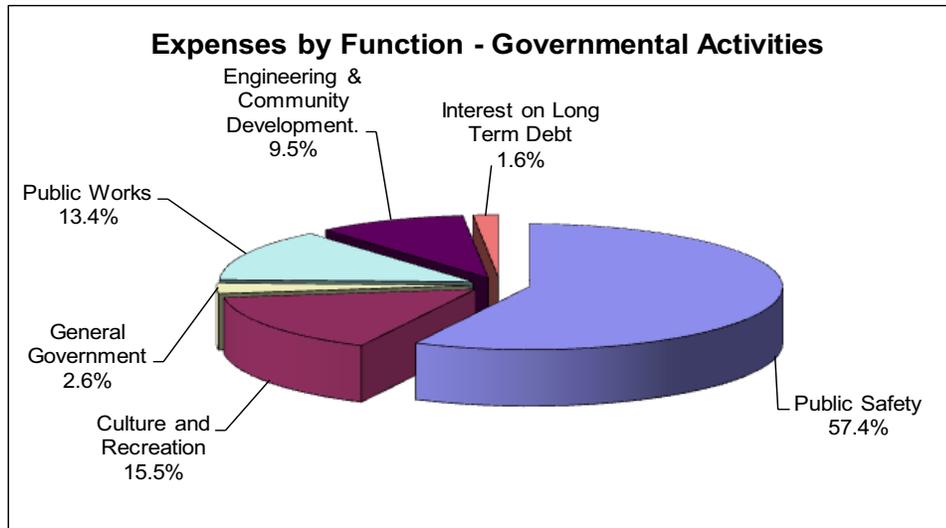
City of Oakland Park, Florida						
Changes in Net Assets (in Thousands)						
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues:						
Charges for services	\$ 8,300	\$ 7,362	\$ 24,889	\$ 24,323	\$ 33,189	\$ 31,685
Operating grants/contributions	351	658	414	335	765	993
Capital grants/contributions	463	1,816	2,541	2,896	3,004	4,712
General revenues						
Property taxes	12,151	12,631	-	-	12,151	12,631
Franchise fees	2,458	2,570	-	-	2,458	2,570
Utility taxes	3,760	3,676	-	-	3,760	3,676
Communication Service taxes	1,936	2,026	-	-	1,936	2,026
Other taxes	1,669	1,634	-	-	1,669	1,634
Intergovernmental	3,447	3,338	-	-	3,447	3,338
Investment earnings	83	69	104	66	187	135
Miscellaneous revenue	257	168	-	-	257	168
Total revenues	<u>34,875</u>	<u>35,948</u>	<u>27,948</u>	<u>27,620</u>	<u>62,823</u>	<u>63,568</u>
Expenses:						
General government	998	1,258	-	-	998	1,258
Public safety	21,820	22,516	-	-	21,820	22,516
Public works	5,140	3,632	-	-	5,140	3,632
Water & Sewer	-	-	14,039	12,741	14,039	12,741
Solid Waste	-	-	6,356	7,526	6,356	7,526
Stormwater	-	-	3,250	3,054	3,250	3,054
Engineering & Community development	3,642	3,547	-	-	3,642	3,547
Culture/recreation	5,854	5,943	-	-	5,854	5,943
Interest on long-term debt	554	815	-	-	554	815
Total expenses	<u>38,008</u>	<u>37,711</u>	<u>23,645</u>	<u>23,321</u>	<u>61,653</u>	<u>61,032</u>
Increase in net assets before transfers	(3,133)	(1,763)	4,303	4,299	1,170	2,536
Transfers	-	-	-	-	-	-
Increase in net assets	<u>(3,133)</u>	<u>(1,763)</u>	<u>4,303</u>	<u>4,299</u>	<u>1,170</u>	<u>2,536</u>
Net assets beginning of year, as previously reported	-	84,962	-	66,619	-	142,533
Prior period adjustment	-	340	-	833	-	1,173
Net assets beginning of year, as restated	<u>83,539</u>	<u>85,302</u>	<u>71,751</u>	<u>67,452</u>	<u>155,290</u>	<u>143,706</u>
Net assets end of year	<u>\$ 80,406</u>	<u>\$ 83,539</u>	<u>\$ 76,054</u>	<u>\$ 71,751</u>	<u>\$ 156,460</u>	<u>\$ 146,242</u>

When compared with fiscal year 2011, property taxes decline of \$0.5 million reflects the effect of continuing lower property value. Charges for services increased by \$1.5 million due to increasing the water and sewer rates and placing the stormwater assessment collection on the tax bill. Franchise fee continues to decline by \$0.1 million due to lower consumption. Intergovernmental revenues increased by \$0.1 million due to slightly improved economy and consumer confidence. Capital contributions decreased \$1.7 million due to decrease in construction activities. Communication Service taxes declined \$0.1 million for the year. Investment earnings improved a little but still low due to continued low interest rate environment.

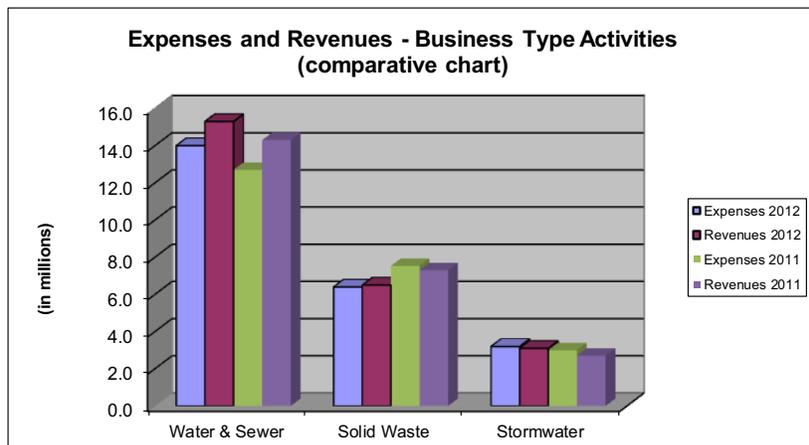
GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Statement of Activities: (continued)

As shown in the following chart, governmental expenses are largely weighted in one function, public safety, which comprises of police (provided by Broward Sheriff's Office) and fire rescue services. At \$21.8 million, public safety costs represent 57.4% of total governmental expenses.



Revenue earned by business-type activities is primarily concentrated in one source, charges for services, \$24.9 million. This figure represents the fees charged for each of the City's enterprise funds, \$15.2 million for Water and Sewer, \$6.5 million for Solid Waste and \$3.1 million for Stormwater. Operating revenues increased by \$0.9 million or 6.6% from a year ago for Water and Sewer fund due to its rate increase. The City Ordinance provides for scheduled water and sewer rate increases into fiscal year 2013 to meet the planned infrastructure capital improvements and to service its new debt financing. The Solid Waste fund revenue decreased by \$0.8 million due to rate reduction while the Stormwater fund increased by \$0.4 million due to a change from direct billing to placing the assessment on the tax bill as a non-ad valorem tax.



GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Statement of Activities: (continued)

For business-type expenses, the \$23.6 million represents \$14 million for Water and Sewer, \$6.4 million for Solid Waste and \$3.2 million for Stormwater, compared to \$23.3 million in total expenses the previous year. The increase of \$0.3 million in total expense was the combine result of the increase in sewer treatment costs and the decrease in other operating costs in the Water and Sewer and the Solidwaste funds.

Although the City continues to control costs during the year, due to declining property tax and grant revenues, the City's net assets decreased by \$3.1 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 Commission has adopted a fiscal policy establishing minimum fund balance requirements. All fund balances in governmental funds are classified based on the level of the resource spending constraints and their purposes. As the City completed the year, its governmental funds reported combined fund balances of \$18.3 million, with the General Fund representing \$15.9 million of which \$0.2 million is non-spendable, \$0.9 million is restricted and \$2.6 million is assigned for the subsequent year's budget, leaving \$12.2 million in unassigned fund balance which is available for any purpose.

Included in this year's total change in fund balance for the General Fund is a \$0.3 million deficiency of revenues over expenditures before transfers. The result is \$0.6 million less than prior year when taking in the consideration of the combining result from consolidating the General Fund, the Fire Rescue and the Transportation Fund's operations. The reduction was a result of decreased property and communication service taxes offset by a modest increase in intergovernmental revenues. After deducting the \$2 million transfer to the non-major funds, mainly services the debt, and adding the transfers from the Fire Rescue fund and the Transportation fund, a loss of \$0.3 million flowed through to fund balance.

Expenditures at \$38.1 million were slightly below the final approved budget of \$39.6 million as the City staff continues to curtail operational spending. Please refer to the General Fund Budget Highlights section below for further information.

The CRA Fund expenditures exceeded its revenues and other financing sources by \$0.4 million. Of the total expenditure of \$2.1 million, a sum of \$1.7 million was spent on real property acquisitions 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.

GOVERNMENT FUNDS' FINANCIAL ANALYSIS (CONTINUED)

The fund balance in the non-major governmental funds decreased \$1.9 million from \$4.7 million to \$2.8 million. The outflow of \$1.5 million was mainly due to a \$1.3 million transfer out to consolidate funds and grants receivable of \$0.4 million from project cost not yet reimbursed. The shortfall was covered mostly by \$1.6 million transferred in from the General Fund to fund the debt services and capital projects.

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 2012, a combined \$76.1 million net asset balance was reported, of which \$11 million was unrestricted. Among the City's three enterprise funds, both Water and Sewer and the Stormwater Funds have significant investments in capital assets that are required to run the daily operations. The Water and Sewer represents the bulk of the unrestricted assets at \$7.8 million.

Net assets for the proprietary funds increased a combined \$4.3 million resulted from a combination of water and sewer fee increase and capital grants.

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, consolidation of the Fire Rescue and the Transportation funds into General Fund and to account for additional funding for unforeseen staffing and expenditure changes. The amended budget was increased by \$1.8 million or 4.5% from the originally approved budget of \$40 million, including transfers. Of this, approximately \$160,000 was related to FY11 encumbered purchase orders rolled over to FY12.

For the purpose of comparability, the amounts referred to here for FY11 have been revised to include the Fire Rescue and the Transportation funds due to consolidation of those two funds into the General fund this year. The FY12 General Fund budget reflected the continuing fiscal pressures that Oakland Park faced due to the struggling economy. The originally budgeted FY12 General Fund revenue was \$38.7 million, up \$1 million from the revised FY11 budgeted revenue. The increases were from anticipated higher intergovernmental revenues, franchise fee and utility tax. The FY12 expenditures originally budgeted \$37.8 million, up \$0.1 million from the revised FY11 expenditure budget, reflecting, among other things, further reduction in full and part-time employees and also some increases in other activities. A difference of a positive \$0.9 million was projected.

During the course of the year, it became necessary to amend the budget, primarily to reflect adjustments to projected grant revenues and other unforeseen costs. Consequently the revenue budget was reduced by \$0.2 million or 0.6% to \$38.5 million. To maintain a balanced budget, reductions in transfers out from the General Fund and an increase in the utilization of available fund balance were made to make up the difference.

Performance against the amended budget was mostly favorable. Actual revenue was \$38.3 million, down \$0.2 million from the amended budget, primarily due additional weakness in the property taxes, franchise fees and greater than anticipated declines in charges for services, mostly likely a reflection of continuing soft economy. However, even though the revenue was \$0.2 million below the amended budget, expenditures were nearly \$1.6 more favorable to the amended budget. All departments with the exception of Legal department had positive variance

GOVERNMENT FUNDS' FINANCIAL ANALYSIS (CONTINUED)

GENERAL FUND BUDGETARY HIGHLIGHTS (Continued)

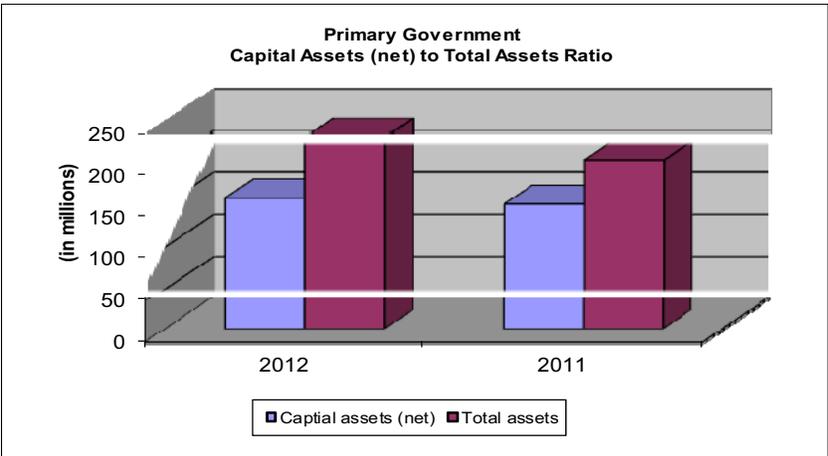
when compared to budget mainly due to lesser anticipated pension cost. Some departments had more significant positive variances than others. Human Resources department was \$0.2 million under budget due to lower than anticipated insurance premium and temporary vacancies. Information Technology Services was \$0.3 million under the budget due to unfilled positions and some phases of strategic plan being postponed. Building and maintenance division's savings was attributed to improved lighting system, lower charges in water and supplies along with less than anticipated contractual services. Parks and Leisure Services had lower utilization of part-time staff and saw savings in supplies and contractual services.

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, 2012 amounts to \$158.1 million compared to \$150.8 million from the previous year. Completed capital projects added \$2.5 million to the net increase of \$7.3 million. The remaining increase arose mainly from new constructions that are underway in the Water and Sewer and the stormwater funds. Among the major projects completed were the acquisition of two real properties in downtown area, renovation and hardening of a municipal building, construction of NW 39th Street greenway. Construction in progress includes various water and sewer system improvements in the East, West and Central zones, and the construction of drainage improvements in Garden Acres neighborhood and Lloyd Estates. Capital projects under construction increased by \$8.5 million.

Capital assets net, represents 68.6% and 74.2% of the total primary government total assets for year 2012 and 2011, respectively.



CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

Capital assets: (continued)

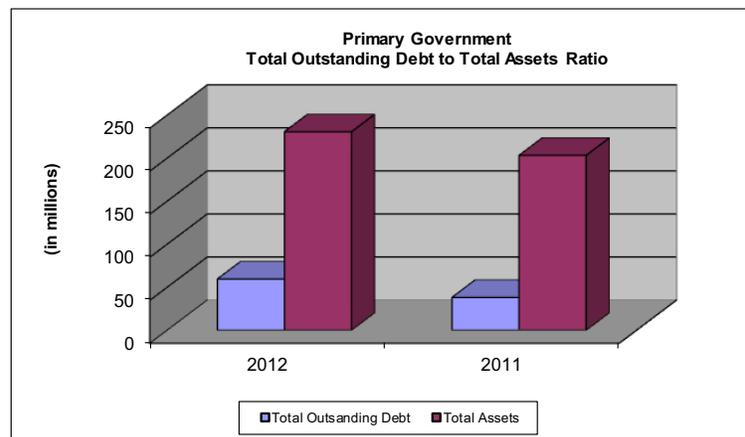
The City's capital assets net for its governmental and business-type activities for fiscal year 2012 and fiscal year 2011 is detailed below:

City of Oakland Park, Florida						
Capital assets						
(Net of Depreciation)						
(In thousands)						
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land and easements	\$ 15,463	\$ 14,506	\$ 58	\$ 58	\$ 15,521	\$ 14,564
Construction in progress	2,203	848	9,867	2,751	12,070	3,599
Intangible - software	52	89	6	-	58	89
Buildings	12,100	12,198	108	118	12,208	12,316
Improvements other than buildings	12,637	12,715	-	-	12,637	12,715
Machinery and equipment	3,950	5,005	3,542	2,911	7,492	7,916
Infrastructure	35,718	36,300	62,359	63,355	98,077	99,655
Total	<u>\$ 82,123</u>	<u>\$ 81,661</u>	<u>\$ 75,940</u>	<u>\$ 69,193</u>	<u>\$ 158,063</u>	<u>\$ 150,854</u>

The City's fiscal year 2012 capital budget provided \$18.5 million spending for capital projects with \$2.7 million slated for streetscapes, \$11 million for utility system improvements, \$3.3 million for stormwater system improvements and \$1.5 million for parks and other facilities. The City uses debt financing, loan proceeds, internal funds as well as grant funds to finance these projects. Additional information on the City's capital assets can be found in Note 4 on page 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 total assets ratios were 25.8% and 18.8%, for year 2012 and 2011, respectively.



CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

Debt Administration: (continued)

At year-end the City had \$59.5 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	
	2012	2011	2012	2011	2012	2011
Loans	\$ 16,990	\$ 16,527	\$ 5,801	\$ 6,457	\$ 22,791	\$ 22,984
Revenue bonds	-	-	36,111	14,252	36,111	14,252
Capital lease payable	-	88	626	834	626	922
Total	\$ 16,990	\$ 16,615	\$ 42,538	\$ 21,543	\$ 59,528	\$ 38,158

Net increase in governmental activities debt was \$0.4 million due to addition of Broward County loans for downtown development. Net increase in business type activities was \$21 million due to two issuances of bonds related to planned water, sewer and stormwater system capital improvements. The City was able to maintain AA- rating with these two issuances. The proceeds will enable the City to replace and improve current aging water utility systems and reduce the infiltration and inflow (I&I) into the sewer system. The reduction of I&I will not only reduce purchased sewer treatment costs but also provide additional capacity for future development within the City. The City's water distribution system is estimated about fifty years old and approaching its useful service life. The planned replacement of water mains and installation of 375 fire hydrants will reduce the main breakage and provide additional fire safety throughout the City.

In connection with the planned utility system, the City also identified the need to improve current stormwater drainage system which consists of swales, canals, catch basins, pipes and detention areas designed to manage stormwater runoff. Of the total projects identified, approximately \$5.2 million of project costs have been determined to be "high priority" projects of which the improvement will alleviate some of the more pressing drainage issues in certain neighborhoods. The bond proceeds will enable the City to invest in new and replace old drainage system concurrently with the improvement of water and sewer systems to achieve the maximum savings in project costs.

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, business, etc.) and fees (franchise, building permits, charges for services, etc.) to fund their governmental activities. There are a

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

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.

For FY13, the amount appropriated that is assigned for anticipated budget shortfall using available fund balance was \$2.4 million for General Fund. The FY 13 General Fund budget continued to be very severely fiscally constrained. The City continues to strive for cost containment while minimizing fee increases. However, in order to meet the citizens' needs for services and preserving a healthy fund balance, the increase to service fees and millage rate was necessary. The adopted FY 13 General Fund budget at \$43 million including the use of assigned fund balance represents a \$1.2 million or 2.8% increase from the amended FY 12 expenditure budget of \$41.8 million.

The FY13 revenue budget was decreased by \$0.2 million to \$43 million when compared to FY12 final budget of \$43.2 million, including planned utilization of available fund balance. When excluding the use of the fund balance and the one time transfer in from fund consolidation in FY12, the adjusted change would have reflected a \$2 million increase instead. The increase is partially attributed to upward property tax millage rate by 5% from 6.0138 to 6.3142 which will bring about \$0.4 million additional revenue, an increase of residential fire assessment from \$167 to \$196 representing 17% increase that will amount to \$0.8 million and a planned borrowing of \$0.7 million to finance the purchase of a fire truck. With the continuing decline in property tax base, although somewhat leveling off, an increase in millage rate and other charges were necessary to avoid further erosion to the fund balance.

When compared to the FY 12 amended budget, most departments' budgets were reduced by varying amounts while some departments were increased for specific items. Major increases are reflected in the following departments, \$0.8 million in Fire Rescue department, mainly for a planned acquisition of a fire truck, \$0.2 million in Police services for an additional deputy and \$0.2 million in Park and Leisure Services for the purchases of equipment and vehicles.

Besides the focus on cost containment, on the technology front, the City is embarking on major changes to its information technology system. The City will be moving toward a cloud based enterprise system in year 2013 and has contracted with a software provider for an integrated solution for the maintenance of software, hardware and servers. This major change will bring significant future cost savings, improve operating efficiencies and provide better services to citizens and businesses and is anticipated to be completed by mid-year of 2014.

REQUESTS FOR INFORMATION

The City's financial statements are designed to present users (citizens, customers, investors and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. The financial statements are available on the City's website at www.oaklandparkfl.gov. 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, 2012

	<u>Governmental</u> <u>Activities</u>	<u>Business Type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 16,200,810	\$ 11,921,928	\$ 28,122,738
Accounts receivable - net	2,253,484	3,592,086	5,845,570
Inventories	67,971	187,128	255,099
Prepays	61,727	-	61,727
Other assets	145,618	1,158,794	1,304,412
Restricted assets:			
Cash and cash equivalents	3,092,993	33,727,623	36,820,616
Net pension assets	146,791	-	146,791
Capital assets not being depreciated	17,666,373	9,924,655	27,591,028
Capital assets being depreciated, net	<u>64,457,584</u>	<u>66,015,029</u>	<u>130,472,613</u>
Total assets	<u>104,093,351</u>	<u>126,527,243</u>	<u>230,620,594</u>
LIABILITIES			
Accounts payable and accrued expenses	1,855,364	4,295,240	6,150,604
Customer deposits	17,536	1,249,105	1,266,641
Accrued interest payable	239,454	240,438	479,892
Unearned revenues	815,338	562,489	1,377,827
Other liabilities	179,676	-	179,676
Noncurrent liabilities:			
Due within one year	965,447	1,142,151	2,107,598
Due in more than one year:			
Bonds and notes payables	16,578,634	42,606,230	59,184,864
Compensated absences	1,284,336	232,352	1,516,688
Net pension obligation	1,082,144	-	1,082,144
Net OPEB obligation	<u>669,000</u>	<u>145,000</u>	<u>814,000</u>
Total liabilities	<u>23,686,929</u>	<u>50,473,005</u>	<u>74,159,934</u>
NET ASSETS			
Invested in capital assets, net of related debt	65,134,366	65,033,304	130,167,670
Restricted for:			
Capital projects	2,279,506	-	2,279,506
Public safety	689,575	-	689,575
Library	28,792	-	28,792
Parks and recreation	28,298	-	28,298
Tree preservation	229,821	-	229,821
Other purposes	11,087	-	11,087
Unrestricted	<u>12,004,977</u>	<u>11,020,934</u>	<u>23,025,911</u>
Total net assets	<u>\$ 80,406,422</u>	<u>\$ 76,054,238</u>	<u>\$ 156,460,660</u>

See notes to basic financial statements.

CITY OF OAKLAND PARK, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2012

	Major Funds			
	General	Special	Other Governmental Funds	Total Governmental Funds
		Oakland Park CRA		
ASSETS				
Cash and cash equivalents	\$ 15,242,136	\$ 1,365	\$ 957,309	\$ 16,200,810
Accounts receivable - net	1,832,911	11,409	409,165	2,253,485
Due from other funds	468,493	-	-	468,493
Inventories	67,971	-	-	67,971
Prepayments	48,927	12,800	-	61,727
Other assets	10,926	-	-	10,926
Advance to other funds	112,971	-	-	112,971
Temporarily restricted assets:				
Cash and cash equivalents	132,367	14	2,960,612	3,092,993
Total assets	\$ 17,916,702	\$ 25,588	\$ 4,327,086	\$ 22,269,376
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,224,766	\$ 23,205	\$ 607,394	\$ 1,855,365
Due to other funds	-	428,201	40,292	468,493
Compensated absences	137,869	-	-	137,869
Other liabilities	180,419	16,795	-	197,214
Deferred and unearned revenues	428,476	-	719,767	1,148,243
Advance from other funds	-	-	112,971	112,971
Total liabilities	1,971,530	468,201	1,480,424	3,920,155
Fund balances:				
Nonspendable:				
Inventories	67,971	-	-	67,971
Prepaid costs	48,927	-	-	48,927
Advance to other funds	112,971	-	-	112,971
Restricted for:				
Public safety	-	-	521,195	521,195
Library	-	-	28,792	28,792
Tree preservation	-	-	229,821	229,821
Fire station facility	-	-	131,114	131,114
Park development	-	-	17,521	17,521
Grant matching	839,952	-	-	839,952
Education	102,538	-	-	102,538
Assigned to:				
Capital projects	-	-	2,009,326	2,009,326
Debt service	-	-	11,087	11,087
Parks and recreation	-	-	10,777	10,777
Subsequent year's budget	2,558,680	-	-	2,558,680
Unassigned	12,214,133	(442,613)	(112,971)	11,658,549
Total fund balances	15,945,172	(442,613)	2,846,662	18,349,221
Total liabilities and fund balances	\$ 17,916,702	\$ 25,588	\$ 4,327,086	\$ 22,269,376

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, 2012

Fund balances - total governmental funds (Page 20) \$ 18,349,221

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	109,041,697
Less accumulated depreciation	(26,917,739)

Net pension obligation	(935,353)
Net OPEB obligation	(669,000)

Accrued bond interest payable not reported in the governmental funds	(239,454)
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Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Governmental note payable	(17,124,285)
Compensated absences	(1,566,264)

Bond issuance costs are charged to expenditures in the governmental funds but are capitalized and amortized in government-wide statements	
Deferred charges	134,693

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	332,906
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Net assets of governmental activities (Page 18)	\$ 80,406,422
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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, 2012

	Major Funds			
	General	Special Revenue Oakland Park CRA	Other Governmental Funds	Total Governmental Funds
REVENUES:				
Taxes:				
Property	\$ 12,150,587	\$ -	\$ -	\$ 12,150,587
Franchise fees	2,457,781	-	-	2,457,781
Utility taxes	3,760,525	-	-	3,760,525
Communications service taxes	1,935,672	-	-	1,935,672
Other taxes	1,668,976	-	-	1,668,976
Licenses and permits	1,157,751	-	1,560	1,159,311
Intergovernmental	3,446,807	-	-	3,446,807
Charges for services	10,625,666	-	-	10,625,666
Fines and forfeitures	511,754	-	230,677	742,431
Investment earnings (loss)	68,741	426	14,137	83,304
Grants	276,505	-	778,850	1,055,355
Other	281,929	67,017	1,764	350,710
Total revenues	38,342,694	67,443	1,026,988	39,437,125
EXPENDITURES:				
Current:				
General government	4,772,781	-	-	4,772,781
Public safety	21,343,594	-	31,070	21,374,664
Public works	3,635,786	-	-	3,635,786
Engineering and community development	3,149,508	434,237	-	3,583,745
Culture and recreation	4,924,671	-	57,364	4,982,035
Debt service:				
Principal	-	-	689,118	689,118
Interest	-	-	557,495	557,495
Capital outlay	241,704	1,679,460	1,630,261	3,551,425
Total expenditures	38,068,044	2,113,697	2,965,308	43,147,049
Excess (deficiency) of revenues over expenditures	274,650	(2,046,254)	(1,938,320)	(3,709,924)
OTHER FINANCING SOURCES (USES):				
Loan proceeds	-	1,056,300	-	1,056,300
Transfers in	1,350,693	597,021	1,612,486	3,560,200
Transfers out	(1,968,307)	(49,235)	(1,542,658)	(3,560,200)
Total other financing sources (uses)	(617,614)	1,604,086	69,828	1,056,300
Net change in fund balances	(342,964)	(442,168)	(1,868,492)	(2,653,624)
Fund balances, beginning	16,288,136	(445)	4,715,154	21,002,845
Fund balances, ending	\$ 15,945,172	\$ (442,613)	\$ 2,846,662	\$ 18,349,221

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, 2012

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

Net change in fund balances - total governmental funds (page 22)	\$ (2,653,624)
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.</p>	
Expenditures for capital outlays	3,551,425
Less current depreciation	(3,079,659)
The net effect of various transactions involving capital assets	(9,030)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>	
Loan proceeds	(1,056,300)
Principal payments of bonds/notes payable	689,118
Amortization of deferred charges from issuance of debt	(7,448)
<p>Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported in the governmental funds. These activities consist of:</p>	
Net increase in Compensated absences	(22,603)
Net decrease in accrued interest payable	10,767
Net increase in pension obligation	(136,439)
Net increase in OPEB obligation	(120,000)
Some revenues reported in the statement of activities do not provide current financial resources and are not reported as revenues in the funds.	332,906
Some revenues reported in the fund statements are revenues of prior periods and are not reported as revenues in the statement of activities.	<u>(631,936)</u>
Change in net assets of governmental activities (Page 19)	<u>\$ (3,132,823)</u>

See notes to basic financial statements.

CITY OF OAKLAND PARK, FLORIDA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2012

	<u>Business-type Activities - Enterprise Funds</u>			
	<u>Water</u>		<u>Stormwater</u>	<u>Total</u>
	<u>and Sewer</u>	<u>Solid Waste</u>		
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 8,305,324	\$ 2,485,599	\$ 1,131,005	\$ 11,921,928
Accounts receivable, net	2,117,127	524,485	950,474	3,592,086
Inventories	187,128	-	-	187,128
Total current assets	<u>10,609,579</u>	<u>3,010,084</u>	<u>2,081,479</u>	<u>15,701,142</u>
Noncurrent assets:				
Restricted cash and cash equivalents	28,669,874	265,722	4,792,027	33,727,623
Capital assets:				
Land	50,500	-	7,599	58,099
Buildings	440,600	-	92,393	532,993
Machinery and equipment	3,688,812	2,419,376	474,500	6,582,688
Infrastructure	38,118,162	-	46,269,835	84,387,997
Intangible assets	3,800	-	2,171	5,971
Construction in progress	5,775,925	-	4,090,631	9,866,556
Total capital assets	48,077,799	2,419,376	50,937,129	101,434,304
Less: accum. depreciation/amortization	<u>(17,456,984)</u>	<u>(1,253,398)</u>	<u>(6,784,238)</u>	<u>(25,494,620)</u>
Total capital assets, net	<u>30,620,815</u>	<u>1,165,978</u>	<u>44,152,891</u>	<u>75,939,684</u>
Total noncurrent assets	<u>59,290,689</u>	<u>1,431,700</u>	<u>48,944,918</u>	<u>109,667,307</u>
Total assets	<u>69,900,268</u>	<u>4,441,784</u>	<u>51,026,397</u>	<u>125,368,449</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	3,399,922	324,558	570,760	4,295,240
Accrued interest payable	132,877	2,049	105,512	240,438
Compensated absences	15,518	24,065	11,420	51,003
Customer deposits	983,383	265,722	-	1,249,105
Unearned revenues	7,839	554,650	-	562,489
Current portion of bonds/loans payable	595,000	214,852	281,296	1,091,148
Total current liabilities	<u>5,134,539</u>	<u>1,385,896</u>	<u>968,988</u>	<u>7,489,423</u>
Noncurrent liabilities:				
Compensated absences	70,695	109,633	52,024	232,352
Revenue bonds payable	31,684,336	-	9,352,148	41,036,484
Loan payable	-	410,952	-	410,952
Net OPEB obligation	49,651	60,905	34,444	145,000
Total noncurrent liabilities	<u>31,804,682</u>	<u>581,490</u>	<u>9,438,616</u>	<u>41,824,788</u>
Total liabilities	<u>36,939,221</u>	<u>1,967,386</u>	<u>10,407,604</u>	<u>49,314,211</u>
NET ASSETS				
Invested in capital assets, net of related debt	25,194,322	540,173	39,298,809	65,033,304
Unrestricted	7,766,725	1,934,225	1,319,984	11,020,934
Total net assets	<u>\$ 32,961,047</u>	<u>\$ 2,474,398</u>	<u>\$ 40,618,793</u>	<u>\$ 76,054,238</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, 2012

	<u>Business-type Activities - Enterprise Funds</u>			
	<u>Water and Sewer</u>	<u>Solid Waste</u>	<u>Stormwater</u>	<u>Total</u>
Operating revenues:				
Charges for sales and services:				
Metered water sales (pledged)	\$ 7,981,252	\$ -	\$ -	\$ 7,981,252
Sewer fees (pledged)	7,060,949	-	-	7,060,949
Residential solid waste service	-	2,540,795	-	2,540,795
Commercial solid waste service	-	3,719,900	-	3,719,900
Other charges for services	136,347	132,759	-	269,106
Stormwater fees (pledged)	-	-	3,129,458	3,129,458
Other revenues	<u>53,733</u>	<u>134,307</u>	<u>75</u>	<u>188,115</u>
Total operating revenues	<u>15,232,281</u>	<u>6,527,761</u>	<u>3,129,533</u>	<u>24,889,575</u>
Operating expenses:				
Water system operation	5,056,206	-	-	5,056,206
Sewer system operation	5,903,253	-	-	5,903,253
Administrative support	1,534,075	1,654,217	1,044,572	4,232,864
Solid waste operation	-	4,535,984	-	4,535,984
Stormwater system operation	-	-	1,112,553	1,112,553
Depreciation/amortization	<u>680,344</u>	<u>144,550</u>	<u>760,427</u>	<u>1,585,321</u>
Total operating expenses	<u>13,173,878</u>	<u>6,334,751</u>	<u>2,917,552</u>	<u>22,426,181</u>
Operating income	2,058,403	193,010	211,981	2,463,394
Non-operating revenues (expenses)				
Investment earnings (loss)	75,426	8,766	19,823	104,015
Interest and fiscal charges	(864,883)	(21,723)	(332,694)	(1,219,300)
Grants and contributions	<u>242,421</u>	<u>171,301</u>	<u>-</u>	<u>413,722</u>
Total non-operating revenues (expenses)	<u>(547,036)</u>	<u>158,344</u>	<u>(312,871)</u>	<u>(701,563)</u>
Income before transfers and contributions	1,511,367	351,354	(100,890)	1,761,831
Capital contributions	<u>500,697</u>	<u>-</u>	<u>2,040,325</u>	<u>2,541,022</u>
Changes in net assets	2,012,064	351,354	1,939,435	4,302,853
Net assets, beginning	<u>30,948,983</u>	<u>2,123,044</u>	<u>38,679,358</u>	<u>71,751,385</u>
Net assets, end of year	<u>\$ 32,961,047</u>	<u>\$ 2,474,398</u>	<u>\$ 40,618,793</u>	<u>\$ 76,054,238</u>

See notes to basic financial statements.

CITY OF OAKLAND PARK, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Business-type Activities - Enterprise Funds			
	Water and Sewer	Solid Waste	Stormwater	Total
Cash flows from operating activities:				
Cash received from customers	\$ 14,409,279	\$ 7,182,336	\$ 2,752,053	\$ 24,343,669
Cash paid to suppliers	(7,431,962)	(2,751,751)	240,688	(9,943,024)
Cash paid to employees	(1,683,457)	(1,843,363)	(950,667)	(4,477,488)
Cash paid for interfund services used	(1,534,075)	(1,654,217)	(1,044,572)	(4,232,864)
Net cash provided by operating activities	<u>3,759,785</u>	<u>933,005</u>	<u>997,502</u>	<u>5,690,292</u>
Cash flows from noncapital financing activities:				
Grants available for operating purpose	242,421	171,301	-	413,722
Net cash provided by noncapital financing activities	<u>242,421</u>	<u>171,301</u>	<u>-</u>	<u>413,722</u>
Cash flows from capital and related financing activities:				
Acquisition/construction of capital assets	(4,592,470)	(440,116)	(3,298,999)	(8,331,585)
Capital grants and contributions	500,697	-	2,040,325	2,541,022
Proceeds from capital debt	17,175,000	-	5,853,848	23,028,848
Payment of bond issue costs	(404,413)	-	(237,891)	(642,304)
Principal paid on bonds/loans payable	(310,000)	(208,531)	(653,192)	(1,171,723)
Interest paid on capital debt	(794,453)	(21,198)	(284,724)	(1,100,375)
Net cash provided by (used in) capital and related financing activities	<u>11,574,361</u>	<u>(669,845)</u>	<u>3,419,367</u>	<u>14,323,883</u>
Cash flows from investing activities:				
Interest on investments	75,426	8,766	19,823	104,015
Net cash provided by (used in) investing activities	<u>75,426</u>	<u>8,766</u>	<u>19,823</u>	<u>104,015</u>
Net increase in pooled cash and cash equivalents	15,651,993	443,227	4,436,692	20,531,912
Pooled cash and cash equivalents, beginning	21,323,205	2,308,094	1,486,340	25,117,639
Pooled cash and cash equivalents, ending	<u>\$ 36,975,198</u>	<u>\$ 2,751,321</u>	<u>\$ 5,923,032</u>	<u>\$ 45,649,551</u>
Displayed as:				
Unrestricted	\$ 8,305,324	\$ 2,485,599	\$ 1,131,005	\$ 11,921,928
Restricted	28,669,874	265,722	4,792,027	33,727,623
Total, September 30	<u>\$ 36,975,198</u>	<u>\$ 2,751,321</u>	<u>\$ 5,923,032</u>	<u>\$ 45,649,551</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 2,058,403	\$ 193,010	\$ 211,981	\$ 2,463,394
Adjustments to reconcile operating income to net cash provided used by operating activities:				
Depreciation and amortization	680,344	144,550	760,427	1,585,321
Change in assets and liabilities:				
(Increase) decrease in accounts receivables	(847,781)	109,663	(374,629)	(1,112,747)
Decrease in inventories	24,948	-	-	24,948
Decrease in other assets	3,596	10,081	2,064	15,741
Increase (decrease) in accounts payable and accrued liabilities	1,791,142	(91,818)	395,217	2,094,541
Decrease in due to other funds	-	-	(2,851)	(2,851)
Increase in deferred revenue	-	554,649	-	554,649
Increase (decrease) in customers' deposits	24,779	(9,739)	-	15,040
Increase in net OPEB obligation	11,820	13,078	7,104	32,002
Increase (decrease) in compensated absences	12,534	9,531	(1,811)	20,254
Net cash provided by operating activities	<u>\$ 3,759,785</u>	<u>\$ 933,005</u>	<u>\$ 997,502</u>	<u>\$ 5,690,292</u>

See notes to basic financial statements.

CITY OF OAKLAND PARK, FLORIDA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
SEPTEMBER 30, 2012

	<u>Pension Trust Funds</u>
Assets	
Cash and short-term investments	\$ <u>2,147,132</u>
Receivables:	
Contributions	213,345
Accounts	40,526
Accrued interest and dividends	<u>230,800</u>
Total receivables	<u>484,671</u>
Investments, at fair value:	
U.S. Government and agency securities	7,184,546
Corporate bonds and notes	10,023,400
Mutual funds	27,784,941
Common stocks	28,509,064
International equity commingled fund	<u>5,115,111</u>
Total investments	<u>78,617,062</u>
Prepayments	<u>4,551</u>
Total assets	<u>81,253,416</u>
Liabilities	
Accounts payable and accrued expenses	96,981
Drop plan payable	<u>1,566,123</u>
Total liabilities	<u>1,663,104</u>
Net Assets	
Net assets held in trust for pension benefits	<u>\$ 79,590,312</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, 2012

	<u>Pension Trust Funds</u>
Additions:	
Contributions:	
Plan members	\$ 468,323
City	3,557,921
State of Florida	610,508
Broward Sheriff's Office	<u>637,671</u>
Total contributions	<u>5,274,423</u>
Investment income:	
Investment earnings	1,494,181
Net appreciation in fair value of investments	<u>11,449,872</u>
Total	12,944,053
Less:	
Investment expenses	(255,790)
Deferred retirement option plan participants' earnings	<u>(193,724)</u>
Net investment income	<u>12,494,539</u>
Misc. income:	<u>4,378</u>
Total additions	<u>17,773,340</u>
Deductions:	
Pension benefits paid	7,457,644
Administrative expenses	<u>183,726</u>
Total deductions	<u>7,641,370</u>
Change in net assets	10,131,970
Net assets, beginning	<u>69,458,342</u>
Net assets, ending	<u>\$ 79,590,312</u>

See notes to basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

**CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

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 loan proceeds and the expenditures have been budgeted in the City's annual budget. Other sources of funding are through grants and loans. Debt incurred by the unit is solely payable by the City. Although the CRA activities did not meet the major fund criteria, the CRA's financial data is presented within the City's major governmental funds in order to comply with the audit requirement of F.S. 163.387(8). No separate financial statements will be issued.

Discretely Presented Component Units

Discretely presented component units are separate legal entities that meet the component unit criteria described above, but do not meet the criteria for blending. Currently, the City has no discretely presented component 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. CRA mainly derives its revenues from the General Fund transfers along with other financing sources.

The City reports the following major proprietary funds:

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Additionally, the City reports **pension trust funds** which accounts for the activities of the City's General Employees Pension Plan and the City's Police and Firefighters Retirement System. These Fiduciary funds are not included in the government-wide financial statement because the resources of those funds are not available to support the City's own programs.

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes, whose purpose has not been restricted to a specific program.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's water and sewer, solid waste and stormwater enterprise funds, are charges to customers for sales and services.

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

d. **Assets, Liabilities, and Net 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 – Local Government Surplus Funds Trust Fund (Florida Prime), a 2A-7 pool, is permitted to report at its amortized cost which is the fair value of its position in the pool, which is maintained at a constant value same as its value of the pool shares.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Assets, Liabilities, and 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 County are provided for in the Laws of Florida.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

3. Property Taxes (continued)

State statutes permit municipalities to levy property taxes at a rate of up to 10 mills (\$10 per \$1,000 of assessed taxable valuation). The tax levy of the City is established by the City Commission and the Broward County Property Appraiser incorporates the City's millage into the total tax levy, which includes the County and the County School Board tax requirements. The millage rate assessed by the City for the year ended September 30, 2012 was 6.0138 mills (\$3.0138 per \$1,000 of taxable assessed valuation).

4. Inventories and Prepaid Costs

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

5. Restricted Assets

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

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
Infrastructure	50 - 65
Intangible	3 - 5

7. *Compensated Absences*

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation and sick pay is recognized as a liability and expense in the period benefits are earned in the government-wide statements and proprietary funds. Vacation and sick pay that is due and payable at September 30, 2012 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. When both restricted and unrestricted resources (committed, assigned and unassigned) are available for use, it is the City's policy to use restricted resources first, unless there are legal contracts that prohibiting doing so, then unrestricted resources as they are needed.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

10. Fund Deficits

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

11. Minimum Fund Balance Policy

The City's fiscal policy is to maintain an adequate General Fund fund balance and enterprise fund net 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 20% unassigned fund for General Fund and a minimum of 10% of unrestricted net assets for enterprise operating funds. The city manager or the financial service director has the authority to assign fund balance which is provided in the adopted fiscal policy established by the City Commission.

12. Unearned Revenues

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

13. Use of Estimates

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

NOTE 2. DEPOSITS AND INVESTMENTS

a. Cash and Cash Equivalents

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.

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

a. *Cash and Cash Equivalents (continued)*

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

In addition to insurance provided by the Federal Depository Insurance Corporation, cash deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, Florida Security for Public Deposits Act, the State Treasurer requires every qualified public depository to deposit with the Treasurer eligible collateral. Statutes provide that if a loss to a public depository is not covered by deposit insurance and the proceeds from the sale of securities pledged by the defaulting depository, the difference will be provided by an assessment levied against other public depositories of the same type as the depository in default.

The carrying amounts of the City's cash deposits were \$8,977,688 as of September 30, 2012. Bank balance before reconciling items were \$9,324,177 at that date, the total of which is collateralized or insured with securities held by the State under the Florida Statutes Chapter 280, Florida Security for Public Deposits Act. The City's cash equivalents include the Florida Prime, a Local Government Surplus Funds Trust Fund (LGSTF) administered by the State Board of Administration (SBA), investment pool managed by the Florida Municipal Investment Trust, and other highly liquid institutional money market funds offered through Florida qualified public depositories and pre-approved regional banks. The institutional funds must be registered with the Securities and Exchange Commission with the highest credit quality rating from a nationally recognized statistical rating organization.

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

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

The following are cash equivalents held as of September 30, 2012:

	<u>Total Value</u>	<u>Average Maturity</u>	<u>S&P Rating</u>
Florida Prime	\$ 55,810,292	39 days	AAAm
LGSTF Fund B (NAV)	167,842	5.73 years	unrated

b. *Investments*

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.

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

b. Investments (continued)

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

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

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

City of Oakland Park General Employees Pension Plan (GEPP)

The GEPP's 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, 2012, the following fixed income investments are held for GEPP:

	<u>Fair Value</u>	<u>WAM Maturity</u>	<u>Fitch Rating</u>
High Quality Government Mutual funds	\$8,496,222	5.42 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, 2012, 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, 2012, the GEPP's fixed income investments quality rating is presented above.

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

b. Investments (continued)

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, 2012, 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% of its investment balance. The Plan has invested in international equity funds. As of September 30, 2012, the Plan's foreign investments were 9.7% of total investments.

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

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

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

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, 2012:

Investment Type	Fair Value	Investment Maturities (in years)			
		Less than 1	1 to 5	6 to 10	More than 10
U.S. treasuries	\$ 1,004,006	\$ -	\$ 491,718	\$ 211,562	\$ 300,726
U.S. agencies	6,180,540	-	393,806	3,283,356	2,503,378
Corporate bonds	10,023,400	161,109	3,047,736	6,127,911	686,644
Total fixed income securities	\$ 17,207,946	\$ 161,109	\$ 3,933,260	\$ 9,622,829	\$ 3,490,748

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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, 2012, as applicable:

	<u>Fair Value</u>	<u>Percentage of Portfolio</u>
U.S. government guaranteed*	\$ 7,184,546	41.75 %
Quality rating of credit risk debt securities		
AA+	533,499	3.10
AA	161,534	0.94
AA-	603,338	3.51
A+	1,518,110	8.82
A	2,025,507	11.77
A-	4,129,727	24.00
BBB+	945,375	5.49
BBB	75,000	0.44
BBB-	31,310	0.18
Total credit risk debt securities	<u>10,023,400</u>	<u>58.25</u>
Total fixed income securities	<u>\$ 17,207,946</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, 2012.

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, 2012, were as follows:

	<u>Accounts</u>	<u>Taxes</u>	<u>Due from Other Governments</u>	<u>Allowance Uncollectible Accounts</u>	<u>Net</u>
Governmental Activities					
General Fund	\$ 6,151,742	\$ 1,228,285	\$ 24,646	\$ (5,571,762)	\$1,832,911
CRA	11,409	-	-	-	11,409
Nonmajor	409,165	-	-	-	409,165
Total governmental activities	\$ 6,572,316	\$ 1,228,285	\$ 24,646	\$ (5,571,762)	\$2,253,485
Business-type Activities					
Water/Sewer	\$ 2,122,088	\$ -	\$ 500,698	\$ (505,659)	\$2,117,127
Solid waste	1,034,484	-	945	(510,944)	524,485
Stormwater	563,901	-	782,689	(396,116)	950,474
Total business-type activities	\$ 3,720,473	\$ -	\$ 1,284,332	\$ (1,412,719)	\$3,592,086

Accounts Payable and Accrued Liabilities balances at September 30, 2012, were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Total</u>
Governmental Activities			
General Fund	\$ 726,204	\$ 498,562	\$ 1,224,766
CRA	19,458	3,747	23,205
Nonmajor and other funds	607,394	-	607,394
Total government activities	\$ 1,353,056	\$ 502,309	\$ 1,855,365
Business-type Activities			
Water and sewer	\$ 3,360,411	\$ 39,511	\$ 3,399,922
Solid waste	283,462	41,096	324,558
Stormwater	551,521	19,239	570,760
Total business-type activities	\$ 4,195,394	\$ 99,846	\$ 4,295,240

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NOTE 4. CAPITAL ASSETS

The following is a summary of changes in capital assets for the fiscal year ended September 30, 2012:

	<u>Balance Oct. 1, 2011</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance Sept. 30, 2012</u>
Governmental activities:				
Capital assets not being depreciated:				
Land and Easements	\$ 14,506,463	\$ 956,831	\$ -	\$ 15,463,294
Construction in progress	848,300	3,473,455	(2,118,676)	2,203,079
Total assets not being depreciated	<u>15,354,763</u>	<u>4,430,286</u>	<u>(2,118,676)</u>	<u>17,666,373</u>
Capital assets being depreciated/amortized:				
Intangible-software	249,195	-	(1,610)	247,585
Buildings	15,497,082	242,678	-	15,739,760
Improv other than buildings	17,342,248	721,929	-	18,064,177
Machinery & equipment	13,732,207	124,044	(865,987)	12,990,264
Infrastructure	44,117,335	216,203	-	44,333,538
Total capital assets being depreciated	<u>90,938,067</u>	<u>1,304,854</u>	<u>(867,597)</u>	<u>91,375,324</u>
Less accumulated depreciation/amortization for:				
Intangible-software	(159,921)	(37,028)	1,610	(195,339)
Buildings	(3,299,604)	(340,134)	-	(3,639,738)
Improv other than buildings	(4,627,444)	(799,381)	-	(5,426,825)
Machinery & equipment	(8,727,618)	(1,104,879)	791,917	(9,040,580)
Infrastructure	(7,817,020)	(798,237)	-	(8,615,257)
Total accumulated depreciation	<u>(24,631,607)</u>	<u>(3,079,659)</u>	<u>793,527</u>	<u>(26,917,739)</u>
Total capital assets being depreciated, net	<u>66,306,460</u>	<u>(1,774,805)</u>	<u>(74,070)</u>	<u>64,457,585</u>
Governmental activities capital assets, net	<u>\$ 81,661,223</u>	<u>\$ 2,655,481</u>	<u>\$ (2,192,746)</u>	<u>\$ 82,123,958</u>
	<u>Balance Oct. 1, 2011</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance Sept. 30, 2012</u>
Business type activities:				
Capital assets not being depreciated:				
Land	\$ 58,099	-	-	\$ 58,099
Construction in progress	2,751,111	7,465,320	(349,876)	9,866,555
Total capital assets not being depreciated	<u>2,809,210</u>	<u>7,465,320</u>	<u>(349,876)</u>	<u>9,924,654</u>
Capital assets being depreciated/amortized:				
Intangible-software	-	5,971	-	5,971
Buildings	532,994	-	-	532,994
Machinery & equipment	6,154,217	907,476	(479,005)	6,582,688
Infrastructure	84,083,344	304,653	-	84,387,997
Total capital assets being depreciated	<u>90,770,555</u>	<u>1,218,100</u>	<u>(479,005)</u>	<u>91,509,650</u>
Less accumulated depreciation/amortization for:				
Intangible-software	-	(166)	-	(166)
Buildings	(414,488)	(10,237)	-	(424,725)
Machinery & equipment	(3,243,069)	(275,025)	477,047	(3,041,047)
Infrastructure	(20,728,787)	(1,299,894)	-	(22,028,681)
Total accumulated depreciation	<u>(24,386,344)</u>	<u>(1,585,322)</u>	<u>477,047</u>	<u>(25,494,619)</u>
Total capital assets being depreciated, net	<u>66,384,211</u>	<u>(367,222)</u>	<u>(1,958)</u>	<u>66,015,031</u>
Business type activities capital assets, net	<u>\$ 69,193,421</u>	<u>\$ 7,098,098</u>	<u>\$ (351,834)</u>	<u>\$ 75,939,685</u>

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NOTE 4. CAPITAL ASSETS (Continued)

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

Governmental Activities:	
General government	\$ 199,114
Public safety	436,077
Public works	1,538,315
Engineering & Community development	32,151
Parks and Leisure Services	<u>874,002</u>
Total depreciation expense - governmental activities	<u>\$ 3,079,659</u>
Business-type Activities:	
Water and sewer	\$ 680,344
Solid waste	144,550
Stormwater	<u>760,428</u>
Total depreciation expense - business activities	<u>\$ 1,585,322</u>

NOTE 5. INTERFUND BALANCES AND TRANSFERS

Interfund balances at September 30, 2012 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	\$ 468,493	provide interim resources
Advance to/from	General Fund	Nonmajor gov'tal funds	112,971	provide interim resources
			<u>\$ 581,464</u>	

Interfund transfers for the year ended September 30, 2012, consisted of the following:

	<u>Transfer out</u>				
	<u>General Fund</u>	<u>CRA Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>	<u>Purpose</u>
Transfer In:					
General Fund	\$ -	\$ -	\$ 1,350,693	\$ 1,350,693	consolidate funds
CRA	405,056	-	191,965	597,021	budget/capital expenditure
Nonmajor governmental	1,563,251	49,235	-	1,612,486	debt/capital expenditure
	<u>\$ 1,968,307</u>	<u>\$ 49,235</u>	<u>\$ 1,542,658</u>	<u>\$ 3,560,200</u>	

NOTE 6. RESTRICTED ASSETS

General Fund: The City agreed to reserve certain amount for the transferred police officers to the Broward Sheriff's Office (BSO) as accrued leave obligation in the agreement dated August 1, 2000. At September 30, 2012, the reserve balance is \$132,367.

Non-major Governmental Funds: Restricted assets consist of \$2,533,820 for the Capital Projects Fund and \$426,792 for Park Improvement at September 30, 2012.

Water and Sewer Fund: Restricted assets of the Water and Sewer Fund consist of the following balances at September 30, 2012:

Customer Deposits	\$	926,509
Renewal and Replacement Reserve		818,653
Bond proceeds for Construction		26,924,712
	\$	<u>28,669,874</u>

Solid Waste Fund: Restricted Assets of the Solid Waste Fund consists of \$265,721 at September 30, 2012 which is for customer deposits.

Stormwater Fund: Restricted assets of the Stormwater Fund at September 30, 2012 consist of \$4,792,026 of bond proceeds that can only be spent for construction projects.

NOTE 7. LEASES

Capital Leases

On February 23, 2005, under the Master Lease Agreement entered in 2003, the City amended the 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. The 2005 lease amount was paid in full in February 2012.

On July 8, 2010 under the same Master Lease Agreement entered in 2003, the City added an amendment to the lease agreement for the purchase of five solid waste transport trucks with total asset value of \$1,069,879. 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, 2012:

Year ending September 30:	<u>Governmental Activities</u>
2013	\$ 230,635
2014	230,635
2015	<u>192,196</u>
Total minimum lease payments	653,466
Less: amount representing interest at 2.99%	<u>(27,661)</u>
Present value of minimum lease payments	<u><u>\$ 625,805</u></u>

The assets acquired through the capital leases are as follows:

Asset:	<u>Buesiness-Type Activities</u>
Machinery and Equipment	\$ 1,069,878
Less: Accumulated Depreciation	<u>(348,957)</u>
Net	<u><u>\$ 720,921</u></u>

NOTE 8. LONG-TERM DEBT

Revenue Bonds

a. Water and Sewer Revenue Bonds, Series 2010

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

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

NOTE 8. LONG-TERM DEBT (Continued)

Revenue Bonds (continued)

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

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

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

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

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

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

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

NOTE 8. LONG-TERM DEBT (Continued)

Revenue Bonds (continued)

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

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

Annual principal and interest payments on the bonds are expected to require less than 25% of net revenues. Total principal and interest remaining to be paid on the bonds is \$23,799,575. Principal and interest paid for the current year were \$1,045,356. Total customer net revenues for current year were \$4,272,822.

The following table reflects the debt service requirements of the Water and Sewer Revenue Bonds, Series 2010 as of September 30, 2012:

Fiscal Year ending September 30:	2010A		2010B			Total Payment after est. subsidy
	Principal	Interest	Principal	Interest	Est. Subsidy	
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	335,000	51,719	-	692,631	242,421	836,929
2018-2022	1,145,000	112,725	810,000	3,441,351	1,204,473	4,304,603
2023-2027	150,000	12,000	2,270,000	3,001,906	1,050,667	4,383,239
2028-2032	-	-	2,755,000	2,279,201	797,720	4,236,481
2033-2037	-	-	3,335,000	1,369,258	479,240	4,225,018
2038-2040	-	-	2,345,000	296,855	103,902	2,537,953
	<u>\$ 2,830,000</u>	<u>\$ 450,956</u>	<u>\$ 11,515,000</u>	<u>\$13,851,727</u>	<u>\$ 4,848,108</u>	<u>\$ 23,799,575</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, 2012, the City was in compliance with this covenant.

NOTE 8. LONG-TERM DEBT (Continued)

Revenue Bonds (continued)

b. Florida Municipal Loan Council (continued)

The following table reflects the debt service requirements of the Florida Municipal Loan Council – Loan II as of September 30, 2012:

<u>Fiscal Year ending</u> <u>September 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	50,000	68,156	118,156
2018-2022	280,000	304,400	584,400
2023-2027	360,000	227,294	587,294
2028-2032	455,000	126,844	581,844
2033-2034	210,000	16,656	226,656
	<u>\$ 1,530,000</u>	<u>\$ 1,034,900</u>	<u>\$ 2,564,900</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>
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	181,089	120,913	302,002
2018-2022	1,034,350	472,780	1,507,130
2023-2027	1,287,139	214,341	1,501,480
2028	292,955	6,548	299,502
	<u>\$ 3,445,652</u>	<u>\$ 1,374,131</u>	<u>\$ 4,819,783</u>

NOTE 8. LONG-TERM DEBT (Continued)

Revenue Bonds (continued)

d. Stormwater Assessment Bonds, Series 2011

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

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

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

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

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

Annual principal and interest payments on the bonds are expected to require less than 20% of net revenues. Total principal and interest remaining to be paid on the bonds is \$9,804,438. Principal and interest paid for the current year were \$336,376. Total customer net revenues for current year were \$2,016,980.

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NOTE 8. LONG-TERM DEBT (Continued)

Revenue Bonds (continued)

d. Stormwater Assessment Bonds, Series 2011 (continued)

The following table reflects the debt service requirements of the Stormwater Assessment Bonds, Series 2011 as of September 30, 2012:

<u>Fiscal Year ending</u> <u>September 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 115,000	\$ 221,300	\$ 336,300
2014	120,000	219,000	339,000
2015	120,000	216,600	336,600
2016	125,000	213,600	338,600
2017	125,000	210,475	335,475
2018-2022	700,000	993,125	1,693,125
2023-2027	825,000	871,450	1,696,450
2028-2032	995,000	692,113	1,687,113
2033-2037	1,235,000	453,400	1,688,400
2038-2041	1,210,000	143,375	1,353,375
	<u>\$ 5,570,000</u>	<u>\$ 4,234,438</u>	<u>\$ 9,804,438</u>

e. Water and Sewer Revenue Bonds, Series 2012

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

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

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

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

NOTE 8. LONG-TERM DEBT (Continued)

Revenue Bonds (continued)

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

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

Annual principal and interest payments on the bonds are expected to require less than 25% of net revenues. Total principal and interest remaining to be paid on the bonds is \$30,072,706. Principal and interest paid for the current year were \$0. Total customer net revenues for current year were \$4,272,822.

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

<u>Fiscal Year ending</u> <u>September 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 275,000	\$ 606,631	\$ 881,631
2014	300,000	606,925	906,925
2015	290,000	597,925	887,925
2016	290,000	589,225	879,225
2017	300,000	580,525	880,525
2018-2022	1,515,000	2,764,775	4,279,775
2023-2027	1,840,000	2,522,050	4,362,050
2028-2032	2,605,000	2,153,050	4,758,050
2033-2037	3,460,000	1,624,875	5,084,875
2038-2042	6,300,000	851,725	7,151,725
	<u>\$ 17,175,000</u>	<u>\$ 12,897,706</u>	<u>\$ 30,072,706</u>

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NOTE 8. LONG-TERM DEBT (Continued)

Bank and intergovernment loans

a. Broward County Redevelopment Capital Program – loan I

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

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

b. Broward County Redevelopment Capital Program – loan II

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

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

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

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

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

NOTE 8. LONG-TERM DEBT (Continued)

Bank and intergovernment loans (continued)

d. 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. The loans were not fully utilized and the balances were paid in full as of December 2011.

e. BB&T Term Loan 2010

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

The following table reflects the debt service requirements of the BB&T term loan 2010 as of September 30, 2012:

<u>Fiscal Year ending</u> <u>September 30:</u>	<u>Governmental activities</u>		<u>Business type activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ 393,622	\$ 382,583	\$ 166,296	\$ 161,632
2014	406,239	367,786	171,626	155,380
2015	422,957	352,445	178,689	148,899
2016	435,566	336,563	184,016	142,189
2017	454,661	320,094	192,083	135,232
2018-2022	2,526,585	1,331,481	1,067,419	562,517
2023-2027	3,039,019	818,236	1,283,910	345,684
2028-2031	2,858,242	216,216	1,207,536	91,346
	<u>\$ 10,536,890</u>	<u>\$ 4,125,403</u>	<u>\$ 4,451,574</u>	<u>\$ 1,742,880</u>

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NOTE 8. LONG-TERM DEBT (Continued)

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2012 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:					
Capital lease 2005	\$ 87,674	\$ -	\$ (87,674)	\$ -	\$ -
Note payable 2007	3,591,176	-	(145,524)	3,445,652	152,029
BB&T Refunding bonds 2010	10,992,811	-	(455,921)	10,536,890	393,622
CRA RCP loan	2,085,443	1,056,300	-	3,141,743	-
Less deferred amount	(142,142)	-	7,448	(134,694)	-
Total bonds and notes payable	16,614,962	1,056,300	(681,671)	16,989,591	545,651
Other Liabilities:					
Compensated absences	1,674,792	1,091,733	(1,069,131)	1,697,394	413,058
Governmental activity long-term					
Liabilities.	\$ 18,289,754	\$ 2,148,033	\$ (1,750,802)	\$ 18,686,985	\$ 958,709
Business Activities:					
Bonds and Notes payable:					
FLMC 2004	\$ 1,570,000	\$ -	\$ (40,000)	\$ 1,530,000	\$ 40,000
Capital lease 2010	834,335	-	(208,530)	625,805	214,852
Revenue Refunding 2010	14,615,000	-	(270,000)	14,345,000	280,000
BB&T Refunding bonds 2010	4,644,189	-	(192,615)	4,451,574	166,296
State Revolving Fund Loan #1	268,731	-	(268,731)	-	-
State Revolving Fund Loan #2	163,906	-	(163,906)	-	-
Stormwater Bond Series 2011	-	5,765,000	(195,000)	5,570,000	115,000
Water & Sewer Bonds Series 2012	-	17,175,000	-	17,175,000	275,000
Less deferred amount	(553,291)	(642,304)	36,801	(1,158,794)	-
Total bonds and notes payable	21,542,870	22,297,696	(1,301,981)	42,538,585	1,091,148
Other liabilities:					
Compensated absences	263,102	247,509	(227,255)	283,356	51,004
Business-type activity long-term					
Liabilities	\$ 21,805,972	\$ 22,545,205	\$ (1,529,236)	\$ 42,821,941	\$ 1,142,152

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

NOTE 9. EMPLOYEE RETIREMENT PLANS

Summary of Significant Accounting Policies

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

a. Plan Description

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

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

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

Each of the Plans (GEPP and RSP&F) issues a publicly available financial report that includes financial statements and required supplementary information. These financial reports may be obtained by writing to the Board of Trustees c/o City of Oakland Park, 3650 N.E. 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. Amendments to the law can only be made by an act of the Florida Legislature. The FRS issues a

NOTE 9. EMPLOYEE RETIREMENT PLANS (Continued)

b. Funding Policy and Funded Status (continued)

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.

Full-time employees of the City must participate in the Plan appropriate to their positions. There were no employee contributions to the General Employees' Pension Plan prior to July 2009. In June 2009, City Commission passed a resolution requiring GEPP plan participants to contribute 4% of their base wages. The contribution rates for the collective bargaining units are set in their bargaining unit agreements. The GEPP plan was frozen as of September 30, 2011. All active participants were moved to a 401(a) plan which required the participants to contribute 3%. Participants of the Retirement System for Police and Firefighters 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 2012, the City's required contributions to the General Employees' Pension Plan and the Retirement System for Police and Firefighters were set on fixed amounts at \$3,272,955 and \$2,309,604, respectively.

The funded status of the Plans as of October 1, 2011, 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	\$ 22,600	\$ 44,598	\$ 21,998	50.7%	\$ 5,386	408%
RSP&F	43,878	\$ 68,557	\$ 24,679	64.0%	\$ 5,087	485%

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

On July 1, 2011, the State requires FRS participants to contribute 3%. Prior to that date, the City was required to pay all contributions for employees participating in FRS plans. The contribution rates were 6.27% for senior management and 4.91% for regular employees up until June 30, 2012. Subsequently, the employer contribution rates were changed to 6.3% and 5.18% for each respective class. The City's contribution to the FRS amounted to \$22,785 for senior management class and \$113,862 for regular class employees for the year ended September 30, 2012, 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 senior management is required to contribute 3%. The Plan is administered by International City Management Association Retirement Corporation (ICMA).

NOTE 9. EMPLOYEE RETIREMENT PLANS (Continued)

b. Funding Policy and Funded Status (continued)

The contribution requirements of covered payroll and actual contributions made for fiscal year 2012 and the two preceding fiscal years for FRS and 401(a) plans were as follows:

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Contribution requirements	\$ 658,463	\$ 375,884	\$ 387,286
Contributions made by employer (100%)			
401 (a) Plan	\$ 294,946	\$ 96,669	\$ 142,426
FRS Plan	136,647	253,274	244,860
Contributions made by employees (100%)			
401 (a) Plan	147,473	5,501	-
FRS Plan	79,397	20,440	-
Total contributions made	<u>\$ 658,463</u>	<u>\$ 375,884</u>	<u>\$ 387,286</u>
Total covered payroll	\$ 7,568,309	\$ 3,309,534	\$ 3,202,015
Percentage of contribution to total covered payroll	8.70%	11.36%	12.10%

c. Annual Pension Cost and Net Pension Asset or Obligation

The City's annual pension costs, contribution excess and net pension asset of the City's pension plans as of October 1, 2011, the most recent year actuarial report date were as follows:

	<u>General Employees</u>	<u>Police and Firefighters</u>
Annual required contribution	\$ 3,273,274	\$ 2,284,394
Interest on net pension asset	70,961	(11,411)
Adjustment to annual required contribution	<u>(74,522)</u>	<u>11,853</u>
Annual pension cost	3,269,713	2,284,836
Contribution made	<u>(3,133,716)</u>	<u>(2,284,394)</u>
(increase) decrease in NPA	135,997	442
Beginning of year balance	946,147	(147,233)
Net pension obligation (asset), end of year	<u>\$ 1,082,144</u>	<u>\$ (146,791)</u>

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

d. Actuarial Assumptions and Pension Plan Trend Information

(a) General Employees' Pension Plan

The City's annual required contribution for the current year was determined as part of the most recent actuarial valuation dated October 1, 2011 and using the entry age normal actuarial cost method. The actuarial assumptions for the GEPP plan included (a) 7.5% investment rate of return, and (b) projected salary increases of 5% per year. The assumptions included an inflation component of 2.5%. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period. The unfunded actuarial accrued liability is being amortized as a level dollar of projected payroll. The remaining amortization period is 30 years.

NOTE 9. EMPLOYEE RETIREMENT PLANS (Continued)

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

(a) General Employees' Pension Plan (continued)

General Employees' Pension Plan Three-Year Trend Information				
<u>*Year Ended September 30</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Asset (Obligation)</u>	
2011	\$ 3,269,713	84%	\$	1,082,144
2010	3,050,303	84%		(946,147)
2009	2,863,505	82%		(452,237)

(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, 2011 using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses) and (b) projected salary increases of 5.75% per year. Both (a) and (b) included an inflation component of 3.0%. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll. The remaining amortization period was 30 years.

Premium taxes from the State of Florida contributions of \$374,378 and \$236,129 were recognized as revenues and expenditures in the General Fund.

Retirement System for Police and Firefighters Three-Year Trend Information				
<u>*Year Ended September 30</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Asset</u>	
2011	\$ 2,284,836	100%	\$	146,791
2010	1,962,480	100%		147,233
2009	1,980,510	100%		147,676

e. DROP Plan

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

NOTE 9. EMPLOYEE RETIREMENT PLANS (Continued)

f. Defined Contribution Plan

The City offers two defined contribution plans, the “401(a) Executive Plan” created in accordance with Internal Revenue Service Code Section 401(a) and Ordinance number 0-77-11 and the General Employee 401(a) Plan by ordinance number O-2011-21. Both plans provide a portable retirement program. If a participant separates from service, the participant may rollover the benefits into the new employers’ pension plan providing the plan permits rollovers. At September 30, 2012, there were eight (8) Executive Plan members. Beginning July 1, 2011, Plan members are required to contribute 3% to the Plan. The City contributed 12% to 17% to the Executive Plan and 6% to the General Employee Plan. Provisions of the Plan may be amended by the City Commission. The Executive Plan is administered by International City Management Association Retirement Corporation and the General Employee Plan is administered by the Florida Municipal Pension Trust Fund. The Plans are held in the trust funds for the exclusive benefit of the participants and their beneficiaries, consequently, the City has no fiduciary responsibility and, therefore, the net assets of the Plans are not included in the City’s financial statements. For fiscal year 2012, the amount contributed by the city and the employees were \$106,695 and \$24,687, respectively.

g. Deferred Compensation Plan

An optional deferred compensation plan is offered to employees in addition to the defined benefit and defined contribution plans. The City adopted provisions of IRS Code 457(g) and GASB Statement No. 32, *Accounting and Financial Reporting for IRS Code Section 457 Deferred Compensation Plans*. All assets and income of the Plan are held in trust for the exclusive benefit of participants. The City makes no investment decisions and has no fiduciary responsibilities regarding the Plan, therefore, the assets and liabilities of the Plan are not included in the City’s financial statements at September 30, 2012. The City currently contributes to the plan for executive management ranging from 2.6% to 14.2% of salaries. For fiscal year 2012, the amount contributed by the city was \$91,372.

NOTE 10. OTHER POST EMPLOYMENT BENEFITS (OPEB)

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

a. Funding Policy and Funded Status

The City is financing the post employment benefits on a pay-as-you-go basis. For fiscal year 2012, twenty retirees received the benefits. Annual cost amounted to \$222,000 for the current fiscal year, toward which the City made an implied contribution of \$69,000. At September 30, 2012, the City recorded a net OPEB obligation of \$669,000 for governmental activities and \$145,000 for business-type activities in its government-wide statement of net assets.

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

a. Funding Policy and Funded Status (continued)

The funded status of this benefit as of January 1, 2011, the date of the most recent actuarial valuation date (every two years) is as follows:

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

The unfunded actuarial accrued liability for benefits as of September 30, 2012 was \$1,464,000, all of which was unfunded. Detail of the funding progress is provided in a schedule immediately following the notes to the financial statements.

b. Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year to amortize any unfunded actuarial liabilities over a period of ten years, the amount implied contributed to the plan and changes in the City's net OPEB obligation to the retirees as of September 30, 2012:

	Governmental Activities	Business-type Activities	Total
Annual required contribution	\$ 223,000	\$ 50,000	\$ 273,000
Interest on net OPEB obligation	22,000	5,000	27,000
Adjustment to ARC	(65,000)	(13,000)	(78,000)
Annual OPEB cost	180,000	42,000	222,000
Employer Contribution	(59,000)	(10,000)	(69,000)
Interest on employer contribution	(1,000)	-	(1,000)
Increase in net OPEB obligation	120,000	32,000	152,000
Net OPEB obligation, beg. of year	549,000	113,000	662,000
Net OPEB obligation, end of year	\$ 669,000	\$ 145,000	\$ 814,000

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

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

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

c. *Actuarial Methods and Assumptions*

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

Valuation date	1/1/2011
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

NOTE 12. COMMITMENTS AND CONTINGENCIES (Continued)

c. Police Services (continued)

based on BSO's budgeted costs but in no event will the increase be more than 5% over the budgeted costs for the preceding year. BSO is obligated to reimburse the City for any staffing shortages. The City recorded expenses of \$12,529,556 under the contract for the fiscal year ended September 30, 2012.

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, 2012, which remains the responsibility of the City. This liability is recorded in the General Fund as accrued compensated absences with the funds maintained in a separate bank account. The compensated absences liability for the remaining officers was transferred to the BSO.

d. Wastewater Services Interlocal Agreement

On April 20, 1982 and November 2, 1988, the City entered into an agreement with Broward County, Florida and the City of Fort Lauderdale, respectively, for the transmission, treatment and disposal of wastewater. The charges for service provided by the County include operating, maintenance and debt service charges for the facilities and the County Improvement, Repair, and Replacement Fund Surcharge. The charges are adjusted annually based upon actual costs incurred in the prior year. For the fiscal year ended September 30, 2012, the City recorded expenses of \$1,085,970 and \$3,464,350 under the Broward County and the Fort Lauderdale, respectively.

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

e. Construction Commitments

The City has the following outstanding construction commitments as of September 30, 2012:

Water and Sewer Improvement	\$ 4,241,589
Stormwater drainage	715,644
Street repair and construction	390,173
Other improvements	509,284
	<u>\$ 5,856,690</u>

NOTE 13. NEW FINANCIAL STANDARDS NOT YET IMPLEMENTED

GASB Statement No. 60 *Accounting and Financial Reporting for Service Concession Arrangements*; Statement No. 61, *Financial Reporting Entity Omni bus*; 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 65, *Items Previously Reported as Assets and liabilities*; Statement 66 *Technical Corrections, an amendment of GASB No. 10 and No. 62*; Statement 67, *Financial Reporting for Pension Plans*; and Statement 68 *Accounting and Financial Reporting for Pensions*. The City has not elected early implementation and, therefore, has not determined the financial statement impact, if any, of these new pronouncements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF OAKLAND PARK, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2012
(BUDGETARY BASIS)

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
Revenues:	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Taxes:				
Property	\$ 12,331,537	\$ 12,331,537	\$ 12,150,587	\$ (180,950)
Franchise fees	2,535,061	2,535,061	2,457,781	(77,280)
Utility taxes	3,713,914	3,713,914	3,760,525	46,611
Communications service taxes	2,011,466	2,011,466	1,935,672	(75,794)
Other taxes	1,616,983	1,616,983	1,668,976	51,993
Licenses and permits	978,479	978,479	1,157,751	179,272
Intergovernmental	3,494,949	3,494,949	3,446,807	(48,142)
Charges for services	10,884,447	10,831,447	10,625,666	(205,781)
Fines and forfeitures	418,000	495,957	511,754	15,797
Investment earnings	33,365	33,365	68,741	35,376
Grants	473,642	202,180	276,505	74,325
Other	256,456	256,456	281,928	25,472
Total revenues	<u>38,748,299</u>	<u>38,501,794</u>	<u>38,342,693</u>	<u>(159,101)</u>
Expenditures:				
Current:				
General government:				
City commission	110,321	110,321	95,195	15,126
City manager	571,488	598,770	571,147	27,623
City clerk	591,216	641,170	559,926	81,244
Human resources	1,130,368	1,130,368	936,340	194,028
Legal	265,000	265,000	293,770	(28,770)
Financial service	1,116,345	1,288,497	1,182,637	105,860
Information technology service	1,267,490	1,366,060	1,061,664	304,396
Non-departmental	229,308	174,308	109,315	64,993
Total general government	<u>5,281,536</u>	<u>5,574,494</u>	<u>4,809,994</u>	<u>764,500</u>
Public safety:				
Police	13,013,535	12,798,535	12,765,686	32,849
Fire Rescue	8,318,638	8,615,117	8,577,908	37,209
Total public safety	<u>21,332,173</u>	<u>21,413,652</u>	<u>21,343,594</u>	<u>70,058</u>
Public works:				
Administration	108,609	167,845	149,714	18,131
Street	1,143,617	1,274,458	1,173,719	100,739
Building and maintenance	888,048	1,067,612	911,356	156,256
Garage	1,409,829	1,575,086	1,571,606	3,480
Total public works	<u>3,550,103</u>	<u>4,085,001</u>	<u>3,806,395</u>	<u>278,606</u>
Engineering and community develop.:				
Engineering	976,372	1,223,337	1,156,892	66,445
Community development	1,819,005	2,103,157	1,992,616	110,541
Total engineering and comm dev.	<u>2,795,377</u>	<u>3,326,494</u>	<u>3,149,508</u>	<u>176,986</u>
Culture/recreation:				
Library	501,043	521,920	487,863	34,057
Parks and recreation	4,328,283	4,717,949	4,470,689	247,260
Total culture/recreation	<u>4,829,326</u>	<u>5,239,869</u>	<u>4,958,552</u>	<u>281,317</u>
Total expenditures	<u>37,788,515</u>	<u>39,639,510</u>	<u>38,068,043</u>	<u>1,571,467</u>
Excess of revenues over expenditures	959,784	(1,137,716)	274,650	1,412,366
Other financing sources (uses):				
Transfers in	75,000	1,401,200	1,350,693	(50,507)
Transfers out	(2,244,288)	(2,197,964)	(1,968,307)	229,657
Net change in fund balance	<u>\$ (1,209,504)</u>	<u>\$ (1,934,480)</u>	<u>(342,964)</u>	<u>\$ 1,591,516</u>
Fund balance, beginning			16,288,136	
Fund balance, ending			<u>\$ 15,945,172</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, 2012
(BUDGETARY BASIS)

	<u>Budgeted Amounts</u>			Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Other revenues	\$ -	\$ -	\$ 67,017	\$ 67,017
Investments earnings	150	150	426	276
Total revenues	<u>150</u>	<u>150</u>	<u>67,443</u>	<u>67,293</u>
Expenditures:				
Current:				
Engineering and community develop.	257,774	465,206	434,237	30,969
Capital outlay	<u>338,130</u>	<u>1,714,763</u>	<u>1,679,460</u>	<u>35,303</u>
Total expenditures	<u>595,904</u>	<u>2,179,969</u>	<u>2,113,697</u>	<u>66,272</u>
Deficiency of revenues over expenditures	(595,754)	(2,179,819)	(2,046,254)	133,565
Other financing sources (uses):				
Loan Proceeds	338,130	1,632,033	1,056,300	(575,733)
Transfers in	257,624	597,021	597,021	-
Transfers out	<u>-</u>	<u>(49,235)</u>	<u>(49,235)</u>	<u>-</u>
Total other financing sources	<u>595,754</u>	<u>2,179,819</u>	<u>1,604,086</u>	<u>(575,733)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(442,168)	<u>\$ (442,168)</u>
Fund balance, beginning			(445)	
Fund balance, end			<u>\$ (442,613)</u>	

See notes to budgetary comparison schedule.

CITY OF OAKLAND PARK, FLORIDA
NOTES TO BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

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

Budgetary Information

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

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

The appropriated budget is prepared by fund, function and department. The City Manager is authorized to transfer budgeted line items within a department classification; however, any revisions that alter the department totals must be approved by the City Commission. Therefore, the department level is the legal level of budgetary control. Legal department expenditures exceeded budget by \$28,770 due to additional legal services needed for property acquisition that was not anticipated. General Fund supplemental appropriations amounted to \$1.8 million for the fiscal year ended September 30, 2012. 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.

Budgetary/GAAP Reconciliation

There are no reconciling items between GAAP and Budget.

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

(In thousands)

SEPTEMBER 30, 2012

(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)

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

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

Year Ended September 30	(A) Annual Required Contribution	Employer Contribution	(B) Percentage Contributed
CITY OF OAKLAND PARK GENERAL EMPLOYEES' PENSION PLAN			
2011	\$ 3,273,274	\$ 3,244,632	99%
2010	3,051,661	2,556,393	84%
2009	2,911,125	2,348,104	82%
2008	2,279,923	1,669,827	73%
2007	1,775,701	1,823,084	103%
2006	1,343,460	1,606,237	120%
2005	1,210,364	1,290,837	107%
2004	1,161,079	1,259,771	109%
2003	1,005,167	983,053	98%
2002	477,928	506,604	106%
CITY OF OAKLAND PARK RETIREMENT SYSTEM FOR POLICE AND FIREFIGHTERS			
2011	\$ 2,284,394	\$ 2,284,394	100%
2010	1,962,037	1,962,037	100%
2009	1,979,938	1,979,938	100%
2008	2,004,541	2,004,541	100%
2007	1,479,862	1,479,862	100%
2006	1,522,223	1,522,223	100%
2005	1,774,056	1,774,056	100%
2004	1,622,574	1,622,574	100%
2003	1,178,897	1,178,897	100%
2002	581,996	581,996	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, 2012
(Unaudited)

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL) - Projected	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a)/(b)	(c) Covered Payroll	UAAL as a Percentage of Covered Payroll (b-a)/(c)
1/1/2011	\$ -	\$ 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, 2012
(Unaudited)

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

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

**COMBINING AND INDIVIDUAL FUND
STATEMENTS**

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

CAPITAL PROJECTS FUND

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

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

DEBT SERVICE FUND

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

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

CITY OF OAKLAND PARK, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2012

	<u>Special Revenue</u>							
	<u>Grant</u>	<u>Impact Fee</u>	<u>Transportation</u>	<u>Fire Rescue</u>	<u>Debt</u>	<u>Capital</u>	<u>Total</u>	
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Service</u>	<u>Projects</u>	<u>Nonmajor</u>	
					<u>Fund</u>	<u>Fund</u>	<u>Governmental</u>	
							<u>Fund</u>	
ASSETS								
Cash and cash equivalents	\$ 585,287	\$ 360,935	\$ -	\$ -	\$ 11,087	\$ -	\$ 957,309	
Accounts receivable	56,162	-	-	-	-	353,003	409,165	
Restricted cash and cash equivalents	-	426,792	-	-	-	2,533,820	2,960,612	
Total assets	<u>\$ 641,449</u>	<u>\$ 787,727</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,087</u>	<u>\$ 2,886,823</u>	<u>\$ 4,327,086</u>	
LIABILITIES								
Accounts payable and accrued liabilities	77	\$ -	\$ -	\$ -	\$ -	\$ 607,317	607,394	
Due to other funds	40,292	-	-	-	-	-	40,292	
Other liabilities	-	-	-	-	-	-	-	
Deferred and unearned revenues	40,316	409,271	-	-	-	270,180	719,767	
Advance from other funds	-	112,971	-	-	-	-	112,971	
Total liabilities	<u>80,685</u>	<u>522,242</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>877,497</u>	<u>1,480,424</u>	
FUND BALANCES								
Restricted for:								
Fire station facility	-	131,114	-	-	-	-	131,114	
Park development	-	17,521	-	-	-	-	17,521	
Library	28,792	-	-	-	-	-	28,792	
Public safety	521,195	-	-	-	-	-	521,195	
Tree preservation	-	229,821	-	-	-	-	229,821	
Assigned to:								
Parks and recreation	10,777	-	-	-	-	-	10,777	
Debt service	-	-	-	-	11,087	-	11,087	
Capital projects	-	-	-	-	-	2,009,326	2,009,326	
Unassigned:								
	-	(112,971)	-	-	-	-	(112,971)	
Total fund balances	<u>560,764</u>	<u>265,485</u>	<u>-</u>	<u>-</u>	<u>11,087</u>	<u>2,009,326</u>	<u>2,846,662</u>	
Total liabilities and fund balances	<u>\$ 641,449</u>	<u>\$ 787,727</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,087</u>	<u>\$ 2,886,823</u>	<u>\$ 4,327,086</u>	

CITY OF OAKLAND PARK, FLORIDA
 COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

	<u>Special Revenue</u>							
	<u>Grant Fund</u>	<u>Impact Fee Fund</u>	<u>Transportation Fund</u>	<u>Fire Rescue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Fund</u>	
Revenues:								
Grants	\$ 88,204	\$ -	\$ -	\$ -	\$ -	\$ 690,646	\$ 778,850	
Taxes	-	-	-	-	-	-	-	
Intergovernmental	-	-	-	-	-	-	-	
Investment earnings (loss)	1,133	2,037	-	-	-	10,967	14,137	
Licenses and permits	-	1,560	-	-	-	-	1,560	
Fines and forfeitures	230,677	-	-	-	-	-	230,677	
Other	-	1,764	-	-	-	-	1,764	
Total revenues	<u>320,014</u>	<u>5,361</u>	-	-	-	<u>701,613</u>	<u>1,026,988</u>	
Expenditures:								
Current:								
Public safety	31,070	-	-	-	-	-	31,070	
Public works	-	-	-	-	-	-	-	
Culture and recreation	46,541	10,823	-	-	-	-	57,364	
Debt service:								
Principal	-	-	-	-	689,118	-	689,118	
Interest	-	-	-	-	557,495	-	557,495	
Capital Outlay	23,038	46,599	-	-	-	1,560,624	1,630,261	
Total expenditures	<u>100,649</u>	<u>57,422</u>	-	-	<u>1,246,613</u>	<u>1,560,624</u>	<u>2,965,308</u>	
Excess (deficiency) of revenues over expenditures	<u>219,365</u>	<u>(52,061)</u>	-	-	<u>(1,246,613)</u>	<u>(859,011)</u>	<u>(1,938,320)</u>	
Other financing sources:								
Transfers in	-	-	-	-	1,256,649	355,837	1,612,486	
Transfers out	(24,804)	(61,079)	(77,129)	(1,248,760)	-	(130,886)	(1,542,658)	
Total other financing sources	<u>(24,804)</u>	<u>(61,079)</u>	<u>(77,129)</u>	<u>(1,248,760)</u>	<u>1,256,649</u>	<u>224,951</u>	<u>69,828</u>	
Net change in fund balance	<u>194,561</u>	<u>(113,140)</u>	<u>(77,129)</u>	<u>(1,248,760)</u>	<u>10,036</u>	<u>(634,060)</u>	<u>(1,868,492)</u>	
Fund balance, beginning	<u>366,203</u>	<u>378,625</u>	<u>77,129</u>	<u>1,248,760</u>	<u>1,051</u>	<u>2,643,386</u>	<u>4,715,154</u>	
Fund balance, ending	<u>\$ 560,764</u>	<u>\$ 265,485</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,087</u>	<u>\$ 2,009,326</u>	<u>\$ 2,846,662</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, 2012

	General Employees Pension Fund	Police and Firefighters Pension Fund	Total
Assets			
Cash and short-term investments	\$ 918,510	\$ 1,228,622	\$ 2,147,132
Receivables:			
Contributions	-	213,345	213,345
Accounts	-	40,526	40,526
Accrued interest and dividends	-	230,800	230,800
Total receivables	<u>-</u>	<u>484,671</u>	<u>484,671</u>
Investments, at fair value:			
U.S. Government and agency securities	-	7,184,546	7,184,546
Corporate bonds and notes	-	10,023,400	10,023,400
Mutual funds	27,784,941	-	27,784,941
Common stocks	-	28,509,064	28,509,064
International equity fund	-	5,115,111	5,115,111
Total investments	<u>27,784,941</u>	<u>50,832,121</u>	<u>78,617,062</u>
Prepayments	<u>-</u>	<u>4,551</u>	<u>4,551</u>
Total assets	<u>28,703,451</u>	<u>52,549,965</u>	<u>81,253,416</u>
Liabilities			
Accounts payable and accrued expenses	-	96,981	96,981
Drop plan payable	-	1,566,123	1,566,123
Total liabilities	<u>-</u>	<u>1,663,104</u>	<u>1,663,104</u>
Net Assets			
Net assets held in trust for pension benefits	<u>\$ 28,703,451</u>	<u>\$ 50,886,861</u>	<u>\$ 79,590,312</u>

CITY OF OAKLAND PARK, FLORIDA
Combining Statement of of Changes in Fiduciary Net Assets
Pension Trust Funds
For the Year ended September 30, 2012

	General Employees Pension Fund	Police and Firefighters Pension Fund	Total
Additions			
Contributions:			
Plan members	\$ -	468,323	\$ 468,323
City	1,885,987	1,671,934	3,557,921
State of Florida	-	610,508	610,508
Broward Sheriff's Office	-	637,671	637,671
Total contributions	<u>1,885,987</u>	<u>3,388,436</u>	<u>5,274,423</u>
Investment income:			
Investment earnings	-	1,494,181	1,494,181
Net appreciation (depreciation) in fair value of investments	4,783,508	6,666,364	11,449,872
Total	4,783,508	8,160,545	12,944,053
Less:			
Investment expenses	-	(255,790)	(255,790)
Deferred retirement option plan participants' earnings	-	(193,724)	(193,724)
Net investment income	<u>4,783,508</u>	<u>7,711,031</u>	<u>12,494,539</u>
Misc. income:	4,378	-	4,378
Total additions	<u>6,673,873</u>	<u>11,099,467</u>	<u>17,773,340</u>
Deductions:			
Pension benefits paid	2,781,221	4,676,423	7,457,644
Administrative expenses	59,129	124,597	183,726
Total deductions	<u>2,840,350</u>	<u>4,801,020</u>	<u>7,641,370</u>
Change in net assets	3,833,523	6,298,447	10,131,970
Net assets, beginning	<u>24,869,928</u>	<u>44,588,414</u>	<u>69,458,342</u>
Net assets, ending	<u>\$ 28,703,451</u>	<u>\$ 50,886,861</u>	<u>\$ 79,590,312</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.

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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.	
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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.	
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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented Statement 34 in fiscal year 2003; schedules presenting government-wide information include information beginning that year.

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	\$ 65,134,366
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	987,573
Capital projects	-	-	-	3,091,947	-	3,772,193	3,080,491	2,360,589	2,955,884	2,279,506
Debt service	-	-	-	-	-	230	164	-	-	-
Unrestricted	8,038,831	8,221,283	11,480,101	13,558,532	16,003,939	17,193,338	15,662,924	16,981,530	14,908,051	12,004,977
Total governmental activities net assets	\$ 21,382,745	\$ 26,081,271	\$ 31,041,054	\$ 58,053,220	\$ 71,952,649	\$ 78,603,739	\$ 81,161,358	\$ 84,962,381	\$ 83,539,245	\$ 80,406,422
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	\$ 65,033,304
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	11,020,934
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	\$ 76,054,238
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	\$ 130,167,670
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	987,573
Capital projects	-	-	-	5,895,175	4,685,729	9,115,172	11,269,933	6,972,437	5,341,707	2,279,506
Debt service	-	-	-	609,886	643,563	660,082	164	-	-	-
Unrestricted	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	23,025,911
Total primary government net assets	\$ 47,269,922	\$ 54,894,009	\$ 63,743,272	\$ 104,083,570	\$ 129,168,846	\$ 138,816,351	\$ 142,533,046	\$ 151,581,192	\$ 155,290,630	\$ 156,460,660

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 Ten Fiscal Years
(Accrual Basis)**

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	\$ 997,799
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	21,819,794
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	5,139,923
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	3,547,260	3,641,854
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	5,854,059
Interest on long term debt	776,634	671,834	695,396	699,745	675,693	821,630	802,500	772,769	814,840	554,176
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	38,007,605
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	14,038,761
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	6,356,474
Stormwater	1,322,179	1,394,443	1,483,702	2,243,826	2,268,694	2,732,743	3,081,617	3,193,029	3,054,220	3,250,247
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	23,645,482
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	\$ 61,653,087
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	\$ 665,305
Public safety	7,181,523	5,909,919	5,469,039	4,872,595	4,828,244	5,056,973	5,072,237	4,986,694	5,134,575	5,866,561
Eng. & Community development	1,099,968	1,232,073	1,389,814	2,191,517	2,438,051	1,677,335	1,117,794	1,362,529	998,090	1,243,449
Culture/Recreation	141,387	213,988	302,712	343,236	379,335	598,886	560,744	515,184	539,417	525,175
Operating grants and contributions	509,921	382,685	703,676	475,785	188,947	310,177	120,206	235,638	657,434	350,691
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	462,974
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	9,114,155
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	15,232,281
Solid waste	6,136,710	6,881,224	6,777,094	8,582,611	8,282,327	8,593,925	8,744,276	7,340,028	7,294,361	6,527,762
Stormwater	1,190,608	2,293,062	2,474,389	3,210,395	3,149,698	2,993,510	2,886,472	2,851,607	2,735,721	3,129,533
Operating grants and contributions	-	-	331,624	4,941,598	294,232	348	-	6,000	334,879	413,722
Capital grants and contributions	-	-	571,473	658,315	5,600,599	2,463,321	561,885	6,024,995	2,896,277	2,541,022
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	27,553,887	27,844,320
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	\$ 36,958,475
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)	\$ (28,893,450)
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	4,198,838
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)	\$ (24,694,612)

(Continued)

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	\$ 12,150,587
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	2,457,781
Utility taxes	4,828,291	4,794,523	4,894,914	3,288,220	3,368,683	3,376,226	3,275,238	3,576,651	3,676,217	3,760,525
Communication service taxes	-	-	-	2,195,104	2,197,071	2,207,164	2,614,835	2,245,920	2,025,458	1,935,672
Other taxes	-	-	-	804,371	781,076	1,161,605	1,133,684	1,660,518	1,634,116	1,668,976
Unrestricted investment earnings	278,358	210,847	624,202	1,322,084	1,939,118	911,087	31,459	91,123	68,935	83,304
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	3,446,807
Miscellaneous	(154,641)	329,770	420,000	900,500	437,824	520,000	(23,991)	224,169	167,812	256,975
Transfers - net	-	-	-	19,931,667	5,143,284	-	-	(211,306)	-	-
Capital assets, transferred from other govt.	-	-	-	50,389,797	38,440,122	31,047,397	29,483,601	28,335,931	26,112,166	25,760,627
Total governmental activities	19,085,855	20,495,568	22,547,254	50,389,797	38,440,122	31,047,397	29,483,601	28,335,931	26,112,166	25,760,627
Business type activities:										
Unrestricted investment earnings	187,943	176,559	418,040	757,135	608,903	381,616	669	57,639	66,552	104,015
Transfers	154,641	(329,770)	(420,000)	(900,500)	(437,824)	(520,000)	(281,000)	211,306	-	-
Capital assets, transferred from other govt.	-	-	-	10,921,944	3,152,629	-	-	-	-	-
Total business type activities	342,584	(153,211)	(1,960)	10,778,579	3,323,708	(138,384)	(280,331)	268,945	66,552	104,015
Total primary government	\$ 19,428,439	\$ 20,342,357	\$ 22,545,294	\$ 61,168,376	\$ 41,763,830	\$ 30,909,013	\$ 29,203,270	\$ 28,604,876	\$ 26,178,718	\$ 25,864,642
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)	\$ (3,132,823)
Business type activities	2,523,573	3,060,242	3,889,480	13,290,122	11,185,847	2,996,645	1,158,846	5,247,123	4,299,329	4,302,853
Total primary government	\$ 7,554,854	\$ 7,624,088	\$ 8,849,263	\$ 40,302,288	\$ 25,085,276	\$ 9,647,735	\$ 3,716,465	\$ 9,048,146	\$ 2,536,193	\$ 1,170,030

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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund										
Reserved	\$ 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	-	-	-	-	-	-	-	-
Equipment repairs and replacement	2,133,459	2,133,459	2,133,459	2,133,459	2,133,459	2,133,459	-	-	-	-
General Employee's Pension/Benefits	300,000	-	-	-	-	-	-	-	-	-
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	2,653,692	2,672,165	2,912,322	6,545,719	9,282,863	10,245,463	7,791,466	1,843,751	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	72,761	67,971
Prepaid Costs	-	-	-	-	-	-	-	-	1,787,620	48,927
Advance to other funds	-	-	-	-	-	-	-	-	114,531	112,971
Restricted for	-	-	-	-	-	-	-	-	-	-
Grant matching	-	-	-	-	-	-	-	-	839,952	839,952
Education	-	-	-	-	-	-	-	-	92,541	102,538
Assigned to	-	-	-	-	-	-	-	-	-	-
Subsequent year's budget	-	-	-	-	-	-	-	-	1,894,337	2,588,680
Unassigned	-	-	-	-	-	-	-	-	11,486,384	12,214,133
Total general fund	\$ 8,292,767	\$ 8,095,981	\$ 8,933,876	\$ 13,359,569	\$ 16,320,194	\$ 17,147,013	\$ 16,759,435	\$ 16,771,854	\$ 16,288,136	\$ 15,945,172
All Other Governmental Funds										
Reserved	1,553,491	1,249,471	1,744,181	2,021,247	2,653,409	2,497,708	2,537,632	1,381,695	-	-
Special Revenue Funds	5,088,372	7,057,407	7,195,677	7,009,596	3,955,404	1,596,533	891,463	661,557	-	-
Capital Project Funds	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	79	79	79	230	164	-	-	-
Other	2,283,469	1,965,559	3,285,683	2,154,653	1,359,973	7,314,786	2,282,281	2,543,819	-	-
Unreserved, designated - sub. Year expend.	-	-	-	-	-	-	-	1,182,501	-	-
Special Revenue Funds	-	-	-	-	-	-	-	-	-	-
Un reserved, Undesignated:	-	-	-	-	-	-	-	-	-	-
Special revenue fund	3,151	5,929	6,429	481,447	627,095	651,749	436,805	721,865	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-
Prepaid Costs	-	-	-	-	-	-	-	-	30,485	-
Advance to other funds	-	-	-	-	-	-	-	-	-	-
Restricted for	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	324,755	521,195
Library	-	-	-	-	-	-	-	-	31,718	28,792
Parks and recreation	-	-	-	-	-	-	-	-	9,730	-
City beautification	-	-	-	-	-	-	-	-	2,095	-
Tree preservation	-	-	-	-	-	-	-	-	344,824	229,821
Fire station facility	-	-	-	-	-	-	-	-	129,584	131,114
Park development	-	-	-	-	-	-	-	-	16,653	17,521
Assigned to	-	-	-	-	-	-	-	-	2,644,485	2,009,326
Capital Projects	-	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	11,087	11,087
Parks and Recreation	-	-	-	-	-	-	-	-	-	10,777
Public safety	-	-	-	-	-	-	-	-	1,219,296	-
Streets and resurfacing	-	-	-	-	-	-	-	-	77,129	-
Unassigned	-	-	-	-	-	-	-	-	(116,044)	(555,584)
Total all other governmental funds	\$ 8,928,483	\$ 10,276,366	\$ 12,212,049	\$ 11,667,022	\$ 8,595,960	\$ 12,061,006	\$ 6,148,345	\$ 6,491,437	\$ 4,714,710	\$ 2,404,049
Total governmental funds	\$ 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	\$ 18,349,221

Sources: City of Oakland Park, Financial Services Department

Note: The City implemented GASB54 fund balance reporting prospectively from FY2011.

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

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

	Fiscal Year									
	2003*	2004*	2005*	2006	2007	2008	2009	2010	2011	2012
Revenues										
Taxes:										
Ad Valorem	\$ 8,950,986	\$ 8,832,684	\$ 10,888,858	\$ 14,750,985	\$ 17,163,113	\$ 16,244,067	\$ 16,052,029	\$ 14,905,227	\$ 12,632,161	\$ 12,150,587
Utility taxes	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	3,760,525
Communication Service	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	1,935,672
Other Taxes	598,928	609,577	607,481	804,371	781,076	1,161,605	1,133,684	1,660,518	1,634,116	1,668,976
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	2,457,781
Licenses and permits	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	1,159,311
Intergovernmental	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	3,446,807
Charges for service	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	10,625,666
Fines and forfeitures	468,759	471,423	628,590	530,139	436,453	566,544	736,046	780,455	491,432	742,431
Fire assessment	2,279,676	-	-	-	-	-	-	-	-	-
Development impact fees	-	-	-	-	-	-	-	-	-	-
Grants	1,993,271	1,323,388	619,046	-	2,217,229	2,343,473	2,783,196	2,911,980	1,911,047	1,055,355
Investment earnings	278,358	210,847	624,202	1,322,084	1,939,118	911,088	31,459	91,123	68,935	83,304
Other	363,105	348,505	234,820	1,246,865	552,204	100,436	127,657	245,619	197,790	350,710
Total revenues	35,320,391	34,292,279	36,069,277	45,644,062	49,796,914	47,389,603	45,282,506	44,456,497	41,167,769	39,437,125
Expenditures										
Current:										
General government	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	4,772,781
Public safety	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	21,374,664
Public works	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	3,635,786
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	3,583,745
Library	-	-	-	-	-	-	-	-	-	-
Culture/Recreation	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	4,982,035
Grants	-	-	-	-	-	-	-	-	-	-
Debt service:										
Principal	280,351	369,520	455,510	545,226	565,687	586,500	743,868	672,427	600,365	689,118
Interest	684,597	691,359	706,261	704,151	682,838	739,707	813,354	783,068	891,892	557,495
Bond issue costs	-	-	-	-	-	-	-	-	-	-
Capital outlay	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	3,551,425
Total expenditures	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	43,147,049
Excess (deficiency) of revenues over expenditures	930,940	688,627	1,246,509	2,980,164	(548,261)	(228,134)	(6,581,239)	566,817	(5,113,700)	(3,709,924)
Other Financing Sources (Uses)										
Bond/loan proceeds	-	-	-	-	-	4,000,000	-	-	13,078,254	1,056,300
Capital lease proceeds	1,178,215	-	1,105,090	-	-	-	-	-	-	-
Payment to refunding bond agent	-	-	-	-	-	-	-	-	-	-
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	3,560,200
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)	(3,560,200)
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	1,056,300
Net change in fund balances	\$ 1,954,514	\$ 1,018,397	\$ 2,771,599	\$ 3,880,664	\$ (1,104,377)	\$ 4,291,865	\$ (6,300,239)	\$ 355,511	\$ (2,600,446)	\$ (2,653,624)
Debt service as a percentage of noncapital expenditures	3.3%	3.6%	3.7%	3.3%	3.1%	3.3%	3.8%	3.5%	3.6%	3.1%

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)

Assessment Value									
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	
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	
2012	1,649,147	961,225	317,364	129,776	3,057,512	934,497	2,123,015	6.0138	

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					Total Direct & Overlapping Rates
	Oakland Park Operating Rate	Broward County	Broward County School Board	South Florida Water Mgmt District	North Broward Hospital District	Florida Inland Navigation District	Children Services Council	
2003	5.9715	7.3650	8.8825	0.6970	2.4803	0.0385	0.3316	25.7664
2004	5.9715	7.1880	8.4176	0.6970	2.5000	0.0385	0.3920	25.2046
2005	5.8868	7.0230	8.2695	0.6970	2.4803	0.0385	0.4231	24.8182
2006	5.8868	6.7830	8.0623	0.6970	2.1746	0.0385	0.4231	24.0653
2007	5.5823	6.0661	7.8687	0.6970	1.8317	0.0385	0.4073	22.4916
2008	4.7662	5.2868	7.6484	0.6240	1.6255	0.0345	0.3572	20.3426
2009	5.1041	5.3145	7.4170	0.6240	1.7059	0.0345	0.3754	20.5754
2010	5.7252	5.3889	7.4310	0.6240	1.7059	0.3450	0.4243	21.6443
2011	5.7252	5.5530	7.6310	0.6240	1.8750	0.0345	0.4696	21.9123
2012	6.0138	5.5530	7.4180	0.4363	1.8750	0.0345	0.4789	21.8095

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 Eight Years Ago
(dollars in thousands)**

Taxpayer	2012			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 Northrdige LP	\$ 28,359	1	1.34%	\$ 22,255	2	1.27%
Alliance HTFL LP	18,612	2	0.88%	-		
Western Natl Life Insurance Co	15,108	3	0.71%	-		
Florida Power & Light Co	15,036	4	0.71%	-		
Lowe's Home Centers Inc	14,975	5	0.71%	-		
Bridgewater Place Assoc LTD	11,905	6	0.56%	-		
Northland Greentree LLC	10,941	7	0.52%	-		
Mederos Crystal Lake Condos LLC	10,868	8	0.51%	15,302	8	0.87%
SSC Property Holdings Inc	10,078	9	0.47%	-		
Robert L Lipton Inc	9,995	10	0.47%	-		
Southern Tier Southeast				-		
Mainstreet AEW V				-		
Sela LLC				-		
Oakland Center Associates, LTD				-		
SSTI 4950 N Dixie Hwy LLC				-		
Festival Center LLC				17,332	5	0.99%
Holy Cross Hospital Inc				-		
Set Point Associates LTD PRTNR				-		
Weingarten Nostat Inc				21,762	3	1.24%
Rak Lakeview Ltd Partnership				-		
OPA of Broward				-		
FL Health Complex Inc				-		
SCI Forest Fund LLC				-		
Eastside Village Lofts				-		
Spilake Inc				29,743	1	1.70%
Waterton Park LLC				21,747	4	1.24%
Mohammad R Mazaheri				16,937	6	0.97%
North Ridge Medical Center				15,678	7	0.89%
Summerlake OP Ltd				15,265	9	0.87%
CMD Southwest Inc				14,820	10	0.84%
Total	\$ 145,877		6.88%	\$ 168,586		9.61%

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
2003	\$ 9,565,701	\$ 8,929,742	\$ 8,929,742	93.35%	\$ 26,535	\$ 8,956,277	93.63%
2004	10,476,783	9,808,887	9,808,887	93.62%	31,136	9,840,023	93.92%
2005	11,457,293	10,798,135	10,798,135	94.25%	107,513	10,905,647	95.19%
2006	15,295,576	14,606,182	14,606,182	95.49%	99,440	14,705,621	96.14%
2007*	17,774,596	17,061,562	17,061,562	95.99%	79,037	17,140,599	96.43%
2008	16,860,344	16,059,798	16,059,798	95.25%	45,737	16,105,536	95.52%
2009	16,445,025	15,911,781	15,911,781	96.76%	34,880	15,946,661	96.97%
2010	15,730,894	14,846,618	14,846,618	94.38%	103,744	14,950,361	95.04%
2011	12,933,809	12,461,669	12,461,669	96.35%	(65,771)	12,395,898	95.84%
2012	12,844,598	12,186,893	12,186,893	94.88%	-	12,186,893	94.88%

Source: City of Oakland Park, Financial Services Department

Note: (a) Broward County Property Appraiser

(b) Collections in subsequent years for the year of levy were not available prior to fiscal year 2006.

The amounts listed before fiscal year 2006 represent aggregate amount collected for levies of prior years. Delinquent taxes are recognized when received.

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

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

Fiscal Year	Governmental Activities										Business-Type Activities										Total Primary Government	Percent of Personal Income	Per Capita			
	Revenue bonds	FMLC	Refunding Bonds BB&T	Wachovia Series 2007 Note	CRA RCP Loan	Capital Lease	2010 Utility Bonds	2012 Utility Bonds	2011 Stormwater Assessment Bonds	Stormwater FMLC	Stormwater Refunding Bonds BB&T	State Revolving Fund Loan SRF	Water & Sewer FMLC	Solid Waste Lease	2010 Utility Bonds	2012 Utility Bonds	2011 Stormwater Assessment Bonds	Stormwater FMLC	Stormwater Refunding Bonds BB&T	State Revolving Fund Loan SRF				Water & Sewer FMLC	Solid Waste Lease	
2003	\$ 12,575,000	\$ -	\$ -	\$ -	\$ -	\$ 1,102,864	\$ 3,550,000	\$ -	\$ -	\$ 5,320,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,320,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,547,864	n/a	n/a
2004	12,360,000	-	-	-	-	948,344	3,300,000	-	-	5,230,000	-	-	-	-	-	-	-	5,230,000	-	-	1,810,000	-	-	23,648,344	n/a	n/a
2005	12,135,000	-	-	-	-	1,822,924	3,040,000	-	-	5,135,000	-	-	-	-	-	-	-	5,135,000	-	-	1,780,000	-	-	23,912,924	n/a	n/a
2006	11,900,000	-	-	-	-	1,512,698	2,765,000	-	-	5,035,000	-	-	-	-	-	-	-	5,035,000	-	-	1,750,000	-	-	22,962,698	2.45%	541
2007	11,655,000	-	-	-	-	1,192,011	2,480,000	-	-	4,930,000	-	-	-	-	-	-	-	4,930,000	-	-	1,715,000	-	-	21,972,011	2.36%	522
2008	11,400,000	-	-	-	-	860,510	2,180,000	-	-	4,820,000	-	-	-	-	-	-	-	4,820,000	-	-	1,680,000	-	-	24,940,510	2.67%	590
2009	11,135,000	-	-	-	-	3,863,810	1,860,000	-	-	4,705,000	-	-	-	-	-	-	-	4,705,000	-	-	1,645,000	-	-	23,726,641	2.22%	562
2010	10,855,000	-	-	-	-	3,730,473	14,885,000	-	-	4,485,000	-	-	-	-	-	-	-	4,485,000	-	-	1,610,000	1,036,730	-	36,860,945	3.73%	866
2011	-	-	10,992,811	3,591,176	2,085,443	87,674	14,615,000	-	-	-	-	-	-	-	-	-	-	-	4,644,189	432,637	1,570,000	834,335	-	38,853,265	3.75%	935
2012	-	-	10,536,890	3,445,652	3,141,743	-	14,345,000	17,175,000	5,570,000	-	-	-	-	-	-	-	-	-	4,451,574	-	1,530,000	625,805	-	60,821,664	5.73%	1,447

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
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%	-
2012	-	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, 2012

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Broward County Debt Service *	\$ 322,785,000	1.687%	\$ 5,445,383
Broward Public Schools Debt Service **	-	1.571%	-
Subtotal, overlapping debt			5,445,383
Oakland Park direct debt			17,124,285
Total direct and overlapping debt			\$ 22,569,668

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

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

Sources:

City of Oakland Park, Financial Services Department

* Broward County Accounting Division

** School Board of Broward County Financial Reporting Division

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

Legal Debt Margin Calculation for Fiscal Year 2012

Assessed value	\$ 2,123,015
Bonded debt limit - 15% of assessed value	318,452
Debt applicable to limit	
General Obligation Bonds	-
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	<u>-</u>
Legal debt margin	<u>\$ 318,452</u>

	Fiscal Year									
	<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>	<u>2012</u>
Debt Limit	\$ 240,385	\$ 263,170	\$ 293,223	\$ 391,452	\$ 479,664	\$ 530,455	\$ 483,277	\$ 351,643	\$ 338,876	\$ 318,452
Total net debt application to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 240,385	\$ 263,170	\$ 293,223	\$ 391,452	\$ 479,664	\$ 530,455	\$ 483,277	\$ 351,643	\$ 338,876	\$ 318,452

Total net debt applicable to the limit as a % of debt limit

	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
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Source: City of Oakland Park, Financial Services Department
Note: The City has no general bonded debt outstanding
Details regarding the city's outstanding debt can be found in the notes to the financial statements.

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

Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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
2012	41,148	38,410	2,738	40	77	23.40
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
2012	25,916	23,917	1,999	146	158	6.58
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
2012	15,232	10,960	4,272	270	775	4.09
General - 2010 BB&T Refunding Bonds						
2011	\$ 20,035	\$ 15,705	\$ 4,330	\$ 290	\$ 428	6.03
2012	25,916	23,917	1,999	456	398	2.34
Stormwater - 2010 BB&T Refunding Bonds						
2011	\$ 20,035	\$ 15,705	\$ 4,330	\$ 125	\$ 270	10.96
2012	20,035	15,705	4,330	193	168	11.99
Stormwater Assessment Bonds, 2011 series						
2012	\$ 3,130	\$ 1,173	\$ 1,957	\$ 195	\$ 141	5.82
Water and Sewer Revenue Bonds, 2012 series						
2012	\$ 15,232	\$ 10,960	\$ 4,272	\$ -	\$ -	-

Source: City of Oakland Park, Financial Services Department

Note: Data prior to 2003 are not available

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

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

**City of Oakland Park, Florida
Demographic and Economic Statistics
Last Seven 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%
2012	42,020	1,062,013,480	25,274	5.80%

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 Six Years Ago**

2012

Employer	Employees	Rank	Percentage of	
			Total City	Employment
Ngu Nations Group USA	300	1	1.59%	
Home Depot	300	2	1.59%	
City of Oakland Park	241	3	1.28%	
Treatment Center of the Palm	200	4	1.06%	
Agency Workforce Innovation	172	5	0.91%	
Lauderhill Middle Community School	165	6	0.87%	
H Lamm Industries	140	7	0.74%	
Broward Paper & Packaging	135	8	0.71%	
Lipton Toyota	130	9	0.69%	
Publix Supermarkets	130	10	0.69%	

2006

Employer	Employees	Rank	Percentage of	
			Total City	Employment
Tenet Healthcare Corp	1000	1	5.06%	
Sunshine Sportswear Inc	500	2	2.53%	
Home Depot	312	3	1.58%	
AAA All Emergency Restoration	300	4	1.52%	
Fort Lauderdale Public Works	280	5	1.42%	
City of Oakland Park	271	6	1.37%	
Steel Fabricators LLC	200	7	1.01%	
Jobs & Benefits Ctr	172	8	0.87%	
Northeast High School	165	9	0.84%	
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 Nine Fiscal Years

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

*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 Seven Fiscal Years**

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Police							
Physical arrests	3,546	3,093	3,152	3,407	2,111	2,038	1,926
Parking violations	318	153	110	110	61	116	139
Traffic violations	10,022	10,268	10,845	16,585	8,438	5,586	5,844
Fire Rescue							
Emergency responses	8,921	8,147	7,431	7,732	7,491	7,394	7,512
Fires extinguished	194	144	118	134	130	122	87
Inspections	4,693	3,190	4,587	4,764	4,210	3,200	3,116
Refuse collection							
Refuse collected (tons per day)	155	168	149	146	140	145	144
Recyclables collected (tons per day)	8	6	3	3	4	8	8
Other public works							
Street resurfacing (miles)	0	5	6	5	5	5	2
Potholes repaired	100	2,200	1200	1,956	1,588	1,164	1,578
Parks and Leisure							
Athletic field permits issued	*	150	415	540	388	392	404
Community center admissions	*	1,000	150,000	170,000	46,700	56,010	57,937
Library							
Volumes in collection	43,508	53,777	56,006	56,446	56,437	48,462	48,462
Total volumes borrowed	48,607	105,970	107,413	112,912	112,687	106,904	106,200
Water							
New connections	1,065	986	924	n/a	42	1,044	32
Water main breaks	88 **	97	52	58	105	66	50
Average daily consumption (thousands of gallons)	4,397	4,060	3358	3,771	3,540	3,105	3,084
Peak daily consumption (thousands of gallons)	*	*	*	4,200	3,790	3,221	3,316
Sewer							
Avg. daily sewage treatment by other (in thousands)	6,292 ***	5,806 ***	6156 ***	5,675 ***	8,427 ***	5,387 ***	6,129 ***

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 Seven Fiscal Years

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

Source: Various City departments

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

**No water storage tanks owned by the City

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

Note: Data prior to 2006 are not available

(a) Non owned by the City

**CITY OF OAKLAND PARK, FLORIDA
OAKLAND PARK, FLORIDA**

**REPORTS REQUIRED BY OMB CIRCULAR A-133
AND RULES OF THE AUDITOR GENERAL
OF THE STATE OF FLORIDA**

SEPTEMBER 30, 2012

**TCBA WATSON RICE LLP
CERTIFIED PUBLIC ACCOUNTANTS
AND
ADVISORS**

City of Oakland Park, Florida

Schedule of Expenditures of Federal Awards, State and Local Financial Assistance
Fiscal Year Ended September 30, 2012

<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 - 37th Year	14.218		\$ 155,860
Total U.S. Department of Housing and Urban Development			<u>155,860</u>
U.S. Department of Justice			
ARRA - FY2009 Recovery Act JAG Program	16.804	2009-SB-B9-3324	2,317
Total U.S. Department of Justice			<u>2,317</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	68,828
Hazard Mitigation Grant - Lloyd Estates Drainage	97.039	11HM-3B-11-16-02-004	1,963,260
Total Federal Emergency Management Agency			<u>2,032,088</u>
U.S. Department of Homeland Security			
FEMA -FY2008 Assistnace to Firefighters Grant	97.044	EMW-2008-FO-005921	18,896
2009 Urban Areas Security Initiative	97.008	07DS-5S-11-16-02-259	12,174
Total U.S. Department of Homeland Security			<u>31,070</u>
U.S. Department of Energy			
ARRA Energy Efficiency and Conservation Block Grant	81.128	DE-EE0002284	148,074
Total U.S. Department of Energy			<u>148,074</u>
U.S. Department of Transportation			
<i>Pass-Through State of Florida Department of Transportation</i>			
Highway Planning & Construction Grant - Local Agency Program Agreement	20.205	AQI-20	282,922
ARRA Hwy Planning & Construction Grant - Local Agency Program Agreement	20.205	APW-50	42,504
Total U.S. Department of Transportation			<u>325,426</u>
Balance Forwarded			<u>\$ 2,694,835</u>

See Note to Schedule of Expenditures of Federal Awards.

City of Oakland Park, Florida

Schedule of Expenditures of Federal Awards, State and Local Financial Assistance
Fiscal Year Ended September 30, 2012

<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>\$ 2,694,835</u>
 U.S. Environmental Protection Agency			
<i>Pass-Through State of Florida Department of Environmental Protection</i>			
Congressionally-mandated Project - Garden Acres Sewer Project	66.202	XP-95464011-0	485,000
Total U.S. Environmental Protection Agency			<u>485,000</u>
 U.S. Department of Agriculture			
<i>Pass-Through State of Florida Department of Education</i>			
Summer Food Service Program	10.559	04-0773	21,020
Total U.S. Department of Agriculture			<u>21,020</u>
 TOTAL EXPENDITURES OF FEDERAL AWARDS			 <u><u>\$ 3,200,855</u></u>

See Note to Schedule of Expenditures of Federal Awards.

CITY OF OAKLAND PARK, FLORIDA

Note To Schedule of Expenditures of Federal Awards
For The Fiscal Year Ended September 30, 2012

NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal includes the federal grant activities 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*. 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, 2012, and have issued our report thereon dated March 18, 2013. 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 18, 2013.

Restriction on Use

This report is intended solely for the information and use of management, the City Commission, others within the entity, the Auditor General of the State of Florida, and Federal 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 18, 2013

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE
A DIRECT AND MATERIAL EFFECT ON EACH MAJOR FEDERAL PROGRAM AND
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* that could have a direct and material effect on each of its major Federal programs for the year ended September 30, 2012. The City's major Federal programs are identified in the summary of auditors' results section of the accompanying *Schedule of Findings and Questioned Costs*.

Management's Responsibility

Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major Federal programs is the responsibility of City's management.

Auditor's Responsibility

Our responsibility is to express an opinion on the City's compliance with the applicable compliance requirements based on our compliance audit.

We conducted our compliance audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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. Those standards and OMB Circular A-133 require that we plan and perform the compliance 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 occurred. A compliance 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 compliance audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

Opinion

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 for the year ended September 30, 2012.

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. 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 as a basis for designing our compliance 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 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 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.

Restricted Use

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Oakland Park, Florida (the "City"), as of and for the year ended September 30, 2012, and have issued our report thereon dated March 18, 2013, which contained an unqualified opinion on those statements that collectively comprise the City's financial statements. The accompanying schedule of expenditures of Federal awards 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 is

not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of Federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Fort Lauderdale, Florida
March 18, 2013

A handwritten signature in black ink that reads "BCA Water Risk LLP". The signature is written in a cursive, flowing style. The text is contained within a light blue rectangular box.

CITY OF OAKLAND PARK, FLORIDA

Schedule of Findings and Questioned Costs
Fiscal Year Ended September 30, 2012

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? Yes **x** No

Federal Program

Internal control over major programs:

- Material weaknesses identified? Yes **x** No
- Significant control deficiencies identified that are not considered to be material weaknesses? Yes **x** 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 **x** No

Identification of major programs:

CFDA Numbers

81.128
20.205
66.202

Name of Federal Program

ARRA Energy Efficiency & Conservation Bloc
Highway Planning & Construction Grant
Congressionally-mandated Project

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

Auditee qualified as low-risk auditee? **✓** Yes No

CITY OF OAKLAND PARK, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - FEDERAL PROGRAMS
FISCAL YEAR ENDED SEPTEMBER 30, 2012
(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.

CITY OF OAKLAND PARK, FLORIDA

Summary Schedule of Prior Audit Findings
For the Year Ended September 30, 2012

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 addressed the issue by assigning a responsible person in the Financial Services Department to coordinate with the implementing departments as regards the compliance of the requirements specific to the grant being administered by the concerned department.



**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, 2012, and have issued our report thereon dated March 18, 2013.

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 on Internal Control over Compliance, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedules, which are dated March 18, 2013, 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 in recommendations ML-2011-02 & ML-2011-04.
- 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 did not have any such findings.
- Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of contracts or grant agreements, fraud, illegal acts, 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, 2012, 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, 2012. In connection with our audit, we determined that these two reports were in agreement.
- Pursuant to Sections 10.554(1)(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 provided by same.

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

Fort Lauderdale, Florida
March 18, 2013

A handwritten signature in black ink that reads "BCA Water Services LLC". The signature is written in a cursive, flowing style.

CITY OF OAKLAND PARK, FLORIDA

Management Letter
Fiscal Year Ended September 30, 2012

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None.

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CITY OF OAKLAND PARK, FLORIDA

Management Letter
Fiscal Year Ended September 30, 2012

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

Finding Number	Prior Year Comment	Recommendation		
		Implemented	Partially Implemented	Not Implemented
ML-2011-01	Information Technology (IT) Disaster Recovery Plan	✓		
ML-2011-02	Information Technology (IT) Access Control Procedures		✓	
ML-2011-03	Information Technology (IT) Segregation of Duties	✓		
ML-2011-04	Inventory of Utility Meters			✓
ML-2011-05	GASB 54 Adoption	✓		
ML-10-01	Review of Utility Billing Process	✓		

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

Comment and Recommendation

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.

We recommended 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.

Current Year’s Status

The condition no longer exists. The City has tested the restoration of data from its off-site on-line backup structure which has proven successful. For the remaining disaster recovery plan, the City has entered into a contract with a vendor to provide SaaS (software as a service) wherein, all data is off-site with redundancy. This effort is in the implementation state and will be tested upon completion that is expected by the end of year 2015.

CITY OF OAKLAND PARK, FLORIDA

Management Letter
Fiscal Year Ended September 30, 2012

**II. STATUS OF PRIOR YEAR'S RECOMMENDATIONS AND MANAGEMENT'S RESPONSE
(Continued)**

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

Comment and Recommendation

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 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.

We recommended 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.

Current Year's Status

Recommendation has been partially implemented.

Management's Response

The City will implement a structured process for ITS to administer access control. A form is being used and refined to initiate a granting or revocation of a user's access to systems. The City has not implemented the penetration test due to the eminent transformation to a new hardware and software provider.

CITY OF OAKLAND PARK, FLORIDA

Management Letter
Fiscal Year Ended September 30, 2012

**II. STATUS OF PRIOR YEAR'S RECOMMENDATIONS AND MANAGEMENT'S RESPONSE
(Continued)**

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

Comment and Recommendation

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.

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

Current Year's Status

The condition no longer exists.

ML-2011-04 Inventory of Utility Meters

Comment and Recommendation

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.

We suggested 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.

Current Year's Status

The condition still exists.

CITY OF OAKLAND PARK, FLORIDA

Management Letter
Fiscal Year Ended September 30, 2012

**II. STATUS OF PRIOR YEAR'S RECOMMENDATIONS AND MANAGEMENT'S RESPONSE
(Continued)**

ML-2011-04 Inventory of Utility Meters (Continued)

Management's Response

The City bid the meter inventory project; however, the response was beyond the appropriation available to perform the inventory. Public Works director will address this issue and find the most cost effective solution in fiscal year 2015.

ML-2011-05 GASB 54 Adoption

Comment and Recommendation

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.

We encouraged 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.

Current Year's Status

The condition no longer exists. A fiscal policy defining adequate minimum fund balance requirement and the flow of use of fund balances when multiple funding resources are available has been adopted by the Commission.

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CITY OF OAKLAND PARK, FLORIDA

Management Letter
Fiscal Year Ended September 30, 2012

**II. STATUS OF PRIOR YEAR'S RECOMMENDATIONS AND MANAGEMENT'S RESPONSE
(Continued)**

ML-2010-01 Review of Utility Billing Process

Comment 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

The condition no longer exists. 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.

End.