

Comprehensive Annual Financial Report



City of Oakland Park, Florida

ENGAGED • INSPIRED • UNITED



*For Fiscal Year Ended
September 30, 2014*

Comprehensive Annual Financial Report

of the



Fiscal Year Ended September 30, 2014

Prepared by the

Financial Services Department



City Of Oakland Park, Florida

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City Of Oakland Park, Florida

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April 7, 2015

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, 2014, pursuant to Section 218.39 of the Florida Statutes and City Charter. The financial statements included in this report conform to the generally accepted accounting principles in the United States (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. The financial statements have been audited by BCA Watson Rice LLP, Certified Public Accountants. The independent auditor has issued an unmodified opinion that provides a reasonable basis for an opinion that the City's basic financial statements are fairly presented and complies with all reporting standards noted above.

The contents of the financial report have been influenced by compliance with GASB pronouncements, including GASB Statement 34 that requires the preparation of government-wide financial statements on a full accrual basis of accounting for all funds as well as the Management’s 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 wherein five members, one of whom is the Mayor, are elected at large. The City Commission determines the policies that guide the City’s operations, hiring a City Manager to implement and administer these policies on a full-time basis.

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

Oakland Park provides a full range of municipal services including fire, emergency medical and police services contracted through the Broward Sheriff’s Office, library, parks and leisure facilities, solid waste collection, water/wastewater, and stormwater management. Oakland Park is one of the few cities in Broward County that operates its own library, a wonderful resource for City 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, work, and play.

Economic Condition and Outlook

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

Oakland Park, with a population of approximately 42,301, reflects a diverse residential community. Of the total population, 62.63% of our residents are white, 25.65% are black and 11.72% are of other races. Hispanic and Latino residents of any race are 25.6% of the population. 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%. Further, a significant amount of land use, nearly 40%, is dedicated to parks, roads, waterways, canals, and lakes.

In 2014, the housing market and the economy continued to stabilize with an increase in permitting activity. The Building Division of the Engineering and Community Development Department served approximately 17,133 counter customers and issued 3,450 permits, an increase of approximately 4%, with a construction value of \$34.4 million. The local unemployment rate for the month of December 2014 was 4.5%, down 0.3% from the previous month and 0.5% point lower than the year-ago rate of 5.0%. Broward County's unemployment rate was 0.9% point lower than the state rate (5.4%) and 0.9% point lower than the national rate (5.4%). Overall real property taxable value has increased slightly. The City's tax base is comprised of 57.34% residential, 26.22% commercial and 14.87% industrial use and 1.57% miscellaneous. The value of new construction, together with the taxable value of the property located within Oakland Park, over the past nine years is shown below:

<u>Year</u>	(\$ 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
2013	39.7	2.2
2014	34.4	2.4

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. The City is continuing its revitalization program which 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 construction and certification of Bid Pack 6 Lift Stations 1, 2, 5, and 7. These lift stations located in the eastern portion of the city were upgraded with submersible pumps and new control panels. The improvement increases the system efficiency and ensures that services will not be interrupted during power failure. Total project cost was \$1.2 million.
- Substantially completed construction of the Bid Pack 12 (Park Lane East) project on NE 38 Street from Andrews Avenue to NE 11 Avenue. This project will increase pedestrian safety by the additions of sidewalks, landscaping, decorative lighting and traffic calming measures while improving the drainage and aesthetic appearance of this important street connecting downtown to various parks facilities. Total cost to date was \$1.9 million, funded mostly by grants.
- Completed the construction of Bid Pack 4 improvements west of I-95 north of Oakland Park Blvd that replaced and upgraded the area's aging water and sewer mains. Total project cost of \$4.4 million was funded by bond proceeds.
- Began the construction of NE 34 Court Roadway Improvement Project between Dixie Highway and NE 2nd Avenue. This project will increase the walkability of this street by adding sidewalks, landscaping, decorative lighting and traffic calming measures while improving the drainage and aesthetics of the roadway. The city has obtained a \$1 million grant for this project.
- Completed design and permitting of Expanded Lloyd Estates Residential & Industrial (LERI) drainage project. This project will add significant drainage improvements to the area west of Andrews Avenue, east of Powerline Road, north of Oakland Park Blvd and south of Prospect Road.
- Completed design and permitting of Bid Pack 13 (NW 38th Street from Powerline Road to Royal Park Drive) Roadway Improvement Project for which the city was awarded \$1 million Transportation Alternative Program grant. This project will continue the improvements that have been built on Park Lane from Federal Highway to Powerline Road all the way to Royal Park Drive.
- Completed the design of the Prospect Rd./Andrews Ave. Parking lot improvement project. This project, funded largely by a Broward Redevelopment Program grant, will add landscape and drainage improvements to the City owned parking lot and in conjunction with a CRA façade program will serve as a catalyst for redevelopment of businesses in the adjacent plaza.
- Completed North Jaco Park improvements that included landscape, hardscape, lighting, parking and decorative fence to increase the functionality, security and aesthetic appearance of the park. Total project cost was \$0.7 million, partially funded by Broward County Redevelopment Capital Program.
- Completed NE 12th Avenue street-end outdoor plazas that will provide attractive pedestrian-friendly features that encourage walkability and serve as a catalyst for future downtown development. Total project cost was \$0.9 million, funded by Broward County Redevelopment Capital Program.

Relevant Financial Policies and Long-Term Financial Planning

City management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

The City Commission adopted and updated several fiscal policies during the year that have an impact over ongoing City operations. These policies establish the framework for sound financial management. The revised fiscal policies provide guidelines for budgeting, accounting records, investment and debt management. The policy provides for adequate fund balances and net assets in the City's various operating funds. The City's minimum fund balance policy was in place to maintain unassigned fund balance or net assets for fiscal contingency of the current year operating appropriation including transfers at a minimum of 20% and a maximum of 25% for the General Fund, and a minimum of 10% with a maximum of 25% for enterprise funds. This will serve to maintain the City's financial health, maintain excellent credit ratings and ensure that sufficient funds will be available to cover unforeseen events. The City's General Fund and enterprise funds have met the minimum balance requirement.

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

A debt policy was also adopted to provide guidance for near- or long-term borrowings. The City's capital structure shall consist of fixed rate or variable rate debt. Total variable rate debt as a percent of total debt should preferably remain below 20%. The City has no variable debt at the present time. Long term debt will be used to finance essential capital projects and equipment where it is cost effective and prudent and will not be used to finance current operating expenditures. To keep the issuance of new bonds on a parity basis, the City will need to demonstrate that revenues will be sufficient to cover the existing and new debt service by at least 1.50 times and for non-ad valorem debt secured by a covenant to budget and appropriate pledge at minimum of 1.20 times. The City's staff will monitor the municipal bond market for opportunities to obtain interest savings by refunding outstanding debt. As a general rule, the present value savings of a particular refunding should exceed 3% of the refunded maturities. Although bond insurance will be used when it provides an economic savings for the City, this insurance has not been sufficient to exceed the City's credit ratings.

The City has traditionally issued tax-exempt debt which results in significant interest cost savings compared with the interest cost on taxable debt. However, in August 2010, under the American Recovery and Reinvestment Act, the City took advantage of the tax credit under the program and issued \$11.5 million of

Build America Bonds to finance its water and wastewater systems. Along with that bond issuance was \$3.7 million in tax-exempt bonds to retire \$1.5 million of Series 1994 bonds and to provide new money for the water and wastewater systems improvements. The City's underlying credit rating for the bond issue was AA-. Phase two of the borrowing for \$17.2 million tax-exempt bonds was completed in September 2012. The Series 2012 bonds consist of serial and term bonds with coupon rates ranging 3% ~ 3.875%. The Build America Bonds (BAB) Series 2010B bonds was negatively impacted by sequester federal legislation that reduced the interest funding subsidy on this series; however, its impact was less than \$20,000 for this fiscal year. The proceeds are being utilized to finance major utility projects including repairs and replacement of the aging water distribution system and reducing infiltration and inflow into the wastewater system. The City was able to achieve AA- rating for this issuance without the purchase of insurance. Recent rating agency updates during the fiscal year affirmed the stable continuation of the City's enterprise funds AA-rating.

In June, 2014, the City entered into a bank qualified loan agreement with STI Institutional & Government Inc., a division of SunTrust. The proceeds of the loan were used to refund the Florida Municipal Loan Council (FMLC) 2004A1 bond issue for infrastructure of the City's water and sewer system. The loan agreement was issued in the amount \$1,495,000 and provides for a 15-year term at a fixed rate of 2.88% with semi-annual interest payments (beginning January 2015) and annual principal payments (beginning July 2015). The refunding results in a 16% net present value savings of approximately \$240,000. The City's underlying credit rating for the bond issue was maintained at AA-.

As part of the refunding, the City also received proposals to finance the purchase of capital equipment later in the year to take advantage of the low-interest rate environment. On November 19, 2014 the City entered into a bank qualified loan agreement with US Bancorp Governmental Leasing and Finance, Inc. in the amount of \$1.251 million to provide funding for the purchase of three fire-rescue transport vehicles, one fire-rescue command vehicle, and two solid waste vehicles. The agreement provides for a 10-year term at a fixed rate of 2.392%, with annual interest and principal payments due beginning July 2015.

The business environment nationwide including the City itself has been through a turbulent time in recent years. The gradual recovery of housing market is being reflected in the values that households are experiencing. However, the City is still facing an unprecedented challenge due to property tax reform from the State legislature. 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, six Strategic Performance Areas (SPAs) have been identified:

- Financial stability and sustainability
- Infrastructure needs
- Protecting neighborhood safety and integrity
- Smart growth and redevelopment
- Maintaining parks, leisure facilities, and activities
- Focus on Oakland Park's image (added as part of FY 14 strategic plan update)

Each of these areas has its performance goals and key intended results. The actions taken by the City reflects progress toward these goals. In FY14, the City added one crime analyst position to increase its neighborhood protection. Downtown redevelopment is slowly, but surely, improving. Construction on the north anchor of the Culinary Arts District was completed in 2013 with the opening of a brewery and a city plaza. In 2014 the City was awarded a Broward Redevelopment Grant of up to \$1.1 million as part of a project to renovate, improve, and market another economic center, the Prospect Road-Andrews Avenue shopping center and parking lot ("The Plaza at Prospect and Andrews").

During a community dialogue for updating the FY14 strategic plan, it became evident that community appearance is an overarching issue that touches everyone that lives, works, plays, and visits the City of Oakland Park. A safe, clean, attractive City is a fundamental economic driver, as well as a source of pride for those who call Oakland Park home. The Oakland Park staff created a comprehensive two-year program, Proud Oakland Park (POP), endorsed by the Commission that engages staff and the community in the implementation of 100 business plan initiatives that provide a framework to maintain, improve, and regulate the appearance of our main corridors, city facilities, properties, and private property. The FY14 budget included approximately \$1.4 million in expenditures related to this program, such as increased code enforcement resources, enhanced parks security, expanded and increased outreach efforts, new recreation programming, and other activities.

In addition, the City continues implementing major changes in its information technology system. The City Commission approved a four-phase strategic plan modifying the manner in which the City will handle its technological requirements into the future. The four phases are to (1) eliminate the single point of network infrastructure failure, (2) eliminate in-house email systems, (3) move software applications from in-house servers to industrial strength data centers (4) identify a new enterprise resource plan (ERP) that can be provided to the City in a Software-as-a-Service (SaaS) model. Phases 1 and 2 were completed and phase 3 has significantly reduced the number of in-house hardware servers. The migration to industrial strength data centers will continue through the next fiscal year. In phase 4, the City identified the SaaS provider for the City's ERP system, completed contract negotiations, and began the implementation of the system. The financial and accounting function implementation including the general ledger, project ledger, accounts payable and other functionality was completed at the end of 2013, followed by payroll, human resources, and cashing system in 2014. Conversion to the new ERP utility billing system is nearing completion. After the implementation of the utility billing module, the only other major module to be implemented is for permitting and developmental services.

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, 2013. 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 in the United States 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

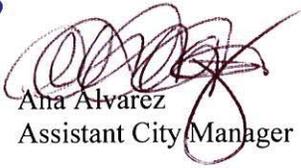
The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Financial Services Department and the City's audit firm, BCA Watson Rice LLP. We express our appreciation to them for their support in planning, conducting and attesting 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,



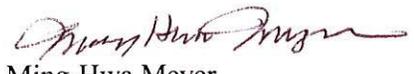
David Hebert
City Manager



Ana Alvarez
Assistant City Manager

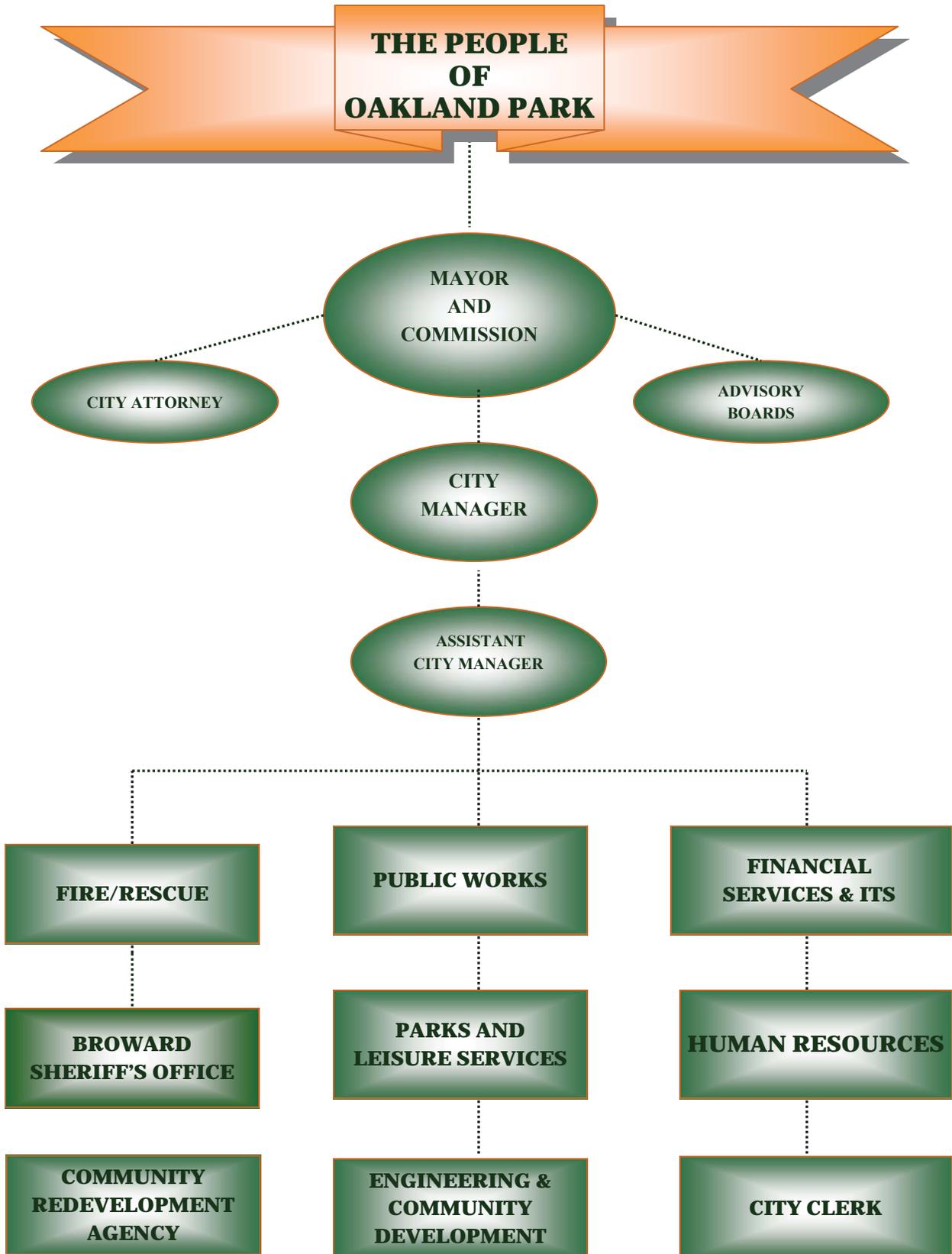


Horace McHugh
Assistant City Manager
Interim Director of Financial &
Information Technology Services



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, 2014

CITY COMMISSION

SHARI L. MCCARTNEY

Mayor

JEDIDIAH SHANK

Vice Mayor

TIM LONERGAN

Commissioner

SARA GUEVREKIAN

Commissioner

JOHN ADORNATO, III

Commissioner

CITY MANAGER

David Hebert

ASSISTANT CITY MANAGER

Horace McHugh

FINANCIAL SERVICES & ITS DIRECTOR

William F. Underwood, II

CITY ATTORNEY

Donald J. Doody

HUMAN RESOURCES DIRECTOR

Lynn Gervasi

POLICE CHIEF - BSO

Al Hubrig

PUBLIC WORKS DIRECTOR

Kenneth Resor

FIRE CHIEF

Don Widing

ENGINEERING AND COMMUNITY DEVELOPMENT DIRECTOR

Harris Hamid

CITY CLERK

Renee Shrout

PARKS & LEISURE SERVICES DIRECTOR

Amy Flaherty

COMMUNITY & ECONOMIC DEVELOPMENT DIRECTOR

Raymond Lubomski



Government Finance Officers Association

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

Presented to

**City of Oakland Park
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2013

Executive Director/CEO



OUR VISION

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

OUR MISSION

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

OUR VALUES

Our actions are guided by the following principles:

RESPECT

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

INTEGRITY

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

SERVICE

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

EXCELLENCE

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

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oakland Park, Florida, (the "City") as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City of Oakland Park's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Pension Trust Funds for the Police and Firefighters' Pension Plan, which statements represent 60%, 61%, and 55%, respectively, of the assets, net position and revenues of the aggregate remaining fund information. Those financial statements were audited by other auditors whose report have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Pension Trust Funds for Police and Firefighters' Pension Plan, is based solely on the reports of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oakland Park, Florida, as of September 30, 2014, and the respective changes in its financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that supplementary information, such as the *management's discussion and analysis* on pages 4 through 18 and *budgetary comparison information* on pages 66 through 71 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying other supplementary information, such as the *combining and individual nonmajor fund financial statements and other information such as the introductory and statistical sections* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The *combining and individual nonmajor fund financial statements* are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information have been subjected to the auditing procedures applied in the audit of the basic 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 basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the

other auditors. In our opinion, the *combining and individual nonmajor fund financial statements* are fairly stated in all material respects in relation to the basic financial statements as a whole.

The accompanying *introductory and statistical sections* are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 7, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Fort Lauderdale, Florida
April 7, 2015

BCA Watson Rice LLP



MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the City of Oakland Park has included this section in the Comprehensive Annual Financial Report (CAFR) in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 34. It is intended to provide readers of this report with a general overview of the financial activities of the City during fiscal year 2014. 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, 2014:

- The assets plus deferred outflows of resources of the City of Oakland Park exceeded its liabilities plus deferred inflows of resources at the close of the most recent fiscal year by \$165.7 million, an overall net increase of \$3.9 million compared to a year ago. Of this total net position amount, \$30.2 million (unrestricted net position) may be used to meet the ongoing obligations to citizens.
- The City's \$40.9 million in revenues for governmental activities exceeded the \$38.6 million in expenses, generated a \$2.3 million increase in net position. The increase is attributable to the increase in program revenues in governmental activities and various tax revenues except the communication services tax.
- The business-type activities for the City recognized \$26.5 million in revenue against \$24.4 million in expenses that resulted in a \$2.1 million increase in net position. The result is \$2.3 million less than a year ago mainly due to the combined effect of \$1.8 million in lower solid waste assessments and \$1.9 million higher expenses in the Water and Sewer operation.
- The General Fund's revenues exceeded expenditures by \$2.9 million before transfers. With net \$2.8 million transferred out to other funds, a net increase of \$106,867 flowed into the fund balance.
- At the end of the current year, fund balance for the General Fund was \$16.1 million, or 37.8% of total General Fund expenditures and other financing uses. Of this balance, \$2.1 million was either non-spendable or restricted due to the amounts reserved for inventory, prepaid costs, advances to other funds and other specified purposes and \$2.1 million was assigned for subsequent year's budget. The remaining \$12 million was unassigned and available for new spending.

FINANCIAL HIGHLIGHTS (CONTINUED)

- The CRA fund's expenditures exceeded its revenues by \$863 thousand. The shortfall was due capital expenditure reimbursement not yet received from Broward county redevelopment capital program for various downtown improvements. The funds were covered by temporary loan from the General fund. The CRA funding is supplemented annually by transfers from the General fund.

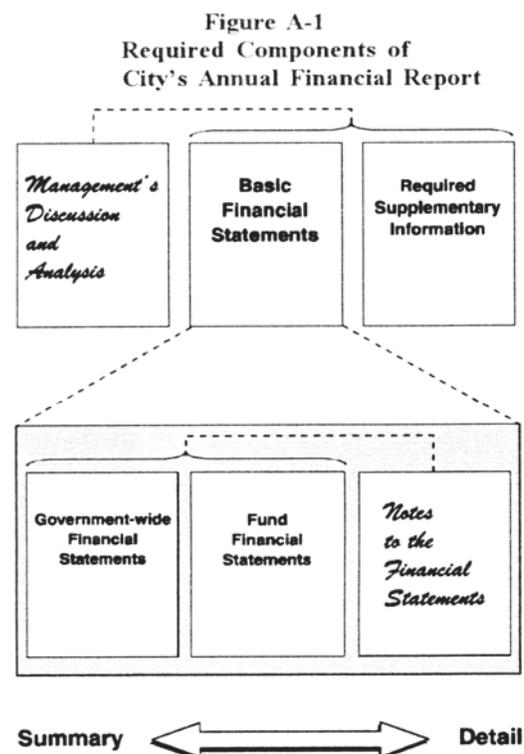
OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts—*management's discussion and analysis* (this section), the *basic financial statements and the notes to the 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.



OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

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

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

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

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

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

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

Proprietary funds: The City maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer, solid waste and stormwater operations.

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

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

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

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30 to 65 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 66 to 71 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 72 to 75 of this report.

Our analysis of the financial statements of the City begins below. The Statement of Net Position and the Statement of Activities report information about the City's activities that will help answer questions about the position of the City. Both fiscal years 2013 and 2014 are presented for comparison purposes.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position:

As noted earlier, net position may serve as a useful indicator over time of a government's financial position. The table below summarizes Oakland Park's net position for fiscal year 2014 and fiscal year 2013:

City of Oakland Park, Florida						
Net Position						
(In Thousands)						
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 20,979	\$ 20,575	\$ 41,105	\$ 44,096	\$ 62,084	\$ 64,671
Capital assets	85,111	83,826	87,722	83,039	172,833	166,865
Total assets	106,090	104,401	128,827	127,135	234,917	231,536
Deferred outflows of resources	85	90	134	142	219	232
Long-term liabilities	19,442	19,750	41,673	42,011	61,115	61,761
Other liabilities	3,091	3,379	5,185	4,804	8,276	8,183
Total liabilities	22,533	23,129	46,858	46,815	69,391	69,944
Net Position:						
Net investment in capital assets	67,984	66,685	65,115	62,753	133,099	129,438
Restricted	2,487	684	-	-	2,487	684
Unrestricted	13,171	13,993	16,988	17,709	30,159	31,702
Total net position	\$ 83,642	\$ 81,362	\$ 82,103	\$ 80,462	\$ 165,745	\$ 161,824

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

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

The City's combined net position were \$165.7 million for fiscal year 2014; \$83.6 million for governmental activities and \$82.1 million for business-type activities. This represents a \$3.9 million increase over fiscal year 2013 net position which is an improvement in overall financial position of 2.4%. The increase in net position as a result of operations was attributed to both the governmental and the business-type activities.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Statement of Net Position: (continued)

The largest portion of the net position reflects its investment in capital assets such as lands, buildings, equipment and infrastructure. For fiscal year 2014, the net position in this category for governmental activities is 81.3% while business-type activities is 79.3%. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. It should be noted that the resources needed to repay the debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the net position, \$2.5 million, or 2.9% represents resources for governmental activities that are not spendable or subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position*, \$30.1 million, may be used to meet the government's ongoing obligations to citizens and creditors.

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

Statement of Activities:

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

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

Other factors that may impact the expenses are presented below:

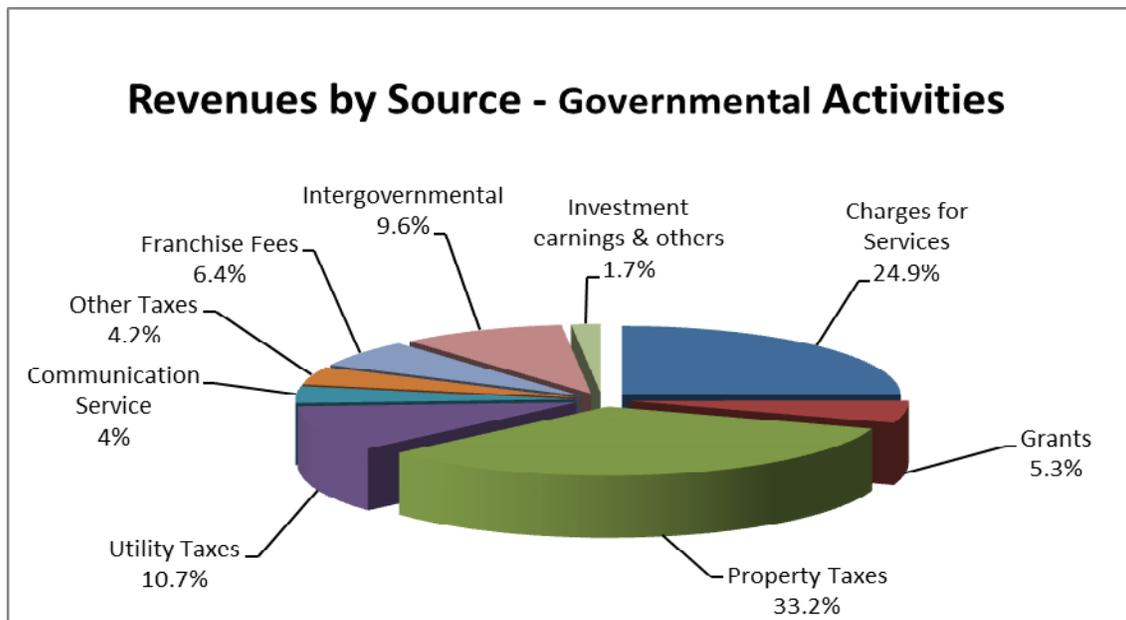
- 1) ***Introduction of new programs or increase in the City's boundary*** can have a substantial impact on property, non-ad valorem assessments, sales, gas, or other tax revenues as well as consumer spending habits for building permits, user fees and consumption.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Statement of Activities: (continued)

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

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



As shown above, there are two primary contributors to governmental revenues (exclusive of transfers), property taxes and charges for services. For fiscal year 2014, property taxes, at \$13.6 million, represent 33.2% of revenues while charges for services, at \$10.2 million, comprise 24.9% of revenues. The continuing improvement in property value and the economy attributed to the increase in taxes and building permits. Other major sources of revenues that have shown moderate increases in fiscal year 2014 include \$4.4 million from utility taxes, \$2.6 million from franchise fees, \$3.9 million from intergovernmental revenues and \$1.7 million in other taxes, totaling \$12.6 million that represent 30.9% 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 2014 compared to fiscal year 2013, with the resulting change in net position:

City of Oakland Park, Florida						
Changes in Net Position (in Thousands)						
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 10,169	\$ 8,987	\$ 25,310	\$ 26,858	\$ 35,479	\$ 35,845
Operating grants/contributions	45	105	225	764	270	869
Capital grants/contributions	2,141	1,356	938	196	3,079	1,552
General revenues						
Property taxes	13,566	12,831	-	-	13,566	12,831
Franchise fees	2,632	2,424	-	-	2,632	2,424
Utility taxes	4,364	4,060	-	-	4,364	4,060
Communication Service taxes	1,637	1,803	-	-	1,637	1,803
Other taxes	1,707	1,675	-	-	1,707	1,675
Intergovernmental	3,907	3,714	-	-	3,907	3,714
Investment earnings	22	50	55	96	77	146
Miscellaneous revenue	666	368	-	-	666	368
Total revenues	40,856	37,373	26,528	27,914	67,384	65,287
Expenses:						
General government	469	337	-	-	469	337
Public safety	23,437	21,923	-	-	23,437	21,923
Public works	5,034	4,651	-	-	5,034	4,651
Water & Sewer	-	-	15,904	14,035	15,904	14,035
Solid Waste	-	-	5,498	6,320	5,498	6,320
Stormwater	-	-	2,978	3,151	2,978	3,151
Engineering & Community development	3,188	3,601	-	-	3,188	3,601
Culture/recreation	5,892	5,373	-	-	5,892	5,373
Interest on long-term debt	556	532	-	-	556	532
Total expenses	38,576	36,417	24,380	23,506	62,956	59,923
Increase in net position before transfers	2,280	956	2,148	4,408	4,428	5,364
Transfers	-	-	-	-	-	-
Increase in net position	2,280	956	2,148	4,408	4,428	5,364
Net position beginning of year, as previously reported	81,362	-	80,462	-	161,824	-
Prior period adjustment	-	-	(507)	-	(507)	-
Net position, beginning of year, as adjusted	81,362	80,406	79,955	76,054	161,317	156,460
Net position, end of year	\$ 83,642	\$ 81,362	\$ 82,103	\$ 80,462	\$ 165,745	\$ 161,824

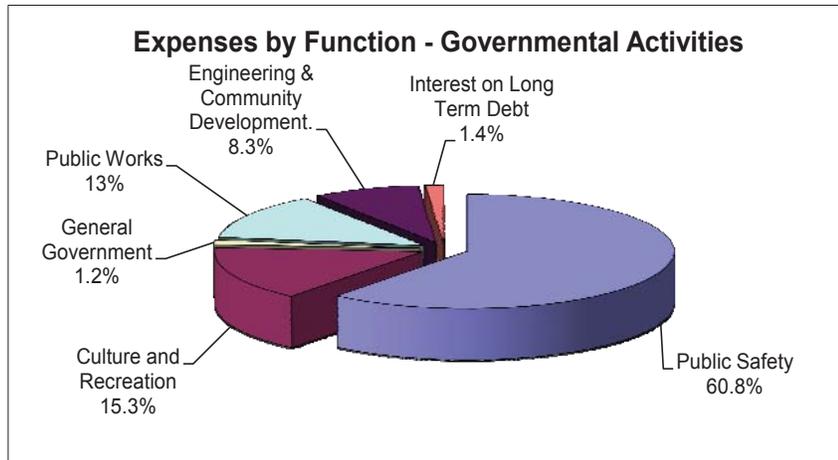
In governmental activities, when compared with fiscal year 2013, an overall increase of \$3.5 million in total revenue was achieved. Property tax increased by \$0.7 million reflects the effect of stabilized and improved property value. Capital grants increased by \$0.8 million due to substantial completion of Park Lane East road improvement project.

Utility tax increased by \$0.3 million due to higher electricity consumption and increased water rate. Charges for services grew by \$1.2 million due to a rise in ambulance fees and increasing activities in building permits and plan reviews. Intergovernmental revenues increased by \$0.3 million due to improved consumer spending. Capital contributions increased by \$0.9 million due to increase in construction activities. Investment earnings decreased a little due to continuing low interest rate environment. Miscellaneous revenue increased by \$0.3 million, of which \$0.2 million was due to the rebates from procurement card usage and a one-time refund of \$0.1 million from the dissolution of the Southeast Risk Management Association.

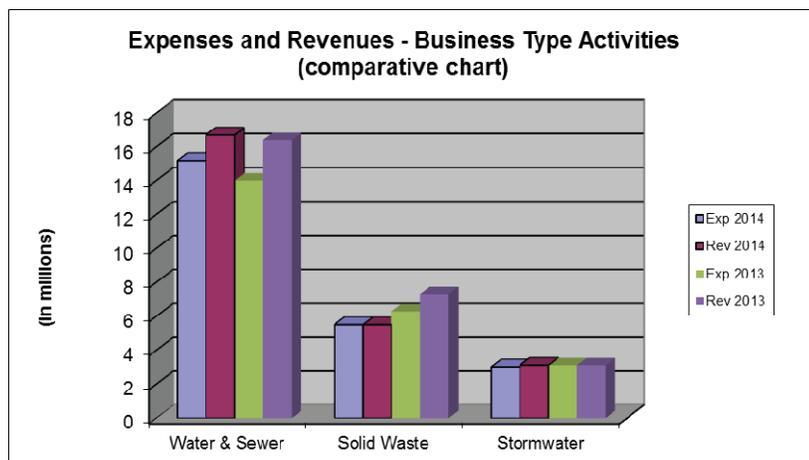
GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Statement of Activities: (continued)

During 2014, total expenditures in governmental activities increased by \$2.2 million while a smaller increase of \$0.9 million was seen in business-type activities. The main increases were in public safety, public works and parks and leisure activities. 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 \$23.4 million, public safety costs represent 60.8% of total governmental expenses.



Revenue earned by business-type activities is primarily concentrated in one source, charges for services, \$25.3 million. This figure represents the fees charged for each of the City's enterprise funds, \$16.6 million for Water and Sewer, \$5.5 million for Solid Waste and \$3.1 million for Stormwater. In business-type activities, operating revenues decreased by \$1.4 million from a year ago. Solid Waste fund operating revenue decreased by \$1.8 million or 24.1%, due to lower residential assessment rate and a shift to increasing recycling effort. Moderate increase was reflected in the Water and Sewer Fund due to normal increase as the result of pass-through cost and rate adjustments. Stormwater fund revenue decreased slightly but appears stable.



GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Statement of Activities: (continued)

For business-type expenses, the \$24.4 million represents \$15.8 million for Water and Sewer, \$5.6 million for Solid Waste and \$3 million for Stormwater, compared to \$23.5 million in total expenses the previous year. The expenses increased slightly by \$0.9 million when compared to the prior year due to overall rising operating costs and an unexpected final billing for sewer treatment. However, Solid Waste fund experienced a decrease in operating cost due to the reduction in disposal costs.

The City's net position increased by \$2.3 million for the governmental activities was attributable to the recovery in the housing market and the improved economic condition. The change in net position in business activities is \$2.1 million despite the reduction in revenues and increase in operating expenses.

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 \$16.7 million, with the General Fund representing \$16.1 million of which \$1.9 million is non-spendable, \$0.1 million is restricted and \$2.1 million is assigned for the subsequent year's budget, leaving \$12 million in unassigned fund balance which is available for any purpose.

Included in this year's total change in fund balance for the General Fund is a \$2.9 million excess of revenues over expenditures before transfers. The result is \$0.6 million more than prior year. The increase was a combination of improved property value, ambulance fees and other taxes. After the \$2.8 million net transfer out to the CRA and the non-major funds, mainly services the debt and funding capital improvement, a positive of \$0.1 million flowed through to fund balance.

Expenditures at \$39.6 million were below the final approved budget of \$41 million as the City staff continues to curtail operational spending. Please refer to the General Fund Budget Highlights section below for further information.

The CRA Fund expenditures exceeded its revenues and other financing sources by \$0.9 million. Of the total expenditure of \$0.9 million, a sum of \$0.3 million was spent on Jaco park improvement. Intergovernmental loan will be utilized to fund the projects. This fund's operation has been supplemented annually by General Fund transfers.

The fund balance in the non-major governmental funds decreased \$0.1 million from \$2.4 million to \$2.3 million. The outflow of \$0.4 million was mainly due to transfer out to fund program expenditures.

GOVERNMENT FUNDS' FINANCIAL ANALYSIS (CONTINUED)

The City's proprietary funds are presented in more detail in the fund statements but represent the same activities reflected in the business-type activities noted above. For fiscal year 2014, a combined \$82.1 million net position balance was reported, of which \$17 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 \$11.5 million.

Net position for the proprietary funds increased a combined \$2.1 million resulted from a combination of increases in water and sewer fees and in operating and capital grants.

GENERAL FUND BUDGETARY HIGHLIGHTS

The adopted budget for the 2013/2014 fiscal year (FY 14) reflected modest improvement in the economy, such as an increase in building permits issued and the first expansion of the property tax base since 2008. The City continued to strive for cost containment while minimizing fee increases. In preparation for the 2014 fiscal year the City hosted a number of strategic planning sessions to chart the future course of the jurisdiction. The result of these planning sessions was the creation of an ambitious, \$1.4 million business plan for FY 14 to enhance community appearance entitled "Proud Oakland Park," or "POP" for short. In addition the various POP expenses, major expenditures for FY 14 includes a \$0.9 million increase in the cost of police services through the Broward County Sheriff's Office, the implementation of the City's new enterprise resource planning (ERP) system, a large increase in the General Fund's transfers to the CIP and CRA, and the addition of five full-time and two part-time positions. City Commission actions to mitigate the extent of the imbalance between revenues and expenditures in FY 14 included increasing revenues by raising the City's millage rate and decreasing various proposed expenditures.

The FY14 adopted revenue budget (including planned utilization of fund balance and transfers in) was increased by \$3.2 million to \$43.5 million when compared to the FY 13 actual revenue budget of \$40.3 million (no fund balance utilization). When excluding the use of fund balance, transfers in, and the receipt of a \$0.7 million loan in FY 13, the adjusted change would have reflected a \$0.7 million increase instead. The increase in revenue is attributable to the 1.4 percent increase in the millage rate from 6.3142 to 6.3995 mills, which generated \$0.7 million in additional revenue. FY 14 marks an increase in the City's property tax base, although the City has lost well over a third of its property tax base since the peak of the market in 2008. The increase in the millage rate was considered needed to provide sufficient funding for the increased cost of the contract with the Sheriff's Office. Increased revenues were anticipated from building permits, charges for service, code enforcement fines, and intergovernmental revenues. Decreases were expected in the Communication Services Tax, Electric Franchise Fee, and Utility Taxes.

The City Commission made revisions to the original appropriations throughout the year. The General Fund budget was amended during the year to account for rollovers related to prior year encumbrances and to account for additional funding for unforeseen staffing and expenditure changes. The amended budget was increased by \$645,697 (1.48 percent) to \$44.1 million from the originally approved budget of \$43.5 million, including transfers. This increase was related to FY13 encumbered purchase orders rolled over to FY14, an increase in the transfer from the General Fund to the CIP, and increased transfers into the General Fund from special revenue funds. Other amendments made towards the end of the year moved expenditures between departments to ensure proper budgetary control.

GOVERNMENT FUNDS' FINANCIAL ANALYSIS (CONTINUED)

GENERAL FUND BUDGETARY HIGHLIGHTS (Continued)

Revenue performance compared to the amended budget was highly favorable. Actual revenue was \$42.5 million, up \$1.3 million from the amended budget, a variance of 4.19 percent. This increase is primarily attributable to stronger-than-anticipated electric and water utility tax collection (higher usage), franchise fee payments, a significant increase in licenses and permits processed, and growth in intergovernmental revenues (primarily state revenue sharing). In addition, the City experienced a major increase in code enforcement fine and lien settlement payments. Miscellaneous revenues were higher than anticipated due to final dissolution the Southeast Risk Management Association which resulted in the reimbursement of \$140,494 that had been paid into the Association. These favorable results all suggest an improvement in the state, regional, and local economies when compared to the weaknesses of prior years.

All but two departments/divisions had positive variances with their expenditures when compared to amended budget; overall, expenditures were \$1.4 million more favorable to the amended budget, a total variance of 3.4 percent. The largest favorable variance (\$0.2 million) for any single division was experienced by the Information Technology Services Division. This division's variance is primarily attributable to the decision not to implement the enterprise resource planning system's work order and developmental services modules, which resulted in decreased implementation and annual license costs. There were also personal savings as a part-time Special Projects Coordinator position was left vacant and ultimately eliminated, in addition to a lower than expected utilization of contracted IT support and development services. The combined favorable variance of the Public Works Department's Streets and Building Maintenance divisions was \$0.3, the majority of which was encumbered before the end of FY 14 for ongoing projects (street resurfacing, library restroom renovations, repairs to Fire Station 87, etc.) that will be completed in FY 15. The Parks & Recreation Division had a favorable variance of somewhat below \$0.2 million. This variance is attributable to capital machinery savings, lower than anticipated tennis pro commission expenses, and lower than anticipated costs for vehicle purchases. The City Clerk's Office also experienced meaningful savings of \$0.1 million due to major savings within their printing and promotional activities accounts, related to lower than anticipated costs for the City's monthly newsletter and semi-annual report. The Building & Permitting Division had a favorable variance of \$0.1 million due to a vacant permitting technician position and a reduced use of the contracted building inspection services with the County. The City Manager's Office had an insignificant overage of \$86 in personal services. The City Attorney's budget had an unfavorable variance of \$26,159 due to increased legal activity.

The combined \$1.7 million increase in revenues and \$1.4 million decrease in expenditures over the amended budget resulted in a positive net change in fund balance of \$106,867 for FY 14. This stands in contrast to the budgeted use of \$3.1 million dollars. It should be noted that \$244,932 in encumbrances entered in FY 14 were moved to FY 15 and utilize fund balance as the offsetting revenue. If these expenditures were made in FY 14 as originally intended, there would have been a negative net change in fund balance of \$138,065.

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, 2014 increased by \$5.9 million to \$172.8 million compared to \$166.9 million from the previous year.

Completed capital projects total \$8.5 million which included the construction of Park Lane East roadway improvement, NE 12th Avenue street end and outdoor plaza, Jaco park parking, lighting and landscaping, west of I-95 and north of Oakland Park Boulevard water and sewer main upgrade, several lift station rehabilitation and various traffic calming installation. Construction in progress includes various water, sewer and drainage system improvements in the central, north, south and the Lloyd Estates residential and industrial areas. Capital projects under construction increased by \$0.8 million to \$10.5 million.

The City's capital assets net for its governmental and business-type activities for fiscal year 2014 and fiscal year 2013 is detailed below:

City of Oakland Park, Florida						
Capital assets						
(Net of Depreciation)						
(In thousands)						
	Governmental Activities		Business-type Activities		Total	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Land and easements	\$ 15,461	\$ 15,461	\$ 436	\$ 58	\$ 15,897	\$ 15,519
Construction in progress	3,761	2,643	6,752	7,041	10,513	9,684
Intangible - software	3	16	7	11	10	27
Buildings	12,127	12,487	87	98	12,214	12,585
Improvements other than buildings	13,634	14,225	-	-	13,634	14,225
Machinery and equipment	3,143	3,867	2,609	2,131	5,752	5,998
Infrastructure	36,982	35,126	77,830	73,699	114,812	108,825
Total	<u>\$ 85,111</u>	<u>\$ 83,825</u>	<u>\$ 87,721</u>	<u>\$ 83,038</u>	<u>\$ 172,832</u>	<u>\$ 166,863</u>

The City's fiscal year 2014 capital budget provided \$19.8 million spending for capital projects with \$4.6 million slated for streetscapes, \$7.8 million for utility system improvements, \$7.3 million for stormwater system improvements and \$0.2 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 44.

CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)

Debt Administration:

At year-end the City had \$58.5 million in outstanding debt compared to \$58.6 million last year, as noted in the following chart:

City of Oakland Park, Florida Outstanding Debt (In thousands)						
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Loans payable	\$ 6,880	\$ 6,435	\$ 5,608	\$ 5,604	\$ 12,488	\$ 12,039
Revenue bonds	9,737	10,016	35,494	35,483	45,231	45,499
Capital lease payable	595	690	190	411	785	1,101
Total	<u>\$ 17,212</u>	<u>\$ 17,141</u>	<u>\$ 41,292</u>	<u>\$ 41,498</u>	<u>\$ 58,504</u>	<u>\$ 58,639</u>

Net increase in governmental activities debt was \$0.1 million due to additional RCP loan for downtown improvement. Net decrease in business type activities was \$0.2 million due to principal payments on the debt.

More detailed information about the City's liabilities is presented in Note 7, Leases, and Note 8, Long-term debt, beginning on page 46 of the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATIOS

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

The FY 15 General Fund budget reflected modest improvement in the economy, such as an increase in building permits and the first major expansion of the property tax base since 2008. Based on the certified taxable value prepared by the Broward County Property Appraiser, Oakland Park experienced the fifth highest property tax base growth (8.36 percent) among all municipalities within Broward County. The City was also well above the countywide growth rate of 7.24 percent. Despite this good news, it should still be noted that since 2007 the City's General Fund has experienced a 21% reduction in revenues from property tax and a reduction of roughly a third in full-time staff. Although growth in the property tax base is heartening and validates the City's policy direction, the road to recovery is long and the City continues to be fiscally conservative by striving for cost containment while minimizing fee and tax increases.

The FY 15 Budget development continued in the vein of FY 14. Major emphasis continues to be placed on two elements: aggressive efforts related to business attraction, redevelopment, and capital improvement, and; the implementation of the second year of the “Proud Oakland Park” initiative, with an emphasis on community appearance and image.

The adopted FY 15 General Fund budget of \$45.7 million, including the use of assigned fund balance, represents a \$1.5 million or 3.55 percent increase from the final FY 14 budget of \$44.2 million. For FY 15, the amount appropriated that is assigned for anticipated budget shortfall using available fund balance was \$1.8 million for the General Fund, a decrease of \$1.3 million (42 percent) compared to the final FY 14 budget. In compliance with the City’s adopted fiscal policies, the use of unassigned fund balance is restricted to one-time expenditures. The FY15 revenue budget was increased by \$1.6 million to \$45.7 million when compared to FY14 amended budget of \$44.1 million, including planned utilization of available fund balance, debt proceeds, and transfers in from other funds. When excluding these other sources, the adjusted change would have reflected a \$2.2 million increase instead. A major component in this increase is attributed to the growth in the City’s property tax base. This growth allowed the City to reduce the millage rate from 6.3995 to 6.2744 mills while still generating additional property tax revenue of \$0.7 million compared to FY 14’s amended budget. Growth in other taxes was largely considered to be favorable, with utility tax proceeds expected to increase by roughly 5 percent, an additional \$0.2 million. Increased building permit activity is expected to generate an additional \$0.2 million, an increase of roughly 20 percent. The Municipal Revenue Estimates provided by the State’s Office of Economic & Demographic Research incorporated into the FY 15 adopted budget were almost 8 percent higher (\$0.3 million) than those used for FY 14, which is further evidence of strengthening economy. Most other revenue sources were relatively constant, although with notable decreases in certain accounts, such the Communication Services Tax.

When compared to the FY 14 amended budget, most departmental budgets in FY 15 were increased. Major increases in FY 14 include a \$0.6 million increase in the Police Services department to reflect annual growth in the contract costs with the Broward Sheriff’s Office. The Fire-Rescue budget increased by \$0.6 million, but this increase represents the purchase of three rescue trucks and one command vehicle. Parks & Recreation Division expenses were increased by \$0.4 million which reflects the purchase of two vehicles, the replacement of an existing playground, capital machinery, previously deferred repairs, and the addition of two net new positions. Public Works costs include \$0.1 million for roof repairs and \$0.3 million for road resurfacing projects and the installation of additional speed tables. General increases among all departments include \$0.2 million for additional staffing, a \$0.2 million increase in health insurance, and \$0.5 million in POP-related expenditures. The most significant offsetting decrease in expenditures was for the Information Technology Services division, which was decreased by slightly less than \$3.0 million. This decrease reflects the elimination of a vacant position, savings from the discontinuation of legacy programs made redundant by the City’s new ERP system, the allocation of communication services costs among the City’s many divisions, and savings related to the migration to cloud-based storage.

REQUESTS FOR INFORMATION

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



BASIC FINANCIAL STATEMENTS

CITY OF OAKLAND PARK, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2014

	<u>Governmental</u> <u>Activities</u>	<u>Business Type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 17,043,690	\$ 14,956,521	\$ 32,000,211
Accounts receivable - net	3,400,037	2,288,103	5,688,140
Inventories	74,129	166,910	241,039
Prepays	137,841	195,619	333,460
Other assets	10,926	-	10,926
Restricted assets:			
Cash and cash equivalents	166,632	23,497,673	23,664,305
Net pension assets	145,473	-	145,473
Capital assets not being depreciated	19,222,423	7,188,241	26,410,664
Capital assets being depreciated, net	<u>65,889,173</u>	<u>80,533,707</u>	<u>146,422,880</u>
Total assets	<u>106,090,324</u>	<u>128,826,774</u>	<u>234,917,098</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	<u>84,943</u>	<u>134,251</u>	<u>219,194</u>
Total deferred outflows of resources	<u>84,943</u>	<u>134,251</u>	<u>219,194</u>
LIABILITIES			
Accounts payable and accrued expenses	1,836,362	3,589,717	5,426,079
Customer deposits	6,509	1,315,131	1,321,640
Accrued interest payable	220,629	223,977	444,606
Unearned revenues	463,692	7,839	471,531
Other liabilities	563,514	47,904	611,418
Noncurrent liabilities:			
Due within one year	685,013	1,168,277	1,853,290
Due in more than one year:			
Bonds and notes payables	16,527,053	40,123,698	56,650,751
Compensated absences	1,102,930	218,230	1,321,160
Net pension obligation	387,422	-	387,422
Net OPEB obligation	<u>740,000</u>	<u>162,999</u>	<u>902,999</u>
Total liabilities	<u>22,533,124</u>	<u>46,857,772</u>	<u>69,390,896</u>
NET POSITION			
Net investment in capital assets	67,984,473	65,115,434	133,099,907
Restricted - non expendable	1,938,817	-	1,938,817
Restricted for:			
Public safety	364,737	-	364,737
Library	30,031	-	30,031
Parks and recreation	18,949	-	18,949
Other purposes	134,634	-	134,634
Unrestricted	<u>13,170,502</u>	<u>16,987,819</u>	<u>30,158,321</u>
Total net position	<u>\$ 83,642,143</u>	<u>\$ 82,103,253</u>	<u>\$ 165,745,396</u>

See notes to basic financial statements.

CITY OF OAKLAND PARK, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014

	Major Funds			
	General	Special Revenue Oakland Park CRA	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 14,780,052	\$ -	\$ 449,984	\$ 15,230,036
Accounts receivable - net	1,565,498	2,684	1,831,855	3,400,037
Due from other funds	642,962	-	-	642,962
Inventories	74,129	-	-	74,129
Prepayments	137,841	-	-	137,841
Other assets	10,926	-	-	10,926
Advance to other funds	1,083,886	-	-	1,083,886
Temporarily restricted assets:				
Cash and cash equivalents	135,401	11	1,844,873	1,980,285
Total assets	\$ 18,430,695	\$ 2,695	\$ 4,126,712	\$ 22,560,102
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,533,199	\$ 42,363	\$ 260,799	\$ 1,836,361
Due to other funds	-	642,962	-	642,962
Compensated absences	183,033	-	-	183,033
Other liabilities	138,884	6,000	-	144,884
Unearned revenues	431,515	-	32,177	463,692
Advance from other funds	-	1,083,886	-	1,083,886
Total liabilities	2,286,631	1,775,211	292,976	4,354,818
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	1,522,847	1,522,847
Total deferred inflows of resources	-	-	1,522,847	1,522,847
Fund balances:				
Nonspendable:				
Inventories	74,128	-	-	74,128
Prepaid costs	137,841	-	-	137,841
Interfund loan	1,726,848	-	-	1,726,848
Restricted for:				
Public safety	-	-	364,529	364,529
Library	-	-	30,031	30,031
Tree preservation	-	-	5,787	5,787
Fire station facility	-	-	208	208
Park development	-	-	18,950	18,950
Education	128,846	-	-	128,846
Assigned to:				
Capital projects	-	-	1,861,862	1,861,862
Debt service	-	-	11,516	11,516
Parks and recreation	-	-	18,006	18,006
Subsequent year's budget	2,089,753	-	-	2,089,753
Unassigned	11,986,648	(1,772,516)	-	10,214,132
Total fund balances	16,144,064	(1,772,516)	2,310,889	16,682,437
Total liabilities, deferred inflows of resources and fund balances	\$ 18,430,695	\$ 2,695	\$ 4,126,712	\$ 22,560,102

See notes to basic financial statements.

CITY OF OAKLAND PARK, FLORIDA
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014

Fund balances - total governmental funds (Page 23) \$ 16,682,437

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

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

Governmental capital assets	116,352,550
Less accumulated depreciation	(31,240,954)

Net pension assets from P&F pension fund	145,473
Net pension obligation from GEPP pension fund	(387,422)
Net OPEB obligation	(740,000)

Accrued bond interest payable not reported in the governmental funds	(220,629)
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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	(17,212,066)
Deferred charges to be amortized over the life of bonds	84,943
	(17,127,123)

Compensated absences	(1,345,036)
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The statement of net position 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	1,522,847
	1,522,847

Net position of governmental activities (Page 19) \$ 83,642,143

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, 2014

	<u>Major Funds</u>			
	<u>General</u>	<u>Special Revenue Oakland Park CRA</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES:				
Taxes:				
Property	\$ 13,566,402	\$ -	\$ -	\$ 13,566,402
Franchise fees	2,631,913	-	-	2,631,913
Utility taxes	4,364,202	-	-	4,364,202
Communications service taxes	1,636,716	-	-	1,636,716
Other taxes	1,735,031	-	-	1,735,031
Licenses and permits	1,417,179	-	458,700	1,875,879
Intergovernmental	3,879,122	-	-	3,879,122
Charges for services	11,806,480	-	-	11,806,480
Fines and forfeitures	858,802	-	69,321	928,123
Investment earnings (loss)	20,477	47	1,882	22,406
Grants	17,847	-	1,206,185	1,224,032
Other	619,379	68,174	-	687,553
Total revenues	<u>42,553,550</u>	<u>68,221</u>	<u>1,736,088</u>	<u>44,357,859</u>
EXPENDITURES:				
Current:				
General government	4,885,134	-	-	4,885,134
Public safety	23,066,104	-	-	23,066,104
Public works	3,572,735	-	-	3,572,735
Engineering and community development	2,567,579	586,652	-	3,154,231
Culture and recreation	5,111,799	-	20,755	5,132,554
Debt service:				
Principal	-	-	659,454	659,454
Interest	-	-	523,291	523,291
Capital outlay	422,387	344,101	3,595,642	4,362,130
Total expenditures	<u>39,625,738</u>	<u>930,753</u>	<u>4,799,142</u>	<u>45,355,633</u>
Excess (deficiency) of revenues over expenditures	2,927,812	(862,532)	(3,063,054)	(997,774)
OTHER FINANCING SOURCES (USES):				
Loan proceeds	-	603,280	-	603,280
Transfers in	261,721	1,126,079	3,765,687	5,153,487
Transfers out	(3,082,666)	(1,255,000)	(815,821)	(5,153,487)
Total other financing sources (uses)	<u>(2,820,945)</u>	<u>474,359</u>	<u>2,949,866</u>	<u>603,280</u>
Net change in fund balances	106,867	(388,173)	(113,188)	(394,494)
Fund balances, beginning	<u>16,037,197</u>	<u>(1,384,343)</u>	<u>2,424,077</u>	<u>17,076,931</u>
Fund balances, ending	<u>\$ 16,144,064</u>	<u>\$ (1,772,516)</u>	<u>\$ 2,310,889</u>	<u>\$ 16,682,437</u>

See notes to basic financial statements.

CITY OF OAKLAND PARK, FLORIDA
RECONCILIATION OF THE CHANGE IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Amounts reported for governmental activities in the statement of activities (Page 20) are different because:

Net change in fund balances - total governmental funds (page 23)	\$ (394,494)
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.</p>	
Expenditures for capital outlays	4,362,130
Less current depreciation	(3,054,621)
The net effect of various transactions involving capital assets	(21,654)
<p>The proceeds from debt provide 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 bond 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	(603,280)
Principal payments of bonds/notes payable	659,454
Amortization of deferred charges	(42,303)
<p>Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported in the governmental funds. These activities consist of:</p>	
Net decrease in compensated absences	62,964
Net decrease in accrued interest payable	9,884
Net decrease in pension obligation	271,347
Net increase in OPEB obligation	(35,000)
Some revenues reported in the statement of activities do not provide current financial resources and are not reported as revenues in the funds.	1,522,847
Some revenues reported in the fund statements are revenues of prior periods and are not reported as revenues in the statement of activities.	<u>(457,539)</u>
Change in net position of governmental activities (Page 20)	<u>\$ 2,279,736</u>

See notes to basic financial statements.

CITY OF OAKLAND PARK, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2014

	<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	\$ 10,257,068	\$ 2,950,864	\$ 1,748,589	\$ 14,956,521
Accounts receivable, net	1,628,866	418,027	241,210	2,288,103
Inventories	166,910	-	-	166,910
Prepayments	132,703	156	62,761	195,620
Total current assets	<u>12,185,547</u>	<u>3,369,047</u>	<u>2,052,560</u>	<u>17,607,154</u>
Noncurrent assets:				
Restricted cash and cash equivalents	19,603,475	280,241	3,613,956	23,497,673
Capital assets:				
Land	50,500	-	385,482	435,982
Buildings	440,600	-	92,394	532,994
Machinery and equipment	1,865,271	2,622,511	437,571	4,925,353
Infrastructure	52,574,132	-	50,782,129	103,356,261
Intangible assets	13,275	-	2,171	15,446
Construction in progress	4,204,778	-	2,547,480	6,752,258
Total capital assets	59,148,556	2,622,511	54,247,227	116,018,293
Less: accum. depreciation/amortization	<u>(18,774,647)</u>	<u>(1,203,921)</u>	<u>(8,317,778)</u>	<u>(28,296,346)</u>
Total capital assets, net	40,373,909	1,418,590	45,929,449	87,721,948
Total noncurrent assets	<u>59,977,384</u>	<u>1,698,831</u>	<u>49,543,405</u>	<u>111,219,620</u>
Total assets	<u>72,162,931</u>	<u>5,067,878</u>	<u>51,595,965</u>	<u>128,826,774</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	9,410	-	124,841	134,251
Total deferred outflows of resources	<u>9,410</u>	<u>-</u>	<u>124,841</u>	<u>134,251</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	2,807,954	364,243	417,520	3,589,717
Accrued interest payable	124,112	346	99,519	223,977
Compensated absences	14,434	21,173	12,297	47,904
Customer deposits	1,034,279	280,302	550	1,315,131
Unearned revenues	7,839	-	-	7,839
Current portion of bonds/loans payable	680,000	189,588	298,689	1,168,277
Total current liabilities	<u>4,668,618</u>	<u>855,652</u>	<u>828,575</u>	<u>6,352,846</u>
Noncurrent liabilities:				
Compensated absences	65,754	96,455	56,021	218,230
Revenue bonds payable	31,015,565	-	9,108,133	40,123,698
Net OPEB obligation	56,569	68,074	38,356	162,999
Total noncurrent liabilities	<u>31,137,888</u>	<u>164,529</u>	<u>9,202,510</u>	<u>40,504,927</u>
Total liabilities	<u>35,806,506</u>	<u>1,020,181</u>	<u>10,031,085</u>	<u>46,857,771</u>
NET POSITION				
Net investment in capital assets	24,877,663	1,229,002	39,008,769	65,115,434
Unrestricted	11,488,172	2,818,695	2,680,952	16,987,819
Total net position	<u>\$ 36,365,835</u>	<u>\$ 4,047,697</u>	<u>\$ 41,689,721</u>	<u>\$ 82,103,253</u>

See notes to basic financial statements.

CITY OF OAKLAND PARK, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<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)	\$ 9,452,438	\$ -	\$ -	\$ 9,452,438
Sewer fees (pledged)	7,130,007	-	-	7,130,007
Residential solid waste service	-	2,136,509	-	2,136,509
Commercial solid waste service	-	3,112,482	-	3,112,482
Other charges for services	15,282	3,180	-	18,462
Stormwater fees (pledged)	-	-	3,063,730	3,063,730
Other revenues	86,639	292,120	17,348	396,107
Total operating revenues	<u>16,684,366</u>	<u>5,544,291</u>	<u>3,081,078</u>	<u>25,309,735</u>
Operating expenses:				
Water system operation	5,753,005	-	-	5,753,005
Sewer system operation	5,127,802	-	-	5,127,802
Administrative support	1,964,508	1,740,260	715,122	4,419,890
Solid waste operation	-	3,529,827	-	3,529,827
Stormwater system operation	-	-	1,042,460	1,042,460
Depreciation/amortization	858,394	218,786	832,548	1,909,728
Total operating expenses	<u>13,703,709</u>	<u>5,488,873</u>	<u>2,590,130</u>	<u>21,782,712</u>
Operating income	<u>2,980,657</u>	<u>55,418</u>	<u>490,948</u>	<u>3,527,023</u>
Non-operating revenues (expenses)				
Investment earnings	42,540	4,751	8,539	55,830
Interest and fiscal charges	(1,519,918)	(8,866)	(388,031)	(1,916,815)
Grants and contributions	(455,033)	-	-	(455,033)
Total non-operating revenues (expenses)	<u>(1,932,411)</u>	<u>(4,115)</u>	<u>(379,492)</u>	<u>(2,316,018)</u>
Income before contributions	1,048,246	51,303	111,456	1,211,005
Capital contributions	-	-	937,730	937,730
Changes in net position	1,048,246	51,303	1,049,186	2,148,735
Net position, beginning	35,699,490	3,996,394	40,765,839	80,461,723
Prior period adjustment	(381,901)	-	(125,304)	(507,205)
Net position, as adjusted	<u>35,317,589</u>	<u>3,996,394</u>	<u>40,640,535</u>	<u>79,954,518</u>
Net position, end of year	<u>\$ 36,365,835</u>	<u>\$ 4,047,697</u>	<u>\$ 41,689,721</u>	<u>\$ 82,103,253</u>

See notes to basic financial statements.

CITY OF OAKLAND PARK, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Business-type Activities - Enterprise Funds</u>			
	<u>Water and Sewer</u>	<u>Solid Waste</u>	<u>Stormwater</u>	<u>Total</u>
Cash flows from operating activities:				
Cash received from customers	\$ 16,887,688	\$ 5,569,100	\$ 3,059,600	\$ 25,516,389
Cash paid to suppliers	(9,438,635)	(1,592,787)	19,495	(11,011,927)
Cash paid to employees	(1,581,173)	(1,766,426)	(888,978)	(4,236,578)
Cash paid for interfund services used	(1,964,508)	(1,740,260)	(715,122)	(4,419,890)
Net cash provided by operating activities	<u>3,903,372</u>	<u>469,627</u>	<u>1,474,994</u>	<u>5,847,993</u>
Cash flows from noncapital financing activities:				
Grants available for operating purpose	224,966	-	-	224,966
Net cash provided by noncapital financing activities	<u>224,966</u>	<u>-</u>	<u>-</u>	<u>224,966</u>
Cash flows from capital and related financing activities:				
Acquisition/construction of capital assets	(3,606,787)	(633,964)	(2,351,903)	(6,592,655)
Capital grants and contributions	(680,000)	-	937,730	257,730
Principal paid on bonds/loans payable	(22,570)	(221,365)	37,977	(205,959)
Interest paid on capital debt	(1,919,864)	(9,271)	(641,222)	(2,570,357)
Net cash provided by (used in) capital and related financing activities	<u>(6,229,222)</u>	<u>(864,600)</u>	<u>(2,017,419)</u>	<u>(9,111,241)</u>
Cash flows from investing activities:				
Interest on investments	42,540	4,751	8,539	55,829
Net cash provided by investing activities	<u>42,540</u>	<u>4,751</u>	<u>8,539</u>	<u>55,829</u>
Net increase(decrease) in pooled cash and cash equivalents	(2,058,345)	(390,222)	(533,885)	(2,982,453)
Pooled cash and cash equivalents, beginning	31,918,888	3,621,327	5,896,430	41,436,645
Pooled cash and cash equivalents, ending	<u>\$ 29,860,543</u>	<u>\$ 3,231,105</u>	<u>\$ 5,362,545</u>	<u>\$ 38,454,192</u>
Displayed as:				
Unrestricted	\$ 10,257,068	\$ 2,950,864	\$ 1,748,589	\$ 14,956,521
Restricted	19,603,475	280,241	3,613,956	23,497,672
Total, September 30	<u>\$ 29,860,543</u>	<u>\$ 3,231,105</u>	<u>\$ 5,362,545</u>	<u>\$ 38,454,193</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 2,980,657	\$ 55,418	\$ 490,948	\$ 3,527,023
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	858,394	218,786	832,548	1,909,728
Change in assets and liabilities:				
(Increase) decrease in accounts receivables	172,804	33,499	(22,028)	184,275
(Increase) decrease in inventories	15,232	(156)	-	15,076
(Increase) decrease in other assets	(132,703)	-	(57,761)	(190,464)
Increase (decrease) in accounts payable and accrued liabilities	(28,321)	171,711	226,439	369,829
Increase (decrease) in accrued liabilities	-	-	-	-
Decrease in due to other funds	-	-	-	-
Increase in deferred revenue	-	(15,000)	-	(15,000)
Increase in customers' deposits	30,517	6,310	550	37,377
Increase in net OPEB obligation	3,459	3,584	1,956	9,000
Increase (decrease) in compensated absences	3,330	(4,525)	2,342	1,148
Net cash provided by operating activities	<u>\$ 3,903,371</u>	<u>\$ 469,627</u>	<u>\$ 1,474,994</u>	<u>\$ 5,847,992</u>

See notes to basic financial statements.

CITY OF OAKLAND PARK, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2014

	<u>Pension Trust Funds</u>
Assets	
Cash and short-term investments	\$ <u>898,859</u>
Receivables:	
Contributions	821,558
Accounts	216,208
Accrued interest and dividends	<u>113,462</u>
Total receivables	<u>1,151,228</u>
Investments, at fair value:	
U.S. Government and agency securities	12,372,174
Corporate bonds and notes	4,491,514
Mutual funds	40,737,211
Common stocks	24,394,586
International equity commingled fund	<u>9,265,316</u>
Total investments	<u>91,260,801</u>
Prepayments	<u>4,554</u>
Total assets	<u>93,315,442</u>
Liabilities	
Accounts payable and accrued expenses	159,355
Payable for securities purchased	<u>33,531</u>
Total liabilities	<u>192,886</u>
Net Position	
Net position restricted for pension benefits	<u>\$ 93,122,556</u>

See notes to basic financial statements.

CITY OF OAKLAND PARK, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

	<u>Pension Trust Funds</u>
Additions:	
Contributions:	
Plan members	\$ 404,467
City	4,097,033
State of Florida	650,357
Broward Sheriff's Office	<u>384,626</u>
Total contributions	<u>5,536,483</u>
Investment income:	
Investment earnings	2,222,282
Net appreciation in fair value of investments	<u>6,959,286</u>
Total	9,181,568
Less:	
Investment expenses	<u>(330,617)</u>
Net investment income	<u>8,850,951</u>
Misc. income:	<u>1,021</u>
Total additions	<u>14,388,455</u>
Deductions:	
Pension benefits paid	7,945,196
Contributions refunded	161,053
Administrative expenses	<u>176,133</u>
Total deductions	<u>8,282,382</u>
Change in net position	<u>6,106,073</u>
Net position, beginning	85,662,849
Adjustment	<u>1,353,634</u>
Net position, as adjusted	<u>87,016,483</u>
Net position, ending	<u>\$ 93,122,556</u>

See notes to basic financial statements.



NOTES TO BASIC FINANCIAL STATEMENTS

**CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

a. Reporting Entity

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

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

The City is financially accountable for a component unit if it appoints a voting majority of the organization's governing board and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City.

Blended Component Units

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting Entity (continued)

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

Discretely Presented Component Units

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

b. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. The effect of interfund activity has been substantially removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. One exception in the fiduciary fund type is an agency fund that cannot be said to have a measurement focus since it does not report equity. The City does not report any agency fund. For the economic resources measurement focus, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, utility taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

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

The City reports the following major governmental funds:

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

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

The City reports the following major proprietary funds:

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

d. *Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or 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, Deferred Outflows, Liabilities, Deferred inflows and Net Position or 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, Deferred Outflows, Liabilities, Deferred inflows and Net Position or 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, 2014 was 6.3995 mills (\$6.3995 per \$1,000 of taxable assessed valuation).

4. Inventories and Prepaid Costs

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

5. Restricted Assets

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

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

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

6. Capital Assets

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

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Assets, Deferred Outflows, Liabilities, Deferred inflows and Net Position or 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. Deferred Outflows of Resources

The statement of Net Position includes a separate section, listed below Total Assets, for Deferred Outflows of Resources. This represents the usage of net position applicable to future periods and will not be recognized as expenditures until the future period to which it applies. Currently, the only item in this category is Deferred Charge on Refunding reported on the Government-wide statement of Net Position. A deferred charge is the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or the refunding debt.

8. 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, 2014 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.

9. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond payable are reported net of the applicable premium or discount. These premiums and discounts are deferred and amortized over the life of the bonds using the straight line method. Bond issuance costs are expensed in the year they are incurred. In the fund financial statements, governmental fund types recognize bond proceeds, premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued and the premiums are 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Assets, Deferred Outflows, Liabilities, Deferred inflows and Net Position or Equity (continued)

10. Deferred Inflows of Resources

The Statement of Net Position includes a separate section, listed below Total Liabilities, for Deferred Inflows of Resources. This represents the acquisition of net position applicable to future periods and will not be recognized as revenue until the future period to which it applies. Currently, the only item in this category is Unavailable Revenue, which will be recognized as inflows of resources in the period that the amounts become available.

11. Net Position and Fund Balance

Net position is the result of assets and deferred outflows of resources, less liabilities and deferred inflows of resources. The net position of the government-wide and proprietary funds are categorized as net investment in capital assets, reduced by accumulated depreciation and any outstanding debt and related deferred outflows incurred to acquire, construct or improve those assets excluding unexpended bonds proceeds, restricted or unrestricted.

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

12. Fund Deficits

The CRA fund has an unassigned fund balance deficit of \$1,772,516 relative to funds expended eligible for Broward County Redevelopment Program (RCP) loan but not yet approved by Broward County. The deficit was covered by temporary loans from the General fund.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Assets, Deferred Outflows, Liabilities, Deferred inflows and Net Position or Equity (continued)

13. Minimum Fund Balance Policy

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

14. 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.

15. 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.

16. Restatement of Prior Year Balances

The October 1, 2013 beginning net position of the business-type activities was restated due to the implementation of GASB Statement 65:

Net position, October 1, 2013, previously stated	\$ 80,461,723
Restatement of net position due to GASB 65 implementation	(507,205)
Net position October 1, 2013, restated	<u>\$ 79,954,518</u>

NOTE 2. DEPOSITS AND INVESTMENTS

a. Cash and Cash Equivalents (continued)

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

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

In addition to insurance provided by the Federal Depository Insurance Corporation, cash deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, Florida Security for Public Deposits Act, the State Treasurer requires every qualified public depository to deposit with the Treasurer

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

a. *Cash and Cash Equivalents (continued)*

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 \$8,011,239 as of September 30, 2014. Bank balance before reconciling items were \$8,421,422 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.

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, 2014:

	<u>Total Value</u>	<u>Average Maturity</u>	<u>S&P Rating</u>
Florida Prime	\$ 46,394,166	40 days	AAAm

b. *Investments (continued)*

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

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

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

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

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

b. Investments (continued)

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

City of Oakland Park General Employees Pension Plan (GEPP)

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

Investments of the GEPP in common stocks, mutual funds, corporate bonds and government securities are valued at quoted market prices. Investments in money market funds are valued at cost. As of September 30, 2014, the following fixed income investments are held for GEPP:

	Fair Value	WAM Maturity	Fitch Rating
Broad Market High Quality Bonds	\$ 4,033,802	4.77 years	AA
Core Plus Fixed Income Fund	6,309,281	2.91 years	not rated
Total fixed income investment	<u>\$ 10,343,083</u>		

The GEPP's investment policy does not set a parameter on the duration of its fixed income securities. However, as of September 30, 2014, 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, 2014, the GEPP's fixed income investments quality rating is presented above.

Concentration of Credit Risk: The GEPP's investment policy places investment limitations and provides target allocations to its investment managers to limit credit risk due to concentration. As of September 30, 2014, other than mutual funds, the Plan does not currently hold any securities that exceed 5% of plan net position.

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

b. Investments (continued)

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

Foreign currency risk: This risk refers to the risk that fluctuations in currency exchange rate may affect transactions conducted in foreign currencies as well as the carrying value of foreign investments. The GEPP's investment policy limits the foreign investments to no more than 10.4% of its investment balance. The Plan has invested in international equity funds. As of September 30, 2014, the Plan's foreign investments were 9.7% of total investments.

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

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

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

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NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

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

b. Investments (continued)

Information about the sensitivity of the fair values of the RSP&F's investment to market interest rate fluctuations is provided by the following table that shows the distribution of the RSP&F's investment by maturity at September 30, 2014:

Investment Type	Investment Maturities (in years)				
	Fair Value	Less than 1	1 to 5	6 to 10	More than 10
U.S. treasuries	\$ 6,772,050	\$ -	\$ 2,792,510	\$ 1,698,077	\$ 2,281,463
U.S. agencies	5,600,124	-	-	2,832,955	2,767,169
Corporate bonds	4,491,514	-	1,504,038	2,987,476	-
Fixed income funds	1,308,479	-	-	1,308,479	-
Total fixed income securities	\$ 18,172,167	\$ -	\$ 4,296,548	\$ 8,826,987	\$ 5,048,632

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, 2014, as applicable:

	Fair Value	Percentage of Portfolio
U.S. government guaranteed*	\$ 12,372,174	68.08 %
Quality rating of credit risk debt securities		
AA+	453,969	2.50
AA-	198,992	1.10
A	601,097	3.31
A-	1,511,805	8.32
BBB+	405,132	2.23
BB	1,320,520	7.27
Not rated	1,308,478	7.20
Total credit risk debt securities	5,799,993	31.92
Total fixed income securities	\$ 18,172,167	100.00 %

*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, 2014.

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

NOTE 3. RECEIVABLES, PAYABLE AND ENCUMBRANCES

Accounts Receivable balances at September 30, 2014, 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	\$ 8,283,011	\$ 1,449,162	\$ 31,668	\$ (8,198,344)	\$1,565,497
CRA	2,684	-	-	-	2,684
Nonmajor	1,831,856	-	-	-	1,831,856
Total governmental activities	<u>\$ 10,117,551</u>	<u>\$ 1,449,162</u>	<u>\$ 31,668</u>	<u>\$ (8,198,344)</u>	<u>\$3,400,037</u>
Business-type Activities					
Water/Sewer	\$ 2,233,331	\$ -	\$ -	\$ (604,465)	\$1,628,866
Solid waste	834,559	-	-	(416,532)	418,027
Stormwater	362,605	-	132,258	(253,653)	241,210
Total business-type activities	<u>\$ 3,430,495</u>	<u>\$ -</u>	<u>\$ 132,258</u>	<u>\$ (1,274,650)</u>	<u>\$2,288,103</u>

Accounts Payable and Accrued Liabilities balances at September 30, 2014, were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Total</u>
Governmental Activities			
General Fund	\$ 992,213	\$ 540,986	\$ 1,533,199
CRA	37,511	4,852	42,363
Nonmajor and other funds	260,799	-	260,799
Total government activities	<u>\$ 1,290,523</u>	<u>\$ 545,838</u>	<u>\$ 1,836,361</u>
Business-type Activities			
Water and sewer	\$ 2,768,728	\$ 39,225	\$ 2,807,954
Solid waste	322,381	41,862	364,243
Stormwater	396,352	21,168	417,520
Total business-type activities	<u>\$ 3,487,462</u>	<u>\$ 102,255</u>	<u>\$ 3,589,717</u>

Encumbrances

Purchase orders are issued throughout the fiscal year to encumber budgets in the governmental funds. Significant encumbrances as of September 30, 2014 are as follows:

Major funds:	
General Fund	\$ 250,183
CRA	409,746
Total major funds	<u>659,929</u>
Non major governmental funds	<u>1,362,084</u>
Total Encumbrances	<u>\$ 2,022,013</u>

NOTE 4. CAPITAL ASSETS

The following is a summary of changes in capital assets for the fiscal year ended September 30, 2014:

	<u>Balance</u> <u>Oct. 1, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>Sept. 30, 2014</u>
Governmental activities:				
Capital assets not being depreciated:				
Land and Easements	\$ 15,461,124	\$ -	\$ -	\$ 15,461,124
Construction in progress	2,642,877	4,150,445	(3,032,023)	3,761,299
Total assets not being depreciated	<u>18,104,001</u>	<u>4,150,445</u>	<u>(3,032,023)</u>	<u>19,222,423</u>
Capital assets being depreciated/amortized:				
Intangible-software	214,471	-	-	214,471
Buildings	16,489,195	-	-	16,489,195
Improv other than buildings	20,566,947	387,180	-	20,954,127
Machinery & equipment	13,475,661	211,686	(1,308,914)	12,378,433
Infrastructure	44,449,059	2,644,842	-	47,093,901
Total capital assets being depreciated	<u>95,195,333</u>	<u>3,243,708</u>	<u>(1,308,914)</u>	<u>97,130,127</u>
Less accumulated depreciation/amortization for:				
Intangible-software	(198,016)	(13,344)	-	(211,360)
Buildings	(4,001,805)	(360,475)	-	(4,362,280)
Improv other than buildings	(6,342,224)	(978,209)	-	(7,320,433)
Machinery & equipment	(9,608,735)	(913,903)	1,287,259	(9,235,379)
Infrastructure	(9,322,812)	(788,690)	-	(10,111,502)
Total accumulated depreciation	<u>(29,473,592)</u>	<u>(3,054,621)</u>	<u>1,287,259</u>	<u>(31,240,954)</u>
Total capital assets being depreciated, net	<u>65,721,741</u>	<u>189,087</u>	<u>(21,655)</u>	<u>65,889,173</u>
Governmental activities capital assets, net	<u>\$ 83,825,742</u>	<u>\$ 4,339,532</u>	<u>\$ (3,053,678)</u>	<u>\$ 85,111,596</u>
	<u>Balance</u> <u>Oct. 1, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>Sept. 30, 2014</u>
Business type activities:				
Capital assets not being depreciated:				
Land	\$ 58,099	\$ 377,883	\$ -	\$ 435,982
Construction in progress	7,040,962	5,741,902	(6,030,606)	6,752,258
Total capital assets not being depreciated	<u>7,099,061</u>	<u>6,119,785</u>	<u>(6,030,606)</u>	<u>7,188,240</u>
Capital assets being depreciated/amortized:				
Intangible-software	15,446	-	-	15,446
Buildings	532,994	-	-	532,994
Machinery & equipment	4,530,552	878,368	(483,567)	4,925,353
Infrastructure	97,703,539	5,652,722	-	103,356,261
Total capital assets being depreciated	<u>102,782,531</u>	<u>6,531,090</u>	<u>(483,567)</u>	<u>108,830,054</u>
Less accumulated depreciation/amortization for:				
Intangible-software	(4,051)	(3,885)	-	(7,936)
Buildings	(434,962)	(10,660)	-	(445,622)
Machinery & equipment	(2,399,210)	(373,100)	455,952	(2,316,358)
Infrastructure	(24,004,347)	(1,522,083)	-	(25,526,430)
Total accumulated depreciation	<u>(26,842,570)</u>	<u>(1,909,728)</u>	<u>455,952</u>	<u>(28,296,346)</u>
Total capital assets being depreciated, net	<u>75,939,961</u>	<u>4,621,362</u>	<u>(27,615)</u>	<u>80,533,708</u>
Business type activities capital assets, net	<u>\$ 83,039,022</u>	<u>\$ 10,741,147</u>	<u>\$ (6,058,221)</u>	<u>\$ 87,721,948</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	\$ 153,677
Public safety	395,593
Public works	1,533,508
Engineering & Community development	32,575
Parks and Leisure Services	939,268
Total depreciation expense - governmental activities	<u>\$ 3,054,621</u>
Business-type Activities:	
Water and sewer	\$ 858,394
Solid waste	218,786
Stormwater	832,548
Total depreciation expense - business activities	<u>\$ 1,909,728</u>

NOTE 5. INTERFUND BALANCES AND TRANSFERS

Interfund balances at September 30, 2014 consisted of the following:

	<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
Due to/from	General Fund	Special Revenue Fund	\$ 642,962	provide interim resources
Advance to/from	General Fund	Special Revenue Fund	1,083,886	provide interim resources
Total			<u>\$ 1,726,848</u>	

Interfund transfers for the year ended September 30, 2014, consisted of the following:

	<u>Transfer out</u>				<u>Purpose</u>
	<u>General Fund</u>	CRA	Nonmajor Funds	<u>Total</u>	
Transfer In:					
General Fund	\$ -	\$ -	\$ 261,721	\$ 261,721	program expenditure
CRA	1,126,079	-	-	1,126,079	budget/capital expenditure
Nonmajor governmental	1,956,587	1,255,000	554,100	3,765,687	debt/capital expenditure
	<u>\$ 3,082,666</u>	<u>\$ 1,255,000</u>	<u>\$ 815,821</u>	<u>\$ 5,153,487</u>	

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NOTE 6. RESTRICTED ASSETS

General Fund: The City agreed to reserve certain amount for the transferred police officers to the Broward Sheriff's Office (BSO) as accrued leave obligation in the agreement dated August 1, 2000. At September 30, 2014, the reserve balance is \$131,130.

Non-major Governmental Funds: Restricted assets consist of \$1,813,653 for the Capital Projects Fund and \$31,220 for Park Improvement at September 30, 2014.

Water and Sewer Fund: Restricted assets of the Water and Sewer Fund consist of the following balances at September 30, 2014:

Customer Deposits	\$ 972,909
Renewal and Replacement Reserve	850,676
Bond proceeds for Construction	17,779,890
	<hr/>
	\$ 19,603,475
	<hr/>

Solid Waste Fund: Restricted Assets of the Solid Waste Fund consists of \$280,241 at September 30, 2014 which is for customer deposits and temporarily restricted cash.

Stormwater Fund: Restricted assets of the Stormwater Fund at September 30, 2014 consist of \$3,613,956 of bond proceeds that can only be spent for construction projects and temporarily restricted cash.

NOTE 7. LEASES

Capital Leases

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

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

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NOTE 7. LEASES (Continued)

Capital Leases (continued)

The following is a schedule of the future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of September 30, 2014:

Year ending September 30:	Governmental Activities	Buesiness-Type Activities
2015	\$ 106,221	\$ 192,196
2016	106,221	-
2017	106,221	-
2018	106,221	-
2019	106,221	-
2020	97,369	-
Total minimum lease payments	628,474	192,196
Less: amount representing interest	(33,258)	(2,608)
Present value of minimum lease payments	<u>\$ 595,216</u>	<u>\$ 189,588</u>

The assets acquired through the capital lease are as follows:

	Governmental Activities	Buesiness-Type Activities
Asset:		
Machinery and Equipment	\$ 700,557	\$ 1,069,878
Less: Accumulated Depreciation	(94,867)	(628,957)
Net	<u>\$ 605,690</u>	<u>\$ 440,921</u>

NOTE 8. LONG-TERM DEBT

Revenue Bonds

a. Water and Sewer Revenue Bonds, Series 2010

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

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

NOTE 8. LONG-TERM DEBT (Continued)

Revenue Bonds (continued)

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

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

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

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

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

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

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

NOTE 8. LONG-TERM DEBT (Continued)

Revenue Bonds (continued)

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

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

Annual principal and interest payments on the bonds are expected to require less than 20% of net revenues. Total principal and interest remaining to be paid after interest subsidy on the bonds is \$22,185,108. Principal and interest paid for the current year were \$1,049,356. Total customer net revenues for current year were \$5,803,559.

The following table reflects the debt service requirements of the Water and Sewer Revenue Bonds, Series 2010 as of September 30, 2014:

Fiscal Year ending September 30:	2010A		2010B			Total Payment after est. subsidy
	Principal	Interest	Principal	Interest	Est. Subsidy	
2015	\$ 310,000	\$ 66,025	\$ -	\$ 692,631	\$ 242,421	\$ 826,235
2016	325,000	59,438	-	692,631	242,421	834,648
2017	335,000	51,719	-	692,631	242,421	836,929
2018	345,000	42,506	-	692,631	242,421	837,716
2019	355,000	32,156	-	692,631	242,421	837,366
2020-2024	545,000	48,063	1,665,000	3,330,151	1,165,553	4,422,661
2025-2029	50,000	2,000	2,455,000	2,736,354	957,724	4,285,630
2030-2034	-	-	2,970,000	1,938,277	678,397	4,229,880
2035-2039	-	-	3,610,000	947,647	331,676	4,225,970
2040	-	-	815,000	50,880	17,808	848,072
	<u>\$ 2,265,000</u>	<u>\$ 301,906</u>	<u>\$ 11,515,000</u>	<u>\$ 12,466,465</u>	<u>\$ 4,363,263</u>	<u>\$ 22,185,108</u>

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NOTE 8. LONG-TERM DEBT (Continued)

Revenue Bonds (continued)

b. 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 \$9,129,138. Principal and interest paid for the current year were \$339,000. Total customer net revenues for current year were \$2,038,618.

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NOTE 8. LONG-TERM DEBT (Continued)

Revenue Bonds (continued)

b. 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, 2014:

<u>Fiscal Year ending</u> <u>September 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 120,000	\$ 216,600	\$ 336,600
2016	125,000	213,600	338,600
2017	125,000	210,475	335,475
2018	130,000	206,725	336,725
2019	135,000	202,825	337,825
2020-2024	750,000	949,238	1,699,238
2025-2029	885,000	807,325	1,692,325
2030-2034	1,080,000	604,200	1,684,200
2035-2039	1,350,000	338,750	1,688,750
2040-2041	635,000	44,400	679,400
	<u>\$ 5,335,000</u>	<u>\$ 3,794,138</u>	<u>\$ 9,129,138</u>

c. 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)

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

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

Annual principal and interest payments on the bonds are expected to require less than 15% of net revenues. Total principal and interest remaining to be paid on the bonds is \$28,284,150. Principal and interest paid for the current year were \$906,925. Total customer net revenues for current year were \$5,803,559.

The following table reflects the debt service requirements of the Water and Sewer Revenue Bonds, Series 2012 as of September 30, 2014:

<u>Fiscal Year ending</u> <u>September 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 290,000	\$ 597,925	\$ 887,925
2016	290,000	589,225	879,225
2017	300,000	580,525	880,525
2018	305,000	571,525	876,525
2019	315,000	562,375	877,375
2020-2024	1,535,000	2,672,175	4,207,175
2025-2029	2,155,000	2,394,575	4,549,575
2030-2034	2,915,000	1,963,913	4,878,913
2035-2039	3,880,000	1,356,663	5,236,663
2040-2042	4,615,000	395,250	5,010,250
	<u>\$ 16,600,000</u>	<u>\$ 11,684,150</u>	<u>\$ 28,284,150</u>

d. Defeased Debt

In June 2014, the City issued a \$1,495,000 Note dated June 26, 2014 for the purpose of refunding the Florida Municipal Loan Council loan dated July 1, 2004. An amount of \$1,415,603 was placed with an escrow agent on July 3, 2014 to pay off the 2004 outstanding loan and interest. As a result, the 2004 loan is considered defeased and its liability has been removed from the City's balance sheet. The refunding generated a net benefit of \$468,147 in cash flows savings and \$260,134 in economic gain.

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. Broward County Redevelopment Capital Program – loan V and VI

In March 2014, the City and the Oakland Park Community Redevelopment Agency (CRA) entered into two loan agreements and promissory notes, loan V and VI, with Broward County Redevelopment Capital Program in the amount of \$338,130 and \$65,150, respectively. The loans were used for the demolition and parking improvement of previously acquired properties located in the downtown area.

The loans have similar terms as previous four loans and 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. The term may be up to 15 years after the five-year interest free period. The first payment including interest and principal will be due on March 31, 2020.

e. Broward County Redevelopment Capital Program – loan VII

In August 2014, 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 \$200,000. The loans were used for the demolition and site improvement of an acquired properties located in the downtown area.

The loans have similar terms as previous loans and 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. The term may be up to 15 years after the five-year interest free period. The first payment including interest and principal will be due on August 31, 2020.

f. 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.

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NOTE 8. LONG-TERM DEBT (Continued)

Bank and intergovernment loans (continued)

f. Wachovia – Series 2007 Term Loan (continued)

<u>Fiscal Year ending</u> <u>September 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 165,924	\$ 136,417	\$ 302,341
2016	173,341	128,835	302,175
2017	181,089	120,913	302,002
2018	189,184	112,637	301,821
2019	197,640	103,992	301,632
2019-2023	1,128,888	376,129	1,505,017
2024-2028	1,098,732	100,910	1,199,642
			-
	<u>\$ 3,134,798</u>	<u>\$ 1,079,833</u>	<u>\$ 4,214,631</u>

g. 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, 2014:

<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>
2015	\$ 422,957	\$ 352,445	\$ 178,689	\$ 148,899
2016	435,566	336,563	184,016	142,189
2017	454,661	320,094	192,083	135,232
2018	469,532	302,996	198,366	128,008
2019	485,850	285,321	205,260	120,541
2020-2024	2,719,351	1,137,508	1,148,858	480,569
2025-2029	3,269,457	584,866	1,381,264	247,091
2030-2031	1,479,655	55,242	625,118	23,338
	<u>\$ 9,737,029</u>	<u>\$ 3,375,035</u>	<u>\$ 4,113,653</u>	<u>\$ 1,425,868</u>

NOTE 8. LONG-TERM DEBT (Continued)

Bank and intergovernment loans (continued)

h. SunTrust–2014 Term Loan

In June 2014, the City entered into a loan with SunTrust and issued a 15 year promissory note for \$1,495,000 at 2.88% interest to refund the balance of Florida Municipal Loan Council (FMLC) Revenue bonds, Series 2004A. The outstanding balance of the FMLC loan \$1,445,000 was retired on July 3, 2014. The new loan principal payments are due on July 1st of each year with interest payments due on July 1st and January 1st. The final principal payment is due on July 1, 2029. 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 SunTrust term loan 2014 as of September 30, 2014:

<u>Fiscal Year ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>September 30:</u>			
2015	\$ 80,000	\$ 43,654	\$ 123,654
2016	85,000	40,752	125,752
2017	85,000	38,304	123,304
2018	90,000	35,856	125,856
2019	90,000	33,264	123,264
2020-2024	495,000	125,568	620,568
2025-2029	570,000	49,968	619,968
	<u>\$ 1,495,000</u>	<u>\$ 367,366</u>	<u>\$ 1,862,366</u>

Long-term liability activity for the year ended September 30, 2014 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 2013	\$ 689,606	\$ -	\$ (94,390)	\$ 595,216	\$ 96,132
Note payable 2007	3,293,623	-	(158,825)	3,134,798	165,924
BB&T Refunding bonds 2010	10,143,268	-	(406,239)	9,737,029	422,957
CRA RCP loan	3,141,743	603,280	-	3,745,023	-
Less: deferred amount	(127,246)		127,246	-	-
Total bonds and notes payable	17,140,994	603,280	(532,208)	17,212,066	685,013
Other Liabilities:					
Compensated absences	1,408,000	931,978	(994,942)	1,345,036	425,138
Governmental activity long-term Liabilities	\$ 18,548,994	\$ 1,535,258	\$ (1,527,150)	\$ 18,557,102	\$ 1,110,151
Business Activities:					
Bonds and Notes payable:					
ST loan 2014	\$ -	\$ 1,495,000	\$ -	\$ 1,495,000	\$ 80,000
FLMC 2004	1,490,000	-	(1,490,000)	-	-
Capital lease 2010	410,953	-	(221,365)	189,588	189,588
Revenue Refunding 2010	14,065,000	-	(285,000)	13,780,000	310,000
BB&T Refunding bonds 2010	4,285,279	-	(171,626)	4,113,653	178,689
Stormwater Bond Series 2011	5,455,000	-	(120,000)	5,335,000	120,000
Water & Sewer Bonds Series 2012	16,900,000	-	(300,000)	16,600,000	290,000
Less: deferred amount	(1,108,300)		887,034	(221,266)	-
Total bonds and notes payable	41,497,932	1,495,000	(1,700,957)	41,291,975	1,168,277
Other liabilities:					
Compensated absences	264,986	215,030	(213,882)	266,134	47,904
Business-type activity long-term Liabilities	\$ 41,762,918	\$ 1,710,030	\$ (1,914,839)	\$ 41,558,109	\$ 1,216,181

NOTE 9. EMPLOYEE RETIREMENT PLANS

Summary of Significant Accounting Policies

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

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

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

NOTE 9. EMPLOYEE RETIREMENT PLANS (Continued)

b. Funding Policy and Funded Status

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

Employees of the City must participate in the Plan appropriate to their positions. There were no employee contributions to the General Employees' Pension Plan prior to July 2009. In June 2009, City Commission passed a resolution requiring GEPP plan participants to contribute 4% of their base wages. The contribution rates for the collective bargaining units are set in their bargaining unit agreements. The GEPP plan was frozen as of September 30, 2011. All active participants were moved to a 401(a) plan which required the participants to contribute 3%. Participants of the Retirement System for Police and Firefighters (RSP&F) were required to contribute 10% if the participant is within 7 years of the normal retirement date on March 1, 2013, otherwise the contribution rate is 8%, same as the participants who are hired on or after March 1, 2013. The employer's annual required contributions for the current year were determined as part of the most recent actuarial valuations. Contribution requirements of the Plan members and the City are established and may be amended by City Ordinance. For fiscal year 2014, the City's required contributions to the General Employees' Pension Plan and the Retirement System for Police and Firefighters were set on fixed amounts at \$2,519,977 and \$2,058,127, respectively.

The funded status of the Plans as of October 1, 2014, 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	\$ 31,248	\$ 44,189	\$ 12,942	70.7%	\$ 4,547	285%
RSP&F	52,532	71,379	18,847	73.6%	4,144	455%

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.

NOTE 9. EMPLOYEE RETIREMENT PLANS (Continued)

b. Funding Policy and Funded Status (continued)

On July 1, 2013, 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 18.31% for senior management and 6.95% for regular employees up until June 30, 2014. Subsequently, the employer contribution rates were changed to 21.14% and 7.37% for each respective class. The City's contribution to the FRS amounted to \$88,196 for senior management class and \$224,730 for regular class employees for the year ended September 30, 2014, which represented 100% of the City's required contribution.

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

The contribution requirements of covered payroll and actual contributions made for fiscal year 2014 and the two preceding fiscal years for FRS and 401(a) plans were as follows:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contribution requirements	\$ 985,069	\$ 769,882	\$ 658,463
Contributions made by employer (100%)			
401 (a) Plan	\$ 406,443	\$ 340,139	\$ 294,946
FRS Plan	312,926	179,727	136,647
Contributions made by employees (100%)			
401 (a) Plan	157,006	163,950	147,473
FRS Plan	108,694	86,066	79,397
Total contributions made	<u>\$ 985,069</u>	<u>\$ 769,882</u>	<u>\$ 658,463</u>
Total covered payroll	\$ 8,998,837	\$ 8,333,867	\$ 7,568,309
Percentage of contribution to total covered payroll	10.95%	9.24%	8.70%

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, 2014, the most recent year actuarial report date were as follows:

	<u>General Employees</u>	<u>Police and Firefighters</u>
Annual required contribution	\$ 2,250,233	\$ 2,399,739
Interest on net pension asset	49,474	(11,308)
Adjustment to annual required contribution	(51,956)	11,746
Annual pension cost	2,247,751	2,400,177
Contribution made	(2,519,977)	(2,399,739)
(increase) decrease in NPA	(272,226)	438
Beginning of year balance	659,648	(145,911)
Net pension obligation (asset), end of year	<u>\$ 387,422</u>	<u>\$ (145,473)</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.

NOTE 9. EMPLOYEE RETIREMENT PLANS (Continued)

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, 2013 and using the aggregate cost method. The actuarial assumptions for the GEPP plan included (a) 7.5% investment rate of return, and (b) projected salary increases of 5% per year. The assumptions included an inflation component of 2.5%. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period. The unfunded actuarial accrued liability is being amortized as open period level dollar of projected payroll. The remaining amortization period is 30 years.

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>
2014	\$ 2,247,751	112%	\$ (387,422)
2013	2,535,994	110%	(659,648)
2012	2,819,621	102%	(922,999)

(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, 2013 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 \$264,507 and \$385,850 for police and fire 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>
2014	\$ 2,400,177	100%	\$ 145,473
2013	2,558,355	100%	145,911
2012	2,651,658	100%	146,350

NOTE 9. EMPLOYEE RETIREMENT PLANS (Continued)

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.

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, 2014, there were seven (7) 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 6.95% to the General Employee Plan. Provisions of the Plan may be amended by the City Commission. The Plans are administered by International City Management Association Retirement Corporation and the Florida Municipal Pension Trust Fund. The Plans are held in the trust funds for the exclusive benefit of the participants and their beneficiaries, consequently, the City has no fiduciary responsibility and, therefore, the net assets of the Plans are not included in the City's financial statements. For fiscal year 2014, the amount contributed by the city and the employees were \$406,443 and \$157,006, 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, 2014. The City currently contributes to the plan for executive management ranging from 1.2% to 14.5% of salaries. For fiscal year 2014, the amount contributed by the city was \$92,711.

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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 2014, seventeen retirees received the benefits. Annual cost amounted to \$105,000 for the current fiscal year, toward which the City made an implied contribution of \$60,000. At September 30, 2014, the City recorded a net OPEB obligation of \$740,000 for governmental activities and \$163,000 for business-type activities in its government-wide statement of net assets.

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

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

The unfunded actuarial accrued liability for benefits as of September 30, 2014 was \$956,000, 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, 2014:

	Governmental Activities	Business-type Activities	Total
Annual required contribution	\$ 143,000	\$ 30,000	\$ 173,000
Interest on net OPEB obligation	28,000	6,000	34,000
Adjustment to ARC	(84,000)	(18,000)	(102,000)
Annual OPEB cost	87,000	18,000	105,000
Employer Contribution	(51,000)	(9,000)	(60,000)
Interest on employer contribution	(1,000)	-	(1,000)
Increase in net OPEB obligation	35,000	9,000	44,000
Net OPEB obligation, beg. of year	705,000	154,000	859,000
Net OPEB obligation, end of year	\$ 740,000	\$ 163,000	\$ 903,000

NOTE 10. OTHER POST EMPLOYMENT BENEFITS (OPEB)

b. Annual OPEB Cost and Net OPEB Obligation (continued)

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

Year ended September 30	(A) Annual OPEB cost	Imputed Employer Contribution	(A) Percentage Contributed	Net OPEB asset (obligation)
2014	\$ 105,000	\$ 60,000	58%	\$ (903,000)
2013	106,000	60,000	58%	(859,000)
2012	222,000	69,000	32%	(814,000)

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

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

NOTE 11. RISK MANAGEMENT

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

NOTE 12. COMMITMENTS AND CONTINGENCIES

a. Contingencies

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

NOTE 12. COMMITMENTS AND CONTINGENCIES (Continued)

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 \$841,593 per month for the first year, plus actual fuel usage charged by the City. Annual future increases will be based on BSO's budgeted costs but in no event will the increase be more than 5% over the budgeted costs for the preceding year. BSO is obligated to reimburse the City for any staffing shortages. The City recorded expenses of \$13,447,434 under the contract for the fiscal year ended September 30, 2014.

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, 2014, 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, 2014, the City recorded expenses of \$892,014 and \$2,874,800 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 and Other Commitments

The City has the following outstanding construction and other commitments as of September 30, 2014:

Water and Sewer fund	\$ 1,856,220
Stormwater fund	902,861
Capital projects fund	1,243,334
Other commitments	778,680
	<u>\$ 4,781,095</u>

NOTE 13. SUBSEQUENT EVENTS

On November 25, 2014, the City added an addendum to the Master Tax Exempt Installment Purchase Agreement dated August 15, 2013 for an additional borrowing of \$1,251,291. The loan terms is 10 years and bears interest rate at 2.392% with principal and interest payable annually in July of each year. The proceeds will be used for purchases of vehicles for the fire rescue and the solid waste front loaders. As security for loan repayment, the City covenants and agrees to appropriate in its annual budget amounts of non-ad valorem sufficient to satisfy its annual debt service requirements.

NOTE 14. NEW FINANCIAL STANDARDS NOT YET IMPLEMENTED

GASB Statement 68 *Accounting and Financial Reporting for Pensions*, Statement 69, *Government Combinations and Disposals of Government Operations*, and Statement 71, *Pension Transition for contributions Made Subsequent to the Measurement Date*. The City has not elected early implementation and, therefore, has not determined the financial statement impact, if any, of these new pronouncements.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF OAKLAND PARK, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014
(BUDGETARY BASIS)

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
Revenues:	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Taxes:				
Property	\$ 13,504,203	\$ 13,504,203	\$ 13,566,402	\$ 62,199
Franchise fees	2,383,526	2,383,526	2,631,913	248,387
Utility taxes	4,011,000	4,011,000	4,364,202	353,202
Communications service taxes	1,765,468	1,765,468	1,636,717	(128,751)
Other taxes	1,673,836	1,711,659	1,735,031	23,372
Licenses and permits	1,146,260	1,146,260	1,417,180	270,920
Intergovernmental	3,751,032	3,751,032	3,879,122	128,090
Charges for services	11,763,420	11,763,420	11,806,480	43,060
Fines and forfeitures	458,500	458,500	858,802	400,302
Investment earnings	40,000	40,000	20,477	(19,523)
Other	306,271	306,271	637,226	330,955
Total revenues	<u>40,803,516</u>	<u>40,841,339</u>	<u>42,553,551</u>	<u>1,712,212</u>
Expenditures:				
Current:				
General government:				
City commission	153,160	153,160	137,230	15,930
City manager	714,348	775,973	776,059	(86)
City clerk	717,146	717,146	613,962	103,184
Human resources	1,126,773	1,139,250	1,050,144	89,107
Legal	263,500	297,156	323,315	(26,159)
Financial service	1,207,233	1,179,986	1,094,402	85,584
Information technology service	1,240,350	1,058,676	828,764	229,912
Non-departmental	318,702	142,071	67,691	74,380
Total general government	<u>5,741,212</u>	<u>5,463,418</u>	<u>4,891,566</u>	<u>571,852</u>
Public safety:				
Police	13,607,224	13,732,730	13,711,941	20,789
Fire Rescue	8,540,703	8,580,229	8,544,387	35,842
Code Enforcement	825,330	850,330	840,506	9,824
Total public safety	<u>22,973,257</u>	<u>23,163,289</u>	<u>23,096,834</u>	<u>66,455</u>
Public works:				
Administration	139,211	139,211	123,274	15,937
Street	1,208,378	1,320,464	1,173,191	147,273
Building and maintenance	885,303	974,287	868,408	105,879
Garage	1,586,693	1,668,147	1,582,432	85,715
Total public works	<u>3,819,585</u>	<u>4,102,109</u>	<u>3,747,305</u>	<u>354,805</u>
Engineering and community develop.:				
Engineering	1,011,203	1,047,708	1,026,817	20,891
Planning & Zoning	627,408	626,094	538,205	87,889
Building & Permitting	1,166,865	1,166,865	1,035,568	131,297
Total engineering and comm dev.	<u>2,805,476</u>	<u>2,840,667</u>	<u>2,600,590</u>	<u>240,077</u>
Culture/recreation:				
Library	571,002	576,002	569,522	6,480
Parks and recreation	4,989,767	4,874,767	4,719,922	154,845
Total culture/recreation	<u>5,560,769</u>	<u>5,450,769</u>	<u>5,289,444</u>	<u>161,325</u>
Total expenditures	<u>40,900,299</u>	<u>41,020,252</u>	<u>39,625,739</u>	<u>1,394,513</u>
Excess of revenues over expenditures	(96,783)	(178,913)	2,927,812	3,106,725
Other financing sources (uses):				
Transfers in	150,000	261,648	261,721	73
Transfers out	(2,608,267)	(3,134,011)	(3,082,666)	51,345
Net change in fund balance	<u>\$ (2,555,050)</u>	<u>\$ (3,051,276)</u>	<u>106,867</u>	<u>\$ 3,158,142</u>
Fund balance, beginning			16,037,197	
Fund balance, ending			<u>\$ 16,144,064</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, 2014
(BUDGETARY BASIS)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other revenues	\$ 70,357	\$ 70,357	\$ 68,174	\$ (2,183)
Investments earnings	-	-	47	47
Total revenues	<u>70,357</u>	<u>70,357</u>	<u>68,221</u>	<u>(2,136)</u>
Expenditures:				
Current:				
Engineering and community develop.	1,195,669	1,227,637	586,652	640,985
Capital outlay	<u>300,000</u>	<u>345,662</u>	<u>344,101</u>	<u>1,561</u>
Total expenditures	<u>1,495,669</u>	<u>1,573,299</u>	<u>930,753</u>	<u>642,546</u>
Deficiency of revenues over expenditures	(1,425,312)	(1,502,942)	(862,532)	640,410
Other financing sources (uses):				
Loan Proceeds	1,555,000	1,555,000	603,280	(951,720)
Transfers in	1,763,078	1,763,078	1,126,079	(636,999)
Transfers out	<u>(2,062,000)</u>	<u>(2,062,000)</u>	<u>(1,255,000)</u>	<u>807,000</u>
Total other financing sources	<u>1,256,078</u>	<u>1,256,078</u>	<u>474,359</u>	<u>(781,719)</u>
Net change in fund balance	<u>\$ (169,234)</u>	<u>\$ (246,864)</u>	(388,173)	<u>\$ (141,309)</u>
Fund balance, beginning			<u>(1,384,343)</u>	
Fund balance, end			<u>\$ (1,772,516)</u>	

See notes to budgetary comparison schedule.

CITY OF OAKLAND PARK, FLORIDA
NOTES TO BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

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 \$26,159 due to increased legal activities. A small overage in city manager's office was due to leave payout for the city manager retirement. General Fund supplemental appropriations amounted to \$645,697 for the fiscal year ended September 30, 2014. Budgeted amounts are as originally adopted or as amended. Individual type amendments were not material in relation to the original appropriations.

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

Budgetary/GAAP Reconciliation

There are no reconciling items between GAAP and Budget.

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

(In thousands)
SEPTEMBER 30, 2014
(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)

10/1/2014	\$ 31,248	\$ 44,189	\$ 12,942	70.7%	\$ 4,547	285%
10/1/2013	27,815	44,196	16,381	62.9%	4,758	344%
10/1/2012	22,962	44,087	19,124	56.6%	5,153	371%
10/1/2011	22,600	44,598	21,998	50.7%	5,386	408%
10/1/2010	20,986	47,067	26,081	44.6%	6,281	415%
10/1/2009	21,133	44,782	23,650	47.2%	6,738	351%
10/1/2008	21,539	38,581	17,042	55.8%	7,209	236%
10/1/2007	21,821	37,018	15,197	58.9%	7,387	206%
10/1/2006	21,133	34,861	13,728	60.6%	8,106	169%
10/1/2005	20,553	33,105	12,552	62.0%	7,248	174%

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

10/1/2014	\$ 52,532	\$ 71,379	\$ 18,847	73.6%	\$ 4,144	455%
10/1/2013	48,511	69,442	20,932	69.9%	4,497	465%
10/1/2012	45,945	68,062	22,117	67.5%	4,561	484%
10/1/2011	43,878	68,557	24,679	64.0%	5,087	485%
10/1/2010	43,666	66,387	22,721	65.8%	5,324	427%
10/1/2009	45,395	64,951	19,556	69.9%	5,827	336%
10/1/2008	46,826	60,407	13,581	77.5%	6,006	226%
10/1/2007	46,510	58,204	11,694	79.9%	6,095	192%
10/1/2006	43,845	55,951	12,106	78.4%	6,604	183%
10/1/2005	40,764	50,627	9,863	80.5%	6,095	162%

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

SCHEDULE OF EMPLOYER CONTRIBUTIONS
 SEPTEMBER 30, 2014
 (Unaudited)

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

2014	\$ 2,250,233	\$ 2,519,977	112%
2013	2,539,468	2,799,345	110%
2012	2,823,277	2,867,850	102%
2011	3,273,274	3,244,632	99%
2010	3,051,661	2,556,393	84%
2009	2,911,125	2,348,104	82%
2008	2,279,923	1,669,827	73%
2007	1,775,701	1,823,084	103%
2006	1,343,460	1,606,237	120%
2005	1,210,364	1,290,837	107%

CITY OF OAKLAND PARK RETIREMENT SYSTEM FOR POLICE AND FIREFIGHTERS

2014	\$ 2,399,739	\$ 2,399,739	100%
2013	2,557,916	2,557,916	100%
2011	2,284,394	2,284,394	100%
2010	1,962,037	1,962,037	100%
2009	1,979,938	1,979,938	100%
2008	2,004,541	2,004,541	100%
2007	1,479,862	1,479,862	100%
2006	1,522,223	1,522,223	100%
2005	1,774,056	1,774,056	100%

(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, 2014
(Unaudited)

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

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

SCHEDULE OF EMPLOYER CONTRIBUTIONS
SEPTEMBER 30, 2014
(Unaudited)

Year ended September 30	Annual OPEB cost	Imputed Employer Contribution	(A) Percentage Contributed	Net OPEB asset (obligation)
2014	\$ 105,000	\$ 60,000	58%	\$ (903,000)
2013	106,000	60,000	58%	(859,000)
2012	222,000	69,000	32%	(814,000)
2011	223,000	59,000	27%	(662,000)
2010	340,000	95,000	28%	(499,000)

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

**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, 2014

	Special Revenue				Total
	Grant Fund	Impact Fee Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Fund
Assets					
Cash and cash equivalents	\$ 432,472	\$ 5,996	\$ 11,516	\$ -	\$ 449,984
Accounts receivable	-	-	-	1,831,855	1,831,855
Restricted cash and cash equivalents	-	31,220	-	1,813,653	1,844,873
Total assets	\$ 432,472	\$ 37,216	\$ 11,516	\$ 3,645,508	\$ 4,126,712
 Liabilities, deferred inflows of resources and fund balances					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 260,799	\$ 260,799
Unearned revenues	19,906	12,271	-	-	32,177
Total liabilities	19,906	12,271	-	260,799	292,976
Deferred inflows of resources					
Unavailable revenue	-	-	-	1,522,847	1,522,847
 Fund balances:					
Restricted for:					
Fire station facility	-	208	-	-	208
Park development	-	18,950	-	-	18,950
Library	30,031	-	-	-	30,031
Public safety	364,529	-	-	-	364,529
Tree preservation	-	5,787	-	-	5,787
Assigned to:					
Parks and recreation	18,006	-	-	-	18,006
Debt service	-	-	11,516	-	11,516
Capital projects	-	-	-	1,861,862	1,861,862
Total fund balances	412,566	24,945	11,516	1,861,862	2,310,889
Total liabilities, deferred inflows of resources and fund balances	\$ 432,472	\$ 37,216	\$ 11,516	\$ 3,645,508	\$ 4,126,712

CITY OF OAKLAND PARK, FLORIDA
 COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Special Revenue</u>				Total Nonmajor Governmental Fund
	<u>Grant Fund</u>	<u>Impact Fee Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	
Revenues:					
Grants	\$ 26,743	\$ -	\$ -	\$ 1,179,442	\$ 1,206,185
Investment earnings (loss)	655	589	-	638	1,882
Licenses and permits	-	458,700	-	-	458,700
Fines and forfeitures	69,321	-	-	-	69,321
Total revenues	<u>96,719</u>	<u>459,289</u>	<u>-</u>	<u>1,180,080</u>	<u>1,736,088</u>
Expenditures:					
Current:					
Culture and recreation	20,755	-	-	-	20,755
Debt service:					
Principal	-	-	659,454	-	659,454
Interest	-	-	523,291	-	523,291
Capital Outlay	-	-	-	3,595,642	3,595,642
Total expenditures	<u>20,755</u>	<u>-</u>	<u>1,182,745</u>	<u>3,595,642</u>	<u>4,799,142</u>
Excess (deficiency) of revenues over expenditures	<u>75,964</u>	<u>459,289</u>	<u>(1,182,745)</u>	<u>(2,415,562)</u>	<u>(3,063,054)</u>
Other financing sources:					
Transfers in	-	111,411	1,182,745	2,471,531	3,765,687
Transfers out	(183,731)	(596,590)	-	(35,500)	(815,821)
Total other financing sources	<u>(183,731)</u>	<u>(485,179)</u>	<u>1,182,745</u>	<u>2,436,031</u>	<u>2,949,866</u>
Net change in fund balance	(107,767)	(25,890)	-	20,469	(113,188)
Fund balance, beginning	<u>520,333</u>	<u>50,835</u>	<u>11,516</u>	<u>1,841,393</u>	<u>2,424,077</u>
Fund balance, ending	<u>\$ 412,566</u>	<u>\$ 24,945</u>	<u>\$ 11,516</u>	<u>\$ 1,861,862</u>	<u>\$ 2,310,889</u>

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 Position
Pension Trust Funds
September 30, 2014

	<u>General Employees Pension Fund</u>	<u>Police and Firefighters Pension Fund</u>	<u>Total</u>
Assets			
Cash and short-term investments	\$ 344,769	\$ 554,090	\$ 898,859
Receivables:			
Contributions	-	821,558	821,558
Accounts	-	216,208	216,208
Accrued interest and dividends	-	113,462	113,462
Total receivables	<u>-</u>	<u>1,151,228</u>	<u>1,151,228</u>
Investments, at fair value:			
U.S. Government and agency securities	-	12,372,174	12,372,174
Corporate bonds and notes	-	4,491,514	4,491,514
Mutual funds	34,132,178	6,605,033	40,737,211
Common stocks	-	24,394,586	24,394,586
International equity fund	-	9,265,316	9,265,316
Total investments	<u>34,132,178</u>	<u>57,128,623</u>	<u>91,260,801</u>
Prepayments	<u>-</u>	<u>4,554</u>	<u>4,554</u>
Total assets	<u>34,476,947</u>	<u>58,838,495</u>	<u>93,315,442</u>
Liabilities			
Accounts payable and accrued expenses	-	159,355	159,355
Payable for securities purchased	-	33,531	33,531
Total liabilities	<u>-</u>	<u>192,886</u>	<u>192,886</u>
Net Position			
Net position restricted for pension benefits	<u>\$ 34,476,947</u>	<u>\$ 58,645,609</u>	<u>\$ 93,122,556</u>

CITY OF OAKLAND PARK, FLORIDA
Combining Statement of of Changes in Fiduciary Net Position
Pension Trust Funds
For the Year ended September 30, 2014

	General Employees Pension Fund	Police and Firefighters Pension Fund	Total
Additions			
Contributions:			
Plan members	\$ -	\$ 404,467	\$ 404,467
City	2,423,532	1,673,501	4,097,033
State of Florida	-	650,357	650,357
Broward Sheriff's Office	-	384,626	384,626
Total contributions	<u>2,423,532</u>	<u>3,112,951</u>	<u>5,536,483</u>
Investment income:			
Investment earnings	-	2,222,282	2,222,282
Net appreciation (depreciation) in fair value of investments	3,112,186	3,847,100	6,959,286
Total	3,112,186	6,069,382	9,181,568
Less:			
Investment expenses	-	(330,617)	(330,617)
Net investment income	<u>3,112,186</u>	<u>5,738,765</u>	<u>8,850,951</u>
Misc. income:	1,021	-	1,021
Total additions	<u>5,536,739</u>	<u>8,851,716</u>	<u>14,388,455</u>
Deductions:			
Pension benefits paid	2,999,689	4,945,507	7,945,196
Contributions refunded	-	161,053	161,053
Administrative expenses	74,923	101,210	176,133
Total deductions	<u>3,074,612</u>	<u>5,207,770</u>	<u>8,282,382</u>
Change in net position	2,462,127	3,643,946	6,106,073
Net position, beginning	32,014,820	53,648,029	85,662,849
Adjustment	-	1,353,634	1,353,634
Net position, as adjusted	<u>32,014,820</u>	<u>55,001,663</u>	<u>87,016,483</u>
Net position, ending	<u>\$ 34,476,947</u>	<u>\$ 58,645,609</u>	<u>\$ 93,122,556</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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Financial Trends – These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
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Revenue Capacity – These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	
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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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Operating Information – these schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	
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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented Statement 34 in fiscal year 2003; schedules presenting government-wide information include information beginning that year.

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Net Invested in Capital Assets	\$ 17,816,772	\$ 39,818,067	\$ 53,895,457	\$ 55,337,625	\$ 60,159,043	\$ 65,305,447	\$ 64,905,390	\$ 65,134,366	\$ 66,684,747	\$ 67,984,473
Restricted - non expendable										1,938,818
Restricted for:										
Special Revenue	1,744,181	1,584,674	2,053,253	2,300,353	2,258,736	314,815	769,920	987,573	695,655	548,351
Capital projects	-	3,091,947	-	3,772,193	3,080,491	2,360,589	2,955,884	2,279,506	2,298,932	-
Debt service	-	-	-	230	164	-	-	-	-	-
Unrestricted	11,480,101	13,558,532	16,003,939	17,193,338	15,662,924	16,981,530	14,908,051	12,004,977	11,683,073	13,170,501
Total governmental activities net position	\$ 31,041,054	\$ 58,053,220	\$ 71,952,649	\$ 78,603,739	\$ 81,161,358	\$ 84,962,381	\$ 83,539,245	\$ 80,406,422	\$ 81,362,407	\$ 83,642,143
Business-type activities										
Net Invested in Capital Assets	\$ 20,580,381	\$ 33,130,758	\$ 43,576,892	\$ 45,517,049	\$ 46,578,666	\$ 55,756,450	\$ 59,006,190	\$ 65,033,304	\$ 62,752,703	\$ 65,115,434
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	12,121,837	9,486,478	8,310,013	9,271,111	6,603,580	6,250,513	10,359,372	11,020,934	17,709,020	16,987,819
Total business-type activities net position	\$ 32,702,218	\$ 46,030,350	\$ 57,216,197	\$ 60,212,842	\$ 61,371,688	\$ 66,618,811	\$ 71,751,385	\$ 76,054,238	\$ 80,461,723	\$ 82,103,253
Primary Government										
Net Invested in Capital Assets	\$ 38,397,153	\$ 72,948,825	\$ 97,472,349	\$ 100,854,674	\$ 106,737,709	\$ 121,061,897	\$ 123,911,580	\$ 130,167,670	\$ 129,180,247	\$ 133,099,907
Restricted - non expendable										1,938,818
Restricted for:										
Special revenue	1,744,181	1,584,674	2,053,253	2,300,353	2,258,736	314,815	769,920	987,573	695,655	548,351
Capital projects	-	5,895,175	4,685,729	9,115,172	11,269,933	6,972,437	5,341,707	2,279,506	2,298,932	-
Debt service	-	609,886	643,563	660,082	164	-	-	-	-	-
Unrestricted	23,601,938	23,045,010	24,313,952	25,886,070	22,266,504	23,232,043	25,267,423	23,025,911	29,649,296	30,158,321
Total primary government net position	\$ 63,743,272	\$ 104,083,570	\$ 129,168,846	\$ 138,816,351	\$ 142,533,046	\$ 151,581,192	\$ 155,290,630	\$ 156,460,660	\$ 161,824,130	\$ 165,745,397

Source: City of Oakland Park Financial Services Department

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

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities:										
General government	\$ 2,202,904	\$ 2,103,482	\$ 2,747,577	\$ 2,504,226	\$ 2,621,516	\$ 2,438,500	\$ 1,258,173	\$ 997,799	\$ 337,068	\$ 469,137
Public safety	16,103,824	19,367,880	19,706,593	20,228,595	21,277,262	22,438,120	22,515,601	21,819,794	21,923,435	23,437,947
Public works	2,081,813	2,504,491	3,022,188	3,357,843	3,618,324	3,537,960	3,631,164	5,139,923	4,651,117	5,034,095
Eng. & Community development	2,164,273	3,013,221	3,677,618	3,621,683	3,720,899	3,347,367	3,547,260	3,641,854	3,600,636	3,188,050
Culture and recreation	3,836,060	5,417,599	5,893,269	5,959,675	6,157,143	6,079,667	5,943,331	5,854,059	5,372,980	5,892,221
Interest on long term debt	695,396	699,745	675,693	821,630	802,500	772,769	814,840	554,176	532,350	555,710
Total governmental activities expenses	27,084,270	33,106,418	35,722,938	36,493,652	38,197,644	38,614,383	37,710,369	38,007,605	36,417,586	38,577,160
Business type activities										
Water and sewer	10,441,850	11,415,278	10,742,644	10,720,150	11,178,014	13,053,032	12,740,960	14,038,761	\$ 14,034,929	\$ 15,903,626
Solid waste	6,250,985	12,915,506	7,854,687	8,324,405	7,965,651	7,912,295	7,525,930	6,356,474	6,319,981	5,497,740
Stormwater	1,483,702	2,243,826	2,268,894	2,732,743	3,081,617	3,193,029	3,054,220	3,250,247	3,151,444	2,978,161
Total business type activities expenses	18,176,537	26,574,610	20,866,225	21,777,298	22,225,282	24,158,356	23,321,110	23,645,482	23,506,354	24,379,527
Total primary government expenses	\$ 45,260,807	\$ 59,681,028	\$ 56,589,163	\$ 58,270,950	\$ 60,422,926	\$ 62,772,739	\$ 61,031,479	\$ 61,653,087	\$ 59,923,940	\$ 62,956,687
Program Revenues										
Governmental activities										
Charges for services										
General government	\$ 899,381	\$ 1,507,299	\$ 1,219,655	\$ 955,459	\$ 956,841	\$ 943,405	\$ 689,905	\$ 665,305	\$ 639,536	\$ 580,917
Public safety	5,469,039	4,872,595	4,828,244	5,056,973	5,072,237	4,966,694	5,134,575	5,866,561	6,533,279	7,094,092
Eng. & Community development	1,389,814	2,191,517	2,438,051	1,677,335	1,117,734	1,362,529	998,090	1,243,449	1,297,196	1,462,295
Culture/Recreation	302,712	343,236	379,335	598,886	560,744	515,184	539,417	525,175	517,130	1,031,871
Operating grants and contributions	703,676	475,785	188,947	310,177	120,206	235,638	657,434	350,691	104,729	44,590
Capital grants and contributions	732,177	338,355	2,128,013	3,498,515	3,443,900	6,056,025	1,815,646	462,974	1,356,205	2,141,441
Total governmental activities program revenues	9,496,799	9,728,787	11,182,245	12,097,345	11,271,662	14,079,475	9,835,067	9,114,155	10,448,075	12,355,206
Business type activities										
Charges for services:										
Water and sewer	11,913,397	11,693,294	11,401,508	10,861,223	11,471,826	12,913,904	14,292,649	15,232,281	16,399,284	16,684,366
Solid waste	6,777,094	8,582,611	8,282,327	8,593,925	8,744,276	7,340,028	7,294,361	6,527,762	7,303,375	5,544,291
Stormwater	2,474,389	3,210,335	3,149,698	2,993,510	2,886,472	2,851,607	2,735,721	3,129,533	3,154,975	3,081,078
Operating grants and contributions	331,624	4,941,598	294,232	348	-	6,000	334,879	413,722	764,026	224,967
Capital grants and contributions	571,473	658,315	5,600,599	2,463,321	561,885	6,024,995	2,896,277	2,541,022	196,520	937,730
Total business type activities program revenues	22,067,977	29,086,153	28,728,364	24,912,327	23,664,459	28,136,534	27,553,887	27,844,320	27,818,180	26,472,432
Total primary government program revenues	\$ 31,564,776	\$ 38,814,940	\$ 39,910,609	\$ 37,009,672	\$ 34,936,121	\$ 43,216,009	\$ 37,388,954	\$ 36,958,475	\$ 38,266,255	\$ 38,827,638
Net (Expense)/Revenue										
Governmental activities	\$ (17,587,471)	\$ (23,377,631)	\$ (24,540,693)	\$ (24,396,307)	\$ (26,925,982)	\$ (24,534,908)	\$ (27,875,302)	\$ (28,893,450)	\$ (25,969,511)	\$ (26,221,954)
Business type activities	3,891,440	2,511,543	7,862,139	3,135,029	1,439,177	4,978,178	4,232,777	4,198,838	4,311,826	2,092,905
Total primary government net expense	\$ (13,696,031)	\$ (20,866,088)	\$ (16,678,554)	\$ (21,261,278)	\$ (25,486,805)	\$ (19,556,730)	\$ (23,642,525)	\$ (24,694,612)	\$ (21,657,685)	\$ (24,129,049)

(Continued)

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Ad valorem	\$ 10,888,858	\$ 14,750,985	\$ 17,163,113	\$ 16,244,067	\$ 16,052,029	\$ 14,905,227	\$ 12,632,161	\$ 12,150,587	\$ 12,831,277	\$ 13,566,402
Franchise fees	2,058,438	2,622,372	3,066,551	3,052,000	2,938,113	2,647,258	2,569,590	2,457,781	2,424,270	2,631,913
Utility taxes	4,894,914	3,288,220	3,368,683	3,376,226	3,275,238	3,576,651	3,676,217	3,760,525	4,059,906	4,364,202
Communication service taxes	-	2,195,104	2,197,071	2,207,164	2,614,835	2,245,920	2,025,458	1,935,672	1,803,813	1,636,717
Other taxes	-	804,371	781,076	1,161,605	1,133,684	1,660,518	1,634,116	1,668,976	1,674,677	1,706,931
Unrestricted investment earnings	624,202	1,322,084	1,939,118	911,087	31,459	91,123	68,935	83,304	49,793	22,405
Intergovernmental revenue - unrestricted	3,660,842	4,574,494	4,343,402	3,575,248	3,181,234	3,196,371	3,337,877	3,446,807	3,713,871	3,907,222
Miscellaneous					(23,991)	224,169	167,812	256,975	367,889	665,899
Transfers - net	420,000	900,500	437,824	520,000	281,000	(211,306)	-	-	-	-
Capital assets, transferred from other govt.	-	19,931,667	5,143,284	-	-	-	-	-	-	-
Total governmental activities	22,547,254	50,389,797	38,440,122	31,047,397	29,483,601	28,335,931	26,112,166	25,760,627	26,925,496	28,501,691
Business type activities:										
Unrestricted investment earnings	418,040	757,135	608,903	381,616	669	57,639	66,552	104,015	95,659	55,830
Transfers	(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	(1,960)	10,778,579	3,323,708	(138,384)	(280,331)	268,945	66,552	104,015	95,659	55,830
Total primary government	\$ 22,545,294	\$ 61,168,376	\$ 41,763,830	\$ 30,909,013	\$ 29,203,270	\$ 28,604,876	\$ 26,178,718	\$ 25,864,642	\$ 27,021,155	\$ 28,557,521
Change in Net Position										
Governmental activities	\$ 4,959,783	\$ 27,012,166	\$ 13,899,429	\$ 6,651,090	\$ 2,557,619	\$ 3,801,023	\$ (1,763,136)	\$ (3,132,823)	\$ 955,985	\$ 2,279,737
Business type activities	3,889,480	13,290,122	11,185,847	2,996,645	1,158,846	5,247,123	4,299,329	4,302,853	4,407,485	2,148,735
Total primary government	\$ 8,849,263	\$ 40,302,288	\$ 25,085,276	\$ 9,647,735	\$ 3,716,465	\$ 9,048,146	\$ 2,536,193	\$ 1,170,030	\$ 5,363,470	\$ 4,428,472

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.

\$	934,327	\$	825,810	\$	828,663	\$	930,119	\$	975,280	\$	702,241	\$	-	\$	-		
2,133,459	2,133,459	2,133,459	2,133,459	2,133,459	2,133,459	-	-	-	-	-	-	-	-	-	-		
2,953,768	3,854,581	4,075,209	3,837,982	-	-	-	-	-	-	-	-	-	-	-	-		
-	-	-	-	-	-	1,706,740	-	-	-	-	-	-	-	-	-		
-	-	-	-	5,525,956	10,429,170	-	-	-	-	-	-	-	-	-	-		
-	-	-	-	2,466,733	2,089,952	-	-	-	-	-	-	-	-	-	-		
2,912,322	6,545,719	9,282,863	10,245,453	7,791,466	1,843,751	-	-	-	-	-	-	-	-	-	-		
-	-	-	-	-	-	72,761	67,971	61,410	74,129	-	-	-	-	-	-		
-	-	-	-	-	-	1,787,620	48,927	118,598	137,841	-	-	-	-	-	-		
-	-	-	-	-	-	114,531	112,971	112,971	-	-	-	-	-	-	-		
-	-	-	-	-	-	839,952	839,952	586,551	-	-	-	-	-	-	-		
-	-	-	-	-	-	92,541	102,538	113,535	128,846	-	-	-	-	-	-		
-	-	-	-	-	-	1,894,337	2,558,680	2,700,369	2,089,752	-	-	-	-	-	-		
-	-	-	-	-	-	11,486,394	12,214,133	12,343,763	11,986,648	-	-	-	-	-	-		
\$	8,933,876	\$	13,359,569	\$	16,320,194	\$	17,147,013	\$	16,759,435	\$	16,771,854	\$	15,945,172	\$	16,037,197	\$	16,144,064
1,744,181	2,021,247	2,653,409	2,497,708	2,537,632	1,381,695	-	-	-	-	-	-	-	-	-	-	-	-
7,195,677	7,009,596	3,955,404	1,596,533	891,463	661,557	-	-	-	-	-	-	-	-	-	-	-	-
79	79	79	230	164	-	-	-	-	-	-	-	-	-	-	-	-	-
3,265,683	2,154,653	1,359,973	7,314,786	2,282,281	2,543,819	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	1,182,501	-	-	-	-	-	-	-	-	-	-	-	-
6,429	481,447	627,095	651,749	436,805	721,865	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	30,485	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	324,755	521,195	477,321	364,529	-	-	-	-	-	-	-	-
-	-	-	-	-	-	31,718	28,792	28,172	30,031	-	-	-	-	-	-	-	-
-	-	-	-	-	-	9,730	-	-	0	-	-	-	-	-	-	-	-
-	-	-	-	-	-	2,095	-	-	0	-	-	-	-	-	-	-	-
-	-	-	-	-	-	344,824	229,821	102,832	5,788	-	-	-	-	-	-	-	-
-	-	-	-	-	-	129,584	131,114	42,491	208	-	-	-	-	-	-	-	-
-	-	-	-	-	-	16,653	17,521	18,483	18,949	-	-	-	-	-	-	-	-
-	-	-	-	-	-	2,644,485	2,009,326	1,841,393	1,861,862	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	11,087	11,516	11,516	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	10,777	14,840	18,006	-	-	-	-	-	-	-	-
-	-	-	-	-	-	1,219,296	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	77,129	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	(116,044)	(555,584)	(1,497,314)	(1,772,516)	-	-	-	-	-	-	-	-
\$	12,212,049	\$	11,667,022	\$	8,595,960	\$	12,061,006	\$	6,148,345	\$	6,491,437	\$	2,404,049	\$	1,039,734	\$	538,373

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Fiscal Year

	2005*	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes:										
Ad Valorem	\$ 10,888,858	\$ 14,750,985	\$ 17,163,113	\$ 16,244,067	\$ 16,052,029	\$ 14,905,227	\$ 12,632,161	\$ 12,150,587	\$ 12,831,277	\$ 13,566,666
Utility taxes	2,854,208	3,288,220	3,368,683	3,376,226	3,275,238	3,576,651	3,676,217	3,760,525	4,059,906	4,364
Communication Service	2,040,706	2,195,104	2,197,071	2,207,164	2,614,835	2,245,920	2,025,458	1,935,672	1,803,813	1,636,666
Other Taxes	607,481	804,371	781,076	1,161,605	1,133,684	1,660,518	1,634,116	1,668,976	1,674,676	1,735
Franchise fees	2,058,438	2,622,372	3,066,551	3,052,000	2,938,113	2,647,258	2,569,590	2,457,781	2,424,270	2,631
Licenses and permits	1,403,480	2,225,257	2,471,831	1,708,199	1,132,104	1,253,298	1,143,739	1,159,311	1,251,212	1,875
Intergovernmental	3,425,094	5,288,683	4,343,402	3,632,843	3,204,843	3,196,371	3,337,877	3,446,807	3,713,871	3,879
Charges for service	10,684,354	11,369,982	11,262,183	12,085,958	11,253,302	10,942,077	11,479,407	10,625,666	11,479,964	11,806
Fines and forfeitures	628,590	530,139	436,453	566,544	736,046	780,455	491,432	742,431	472,778	928
Fire assessment	-	-	-	-	-	-	-	-	-	-
Development impact fees	-	-	-	-	-	-	-	-	-	-
Grants	619,046	-	2,217,229	2,343,473	2,783,196	2,911,980	1,911,047	1,055,355	1,313,380	1,224
Investment earnings	624,202	1,322,084	1,939,118	911,088	31,459	91,123	68,935	83,304	49,793	22
Other	234,820	1,246,865	552,204	100,436	127,657	245,619	197,790	350,710	495,174	687
Total revenues	36,069,277	45,644,062	49,798,914	47,389,603	45,282,506	44,456,497	41,167,769	39,437,125	41,570,114	44,357
Expenditures										
Current:										
General government	6,784,954	7,885,414	7,421,517	6,430,053	5,884,361	5,546,051	5,003,438	4,772,781	4,463,378	4,885
Public safety	15,891,603	18,770,414	19,017,434	19,716,715	20,796,664	22,037,642	22,097,602	21,374,664	21,572,490	23,066
Public works	1,758,356	1,901,300	3,514,795	3,739,216	3,830,871	3,375,566	3,809,861	3,635,786	3,298,663	3,572
Eng. and Community development	2,160,239	3,017,978	3,559,552	3,578,734	3,704,052	3,382,561	3,331,934	3,583,745	3,530,597	3,154
Library	-	-	-	-	-	-	-	-	-	-
Culture/Recreation	3,728,523	5,049,997	5,309,048	5,303,451	5,473,631	5,282,113	5,141,525	4,982,035	4,797,349	5,132
Grants	-	-	-	-	-	-	-	-	-	-
Debt service:										
Principal	455,510	545,226	565,687	586,500	743,868	672,427	600,365	689,118	553,439	659
Interest	706,261	704,151	682,838	739,707	813,354	783,068	891,892	557,495	533,841	523
Bond issue costs	-	-	-	-	-	-	148,969	-	-	-
Capital outlay	3,337,322	4,789,418	10,276,304	7,523,361	10,616,944	2,810,252	5,255,883	3,551,425	4,790,041	4,362
Total expenditures	34,822,768	42,663,898	50,347,175	47,617,737	51,863,745	43,889,680	46,281,469	43,147,049	43,539,798	45,355
Excess (deficiency) of revenues over expenditures	1,246,509	2,980,164	(548,261)	(228,134)	(6,581,239)	566,817	(5,113,700)	(3,709,924)	(1,969,684)	(997)
Other Financing Sources (Uses)										
Bond/loan proceeds	-	-	-	4,000,000	-	-	13,078,254	1,056,300	697,394	603
Capital lease proceeds	1,105,090	-	-	-	-	-	-	-	-	-
Payment to refunding bond agent	-	-	-	-	-	-	(10,565,000)	-	-	-
Transfers in	7,494,656	6,947,675	9,528,150	10,110,095	7,861,847	6,834,269	5,746,564	3,560,200	3,536,298	5,153
Transfers out	(7,074,656)	(6,047,175)	(9,090,326)	(9,590,096)	(7,580,847)	(7,045,575)	(5,746,564)	(3,560,200)	(3,536,298)	(5,153)
Total other financing sources (uses)	1,525,090	900,500	437,824	4,519,999	281,000	(211,306)	2,513,254	1,056,300	697,394	603
Net change in fund balances	\$ 2,771,599	\$ 3,880,664	\$ (110,437)	\$ 4,291,865	\$ (6,300,239)	\$ 355,511	\$ (2,600,446)	\$ (2,653,624)	\$ (1,272,290)	\$ (394)
Debt service as a percentage of noncapital expenditures	3.7%	3.3%	3.1%	3.3%	3.8%	3.5%	3.6%	3.1%	2.8%	

Source: City of Oakland Park, Financial Services Department

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

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

Fiscal Year (2)	Assessment Value					Total Assessed Property Value(1)	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Residential Property	Commercial Property	Industrial Property	Personal & Other property					
2005	-	-	-	138,817		2,683,092	728,275	1,954,817	5.8868
2006	2,597,139	771,392	324,986	155,600		3,849,117	1,239,440	2,609,677	5.8868
2007	3,375,618	864,768	382,623	168,041		4,791,050	1,593,293	3,197,757	5.5823
2008	3,687,649	1,000,372	409,456	158,658		5,256,135	1,719,770	3,536,365	4.7662
2009	3,232,410	1,023,424	432,285	154,116		4,842,235	1,620,386	3,221,849	5.1041
2010	2,340,147	1,080,049	435,967	151,365		4,007,528	1,663,244	2,344,284	5.7252
2011	1,701,485	1,004,413	361,761	141,028		3,208,687	949,516	2,259,171	5.7252
2012	1,649,147	961,225	317,364	129,776		3,057,512	934,497	2,123,015	6.0138
2013	1,658,054	948,483	307,548	132,881		3,046,966	949,832	2,097,134	6.3142
2014	1,818,424	941,357	321,619	139,965		3,221,365	1,017,908	2,203,457	6.3995

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	
2005	5.8868	7.0230	8.2695	0.6970	2.4803	0.0385	0.4231	24.8182
2006	5.8868	6.7830	8.0623	0.6970	2.1746	0.0385	0.4231	24.0653
2007	5.5823	6.0661	7.8687	0.6970	1.8317	0.0385	0.4073	22.4916
2008	4.7662	5.2868	7.6484	0.6240	1.6255	0.0345	0.3572	20.3426
2009	5.1041	5.3145	7.4170	0.6240	1.7059	0.0345	0.3754	20.5754
2010	5.7252	5.3889	7.4310	0.6240	1.7059	0.3450	0.4243	21.6443
2011	5.7252	5.5530	7.6310	0.6240	1.8750	0.0345	0.4696	21.9123
2012	6.0138	5.5530	7.4180	0.4363	1.8750	0.0345	0.4789	21.8095
2013	6.3142	5.2576	7.4560	0.4289	1.8564	0.0345	0.4902	21.8378
2014	6.3995	5.4400	7.4800	0.4110	1.7554	0.0345	0.4882	22.0086

Source: Broward County Property Appraiser

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

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

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

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

Taxpayer	2014			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
Florida Power & Light Co	\$ 38,342	1	1.74%	-		
WRI JT Northridge LP	27,801	2	1.26%	\$ 22,255	2	1.27%
Alliance HTFL LP	19,300	3	0.88%	-		
Holy Cross Hospital Inc	18,327	4	0.83%	-		
Northland Greentree LLC	15,719	5	0.71%	-		
Lowe's Home Centers Inc	14,975	6	0.68%	-		
Western Natl Life Insurance Co	14,667	7	0.67%	-		
Oakland Center Associates, LTD	13,112	8	0.60%	-		
Jorken Crystal Lake LLC	11,954	9	0.54%	15,302	8	0.87%
Bridgewater Place Assoc LTD	11,905	10	0.54%	-		
SSC Property Holdings Inc				-		
Robert L Lipton Inc				-		
Southern Tier Southeast				-		
Mainstreet AEW V				-		
Sela LLC				-		
SSTI 4950 N Dixie Hwy LLC				-		
Festival Center LLC				17,332	5	0.99%
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	<u>\$ 186,102</u>		<u>8.45%</u>	<u>\$ 168,586</u>		<u>9.61%</u>

Source: Broward County Revenue Collection

Note: Information prior to fiscal year 2004 is unavailable

(a) amount in thousands

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

Fiscal Year	Taxes Levied for Fiscal Year		Collected within the Fiscal Year of Levy		Collections in Subsequent Years (b)	Total Collections to Date	
	(a)	Amount	Amount	Percentage of Levy		Amount	Percentage of Levy
2005	11,457,293	10,798,135	108,589	94.25%	108,589	10,906,723	95.19%
2006	15,295,576	14,606,182	102,345	95.49%	102,345	14,708,526	96.16%
2007*	17,774,596	17,061,562	86,500	95.99%	86,500	17,148,062	96.48%
2008	16,860,344	16,059,798	55,016	95.25%	55,016	16,114,814	95.58%
2009	16,445,025	15,911,781	44,128	96.76%	44,128	15,955,909	97.03%
2010	15,730,894	14,846,618	111,256	94.38%	111,256	14,957,873	95.09%
2011	12,933,809	12,461,669	(20,790)	96.35%	(20,790)	12,440,880	96.19%
2012	12,844,598	12,186,893	(11,910)	94.88%	(11,910)	12,174,984	94.79%
2013	13,274,836	12,784,619	(55,237)	96.31%	(55,237)	12,729,382	95.89%
2014	14,147,792	13,563,259	-	95.87%	-	13,563,259	95.87%

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**

Governmental Activities				Business-Type Activities										
Fiscal Year	Refunding Bonds BB&T	Wachovia Series 2007 Note	CRA RCP Loan	Capital Lease	2010 Utility Bonds	2012 Utility Bonds	2011 Stormwater Assessment Bonds	Stormwater Refunding Bonds BB&T	Water & Sewer FMLC	SunTrust 2014 Loan	Solid Waste Lease	Total Primary Government	Percent of Personal Income	Per Capita
2005	-	-	-	1,822,924	3,040,000	-	-	-	1,780,000	-	-	23,912,924	n/a	n/a
2006	-	-	-	1,512,698	2,765,000	-	-	-	1,750,000	-	-	22,962,698	2.45%	541
2007	-	-	-	1,192,011	2,480,000	-	-	-	1,715,000	-	-	21,972,011	2.36%	522
2008	-	4,000,000	-	860,510	2,180,000	-	-	-	1,680,000	-	-	24,940,510	2.67%	590
2009	-	3,863,810	-	517,831	1,860,000	-	-	-	1,645,000	-	-	23,726,641	2.22%	562
2010	-	3,730,473	-	258,742	14,885,000	-	-	-	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	-	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	4,451,574	-	1,530,000	-	625,805	60,821,664	5.73%	1,447
2013	10,143,268	3,293,623	3,141,743	689,606	14,065,000	16,900,000	4,285,278	-	1,490,000	-	410,953	59,874,471	5.56%	1,398
2014	9,737,029	3,134,798	3,745,023	595,216	13,780,000	16,600,000	4,113,653	-	-	1,495,000	189,588	58,725,307	5.43%	1,357

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
2005	-	0.00%	-
2006	-	0.00%	-
2007	-	0.00%	-
2008	-	0.00%	-
2009	-	0.00%	-
2010	-	0.00%	-
2011	-	0.00%	-
2012	-	0.00%	-
2013	-	0.00%	-
2014	-	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, 2014

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Broward County Debt Service *	\$ 301,370,000	1.687%	\$ 5,084,112
Broward Public Schools Debt Service **	-	1.552%	-
Subtotal, overlapping debt			5,084,112
Oakland Park direct debt			17,212,066
Total direct and overlapping debt			\$ 22,296,178

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 2014

Assessed value	\$ 2,203,457
Bonded debt limit - 15% of assessed value	330,519
Debt applicable to limit	-
General Obligation Bonds	-
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	\$ 330,519
Legal debt margin	\$ 330,519

	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Debt Limit	\$ 293,223	\$ 391,452	\$ 479,664	\$ 530,455	\$ 483,277	\$ 351,643	\$ 338,876	\$ 318,452	\$ 314,570	\$ 330,519
Total net debt application to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 293,223	\$ 391,452	\$ 479,664	\$ 530,455	\$ 483,277	\$ 351,643	\$ 338,876	\$ 318,452	\$ 314,570	\$ 330,519
Total net debt applicable to the limit as a % of debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Source: City of Oakland Park, Financial Services Department

Note: The City has no general bonded debt outstanding

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

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

Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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
2013	27,213	24,979	2,234	152	150	7.40
2014	28,970	26,060	2,910	159	144	9.60
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
2013	16,399	10,455	5,944	280	770	5.66
2014	16,684	10,882	5,802	285	764	5.53
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
2013	27,213	24,979	2,234	394	383	2.88
2014	28,970	26,060	2,910	406	368	3.76
Stormwater - 2010 BB&T Refunding Bonds						
2011	\$ 20,035	\$ 15,705	\$ 4,330	\$ 125	\$ 270	10.96
2012	25,916	23,917	1,999	193	168	5.54
2013	27,213	24,979	2,234	166	162	6.81
2014	28,970	26,060	2,910	172	155	8.90
Stormwater Assessment Bonds, 2011 series						
2012	\$ 3,130	\$ 1,113	\$ 2,017	\$ 195	\$ 141	6.00
2013	3,154	1,002	2,152	115	221	6.40
2014	3,081	1,042	2,039	120	219	6.01
Water and Sewer Revenue Bonds, 2012 series						
2012	\$ 15,232	\$ 10,960	\$ 4,272	\$ -	\$ -	-
2013	16,399	10,455	5,944	275	607	6.74
2014	16,684	10,882	5,802	300	607	6.40

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 Nine 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%
2013	42,832	1,077,438,960	25,155	4.50%
2014	43,286	1,080,894,706	24,971	4.10%

Source: *City Engineering and Community Development Departmen

**Florida Agency for Workforce Innovation

Note: Data prior to 2006 are not available

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

Employer	2014			2006			
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment	
Dab the Aids Bear Project	501	1	2.54%	Tenet Healthcare Corp	1000	1	5.06%
Steel Fabricators, LLC	306	2	1.55%	Sunshine Sportswear Inc	500	2	2.53%
Home Depot	300	3	1.52%	Home Depot	312	3	1.58%
Advanced Roofing, Inc	300	4	1.52%	AAA All Emergency Restoration	300	4	1.52%
City of Oakland Park	267	5	1.35%	Fort Lauderdale Public Works	280	5	1.42%
Treatment Center of the Palm	200	6	1.01%	City of Oakland Park	271	6	1.37%
Agency for Workforce Innovation	172	7	0.87%	Steel Fabricators LLC	200	7	1.01%
H Lamm Industries Inc	140	8	0.71%	Jobs & Benefits Ctr	172	8	0.87%
Lipton Toyota	130	9	0.66%	Northeast High School	165	9	0.84%
Publix Supermarkets	130	10	0.66%	Lauderdale Clinical Svc	163	10	0.82%

Source: InfoGroup Employer Database 2014 ed. 2
via Florida Department of Economic Opportunity (DEO), Bureau of Labor Market Statistics
Note: Data prior to 2006 are not available

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

Full-time Equivalent Employees as of September 30										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Function/Program										
General Government	42	45	41	37	29	27	24	22	24	24
Broward Sheriff's Office*	85	85	95	97	97	97	92	97	98	99
Fire Rescue	77	77	69	69	70	67	66	65	63	69
Public Works	16	24	21	19	17	17	15	14	14	15
Engineering	6	7	8	8	8	7	7	8	8	10
Community Development	21	21	19	18	20	18	15	15	16	9
Library	12	11	9	8	8	7	7	7	7	6
Parks and Leisure	45	51	51	49	48	45	43	40	42	40
Water & Sewer	16	18	17	19	23	26	23	25	20	22
Solid Waste	20	20	19	21	17	19	23	23	24	22
Storm Water	9	12	12	13	13	12	10	10	10	10
Total	349	371	361	358	350	342	325	326	326	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 Nine Fiscal Years**

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Police									
Physical arrests	3,546	3,093	3,152	3,407	2,111	2,038	1,926	1,881	2,389
Parking violations	318	153	110	110	61	116	139	74	280
Traffic violations	10,022	10,268	10,845	16,585	8,438	5,586	5,844	5,595	8,071
Fire Rescue									
Emergency responses	8,921	8,147	7,431	7,732	7,491	7,394	7,512	7,541	7,780
Fires extinguished	194	144	118	134	130	122	87	141	104
Inspections	4,693	3,190	4,587	4,764	4,210	3,200	3,116	2,656	2,953
Refuse collection									
Refuse collected (tons per day)	155	168	149	146	140	145	144	137	142
Recyclables collected (tons per day)	8	6	3	3	4	8	8	11	15
Other public works									
Street resurfacing (miles)	0	5	6	5	5	5	2	0	2
Potholes repaired	100	2,200	1200	1,956	1,588	1,164	1,578	1,643	2,228
Parks and Leisure									
Athletic field permits issued	*	150	415	540	388	392	404	448	461
Community center admissions	*	1,000	150,000	170,000	46,700	56,010	57,937	63,580	69,700
Library									
Volumes in collection	43,508	53,777	56,006	56,446	56,437	48,462	48,462	47,825	51,676
Total volumes borrowed	48,607	105,970	107,413	112,912	112,687	106,904	106,200	98,695	106,590
Water									
New connections	1,065	986	924	n/a	42	1,044	32	23	26
Water main breaks	88 **	97	52	58	105	66	50	46	57
Average daily consumption (thousands of gallons)	4,397	4,060	3358	3,771	3,540	3,105	3,084	3,039	3,190
Sewer									
Avg. daily sewage treatment by other (in thousands)	6,292 ***	5,806 ***	6156 ***	5,675 ***	8,427 ***	5,387 ***	6,129 ***	7,431 ***	6,560 ***

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 Nine Fiscal Years**

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Police									
Stations	1	1	1	1	1	1	1	1	1
Zone offices	1	1	1	1	1	1	1	1	1
Patrol units	75	63	69	61	72	63	68	63	65
Fire stations	3	3	3	3	3	3	3	3	3
Refuse Collection									
Collection trucks	10	9	9	9	10	11	10	10	13
Other public works									
Streets (miles)	132	132	134	134	134	134	134	134	134
Highways (miles)	0 (a)								
Streetlights	2023 *	2023 *	2027 *	2321 *	2321 *	2351 *	2383 *	2406 *	2466 *
Traffic signals	0 (a)								
Parks and Leisure									
Acreage	183	183	189	189	189	189	198	198.5	198.5
Playgrounds	6	8	8	8	9	10	10	10	10
Baseball/softball diamonds	9	9	9	9	9	9	9	9	7
Soccer/football fields	3	3	3	3	3	3	3	3	4
Tennis courts	12	12	12	14	14	14	14	14	14
Community centers	3	3	4	4	4	4	4	4	4
Basketball Courts	3	3	3	3	3	5	5	5	5
Handball/Racquetball Courts	4	4	4	4	4	4	4	4	4
Bocce Courts	2	2	2	2	2	2	2	2	2
Dog Park	1	1	1	1	1	1	1	1	1
Exercise Trail with Exercise Stations	3	3	3	3	3	3	3	3	3
Boat Ramp	1	1	1	1	1	1	1	1	1
Canoe/Kayak Launch									
Water									
Water mains (miles)	197	197	197	197	197	197	197	197	197
Fire hydrants	1126	1128	1269	790	810	1135	1135	785	791
Storage capacity (thousand of gallons)	0 **	0 **	0 **	0 **	0 **	0 **	0 **	0 **	0 **
Sewer									
Sanitary sewers (miles)	100	100	100	100	100	100	100	100	100
Storm sewers (miles)	60	62.2	60	60.1	60.1	61.6	62	62	62
Treatment capacity (thousand of gallons)	0 ***	0 ***	0 ***	0 ***	0 ***	0 ***	0 ***	0 ***	0 ***
Transit - minibuses	2	2	2	0	0	0	0	0	0

Source: Various City departments
 *Majority are owned by FPL; the City pays a maintenance fee
 **No water storage tanks owned by the City
 ***The City does not have a wastewater treatment facility
 Note: Data prior to 2006 are not available
 (a) Non owned by the City



COMPLIANCE SECTION

City of Oakland Park, Florida

Schedule of Expenditures of Federal Awards

Fiscal Year Ended September 30, 2014

<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 - 39th Year (NE 34 CT)	14.218	13-129.24	\$ 133,937
Total U.S. Department of Housing and Urban Development			<u>133,937</u>
 Federal Emergency Management Agency			
<i>Pass-Through State of Florida Division of Emergency Management</i>			
Hazard Mitigation Grant - Lloyd Estates Phase II Drainage	97.039	11HM-3B-11-16-02-004	<u>257,730</u>
Total Federal Emergency Management Agency			<u>257,730</u>
 U.S. Department of Transportation			
<i>Pass-Through State of Florida Department of Transportation</i>			
Highway Planning & Construction Grant - Local Agency Program	20.205	AR-553	472,699
Highway Planning & Construction Grant - Local Agency Program	20.205	AQX-87	<u>1,435,534</u>
Total U.S. Department of Transportation			<u>1,908,233</u>
 U.S. Department of Agriculture			
<i>Pass-Through State of Florida Department of Education</i>			
Summer Food Service Program	10.559	04-0773	<u>18,671</u>
Total U.S. Department of Agriculture			<u>18,671</u>
 TOTAL EXPENDITURES OF FEDERAL AWARDS			 <u><u>\$ 2,318,571</u></u>

See Note to Schedule of Expenditures of Federal Awards.

CITY OF OAKLAND PARK, FLORIDA

Notes To Schedule of Expenditures of Federal Awards
For The Fiscal Year Ended September 30, 2014

NOTE 1. BASIS OF PRESENTATION

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

NOTE 2. CONTINGENCY

The grant revenue amounts received are subject to audit and adjustment. If any expenditures or expenses are disallowed by the grantor agencies as a result of such an audit, any claim for reimbursement to the grantor agencies would become a liability of the City of Oakland Park, Florida. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable federal and state laws and regulations.



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

Independent Auditor's Report

The Honorable Mayor and Board of Commissioners
City of Oakland Park, Florida

We have audited 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, 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, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 7, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control 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 material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did not identify any deficiencies in internal control that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Fort Lauderdale, Florida
April 7, 2015

BCA Watson Rice LLP



**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133 AND
CHAPTER 10.550 RULES OF THE AUDITOR GENERAL**

Independent Auditor's Report

To the Honorable Mayor and City Commission
Of the City of Oakland Park, Florida

Report on Compliance for Each Major Federal Program

We have audited the City of Oakland Park, Florida ("The City")'s compliance 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 the City's major federal programs for the year ended September 30, 2014. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB 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 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. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2014.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

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 as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated April 7, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by [OMB Circular A-133](#) and is 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 basic 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Fort Lauderdale, Florida
April 7, 2015

BCA Watson Rice LLP

**CITY OF OAKLAND PARK, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS FISCAL
YEAR ENDED SEPTEMBER 30, 2014**

Section I: Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Are any material weaknesses identified?	___ Yes	__X__ No
Are any significant deficiencies identified not considered to be material weaknesses?	___ Yes	__X__ None Reported
Is any noncompliance material to financial statements noted?	___ Yes	__X__ No

Federal Awards

Type of auditor's report issued on compliance for major programs: Unmodified

Internal control over major programs:

Are any material weaknesses identified?	___ Yes	__X__ No
Are any significant deficiencies identified not considered to be material weaknesses?	___ Yes	__X__ None Reported
Are any audit findings disclosed that are required to be reported in accordance with U.S. Office of Management and Budget Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations, Section .510(a) ?	___ Yes	__X__ No

Identification of major programs:

CFDA Number(s) and Name of Federal Program or Cluster

20.205 – Highway Planning and Construction
--

Enter the dollar threshold used to distinguish between Type A and Type B programs:	\$ <u>300,000</u>	
Is the auditee qualified as a low-risk auditee?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

**CITY OF OAKLAND PARK, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FISCAL YEAR ENDED SEPTEMBER 30, 2014**

Section II: Financial Statement Findings

There were no findings.

Section III: Federal Awards Findings

There were no findings.

**CITY OF OAKLAND PARK, FLORIDA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FISCAL
YEAR ENDED SEPTEMBER 30, 2014**

PRIOR YEAR FINDINGS

There were no findings noted in the prior year.



MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of the City of Oakland Park, Florida, as of and for the fiscal year ended September 30, 2014, and have issued our report thereon dated April 7, 2015.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 10.550, Rules of the Auditor General.

Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated April 7, 2015, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no such findings in the previous financial report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. Such information is disclosed in Note 1 to the financial statements.

Financial Condition

Section 10.554(1)(i)5.a., Rules of the Auditor General, requires that we report the results of our determination as to whether or not City of Oakland Park, Florida has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the City of Oakland Park, Florida did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the City of Oakland Park, Florida'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.

Annual Financial Report

Section 10.554(1)(i)5.b., Rules of the Auditor General, requires that we report the results of our determination as to whether the annual financial report for the City of Oakland Park, Florida for the fiscal year ended September 30, 2014, 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, 2014. In connection with our audit, we determined that these two reports were in agreement.

Other Matters

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. Recommendations are included in the attachment to this letter.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

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

Fort Lauderdale, Florida
April 7, 2015

BCA Watson Rice LLP

CITY OF OAKLAND PARK, FLORIDA
Management Letter
Fiscal Year Ended September 30, 2014

I. CURRENT YEAR RECOMMENDATIONS

**2014-01-ML Implement Committee of Sponsoring Organizations of
the Treadway Commission (COSO)'s Internal Control
Framework**

Comment and Recommendation

The Committee of Sponsoring Organizations of the Treadway Commission (COSO) has updated its *Internal Control—Integrated Framework (Framework)* originally released in 1992. The original framework has gained broad acceptance and is widely used around the world. It is recognized as a leading framework for designing, implementing, and conducting internal control and assessing the effectiveness of internal control. COSO believes the *Framework* will enable organizations to effectively and efficiently develop and maintain systems of internal control that can enhance the likelihood of achieving the entity's objectives and adapt to changes in the business and operating environments.

Federal Managers' Financial Integrity Act (FMFIA) requires that federal agency executives periodically review and annually report on the agency's internal control systems. FMFIA requires the Comptroller General to prescribe internal controls standards. These internal control standards, first issued in 1983, present the internal control standards for federal agencies for both program and financial management.

On September 10, 2014 the Government Accountability Office (GAO) issued its revision of *Standards for Internal Control in the Federal Government* described as the "Green Book", which was adopted from the Framework and is now required of federal financial managers.

The Green Book may also be adopted by state, local, and quasi-governmental entities, as well as not-for-profit organizations, as a framework for an internal control system.

This updated Framework is now considered "best practice" for designing, implementing, conducting and assessing internal controls. The American Institute of Certified Public Accountants has issued guidance that can be used for the implementation of COSO (see attached) as well as the Government Finance Officers' Association (GFOA) has issued a publication (available in "E-Book" as well as paper versions) designed to help understand and implement this frame work.

We urge the City to consider adopting and implementing this COSO framework.

CITY OF OAKLAND PARK, FLORIDA
Management Letter
Fiscal Year Ended September 30, 2014

I. CURRENT YEAR RECOMMENDATIONS (Continued)

2014-01-ML Implement Committee of Sponsoring Organizations of the Treadway Commission (COSO's) Internal Control Framework (continued)

Management's Response

This City will begin review of the updated COSO framework on internal controls and the GAO's revised Green Book in addition to implementation guidance materials available through the AICPA, GFOA, and other sources. Staff will begin the process of assessing whether the COSO principles are already incorporated within the City's existing internal control framework. The City will also begin to determine how principles not already part of the existing internal control framework should be designed and implemented to ensure an effective internal control system exists within the organization.

2014-02-ML Upgrade Lien Reporting and Monitoring System

Comment and Recommendation

For the year ended September 30, 2014, the City did not monitor its lien activity. The City has nearly \$40M dollars in assessed liens. However, activity occurring within those liens is not monitored on a regular and consistent basis in the lien reporting system. The Department Director keeps a spreadsheet of lien of activity he is aware of. However, the schedule is not reconciled back to the liens database maintained by the City.

Per discussion with management, the issued is caused by lack of appropriate software to produce necessary reports to facilitate a monitoring and review process. The effort required to manually produce reports using current resources is not time efficient for the benefit provided.

A portion of the assessed liens is collectible as revenue to the City. If lien activity such as assessed amounts and write offs are not recorded, monitored, and reviewed regularly, potential revenue amounts by the City may not be collected or recorded appropriately.

We recommend that the City obtain necessary software or implement compensating controls necessary to monitor activity, produce reports, and facilitate reviews which can tie the reported activity back to the lien database maintained by the City.

CITY OF OAKLAND PARK, FLORIDA
Management Letter
Fiscal Year Ended September 30, 2014

I. CURRENT YEAR RECOMMENDATIONS (Continued)

2014-02-ML Upgrade Lien Reporting and Monitoring System (continued)

Management's Response

The City currently uses Perconti Data System's CD-Plus software for code enforcement case management, including the tracking of code enforcement fines and liens. The City staff will review the available reporting functionalities provided by the CD-Plus software to determine their sufficiency in providing suitable reports for the monitoring of lien activities. The City will also appropriate funds in the next fiscal year budget for the development of suitable reporting tools capable of pulling data directly from the CD-Plus system. The Code Enforcement Administrator will then use the enhanced reporting functions to facilitate the review and monitoring of fine and lien activity at regular intervals.

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CITY OF OAKLAND PARK, FLORIDA
 Management Letter
 Fiscal Year Ended September 30, 2014

II. STATUS PRIOR YEAR RECOMMENDATIONS AND MANAGEMENT'S RESPONSES

<u>Finding Number</u>	<u>Prior Year Comment</u>	<u>Recommendation</u>		
		<u>Implemented</u>	<u>Partially Implemented</u>	<u>Not Implemented</u>
2011-ML-02	Information Technology (IT) Access Control Procedures		✓	
2011-ML-04	Inventory of Utility Meters	✓		

Recurring Findings Over Two Years

2011-ML-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.

CITY OF OAKLAND PARK, FLORIDA
Management Letter
Fiscal Year Ended September 30, 2014

II. STATUS PRIOR YEAR RECOMMENDATIONS AND MANAGEMENT'S RESPONSES (Continued)

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

Management's Response

Management has implemented a system of access control, audit trails, and entitlement managed using the ERP's role-based security system. The City will engage with a third party to perform a comprehensive vulnerability assessment, including a network penetration test, during 2015. The City's ERP vendor has invested in an enterprise level vulnerability and penetration product and a network assessment plan is currently being developed.

2011-ML-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 no longer exists.

Management's Response

The City's 2014 Business Plan Initiative included the comprehensive review of all water, sewer and solid waste billed services. In July 2014, the City contracted two companies to conduct performance reviews of the water & sewer billing system. One company, WCA was assigned to conduct an audit which includes the identification and remedy for any system inaccuracies with respect to water metering and wastewater accountability.

A second company, The Matrix Consulting Group, was selected to evaluate the adequacy and effectiveness of current procedures and process for the prevention of data errors and unbilled usages. The resulted recommendations include improving the process flow between the City's Building and Permitting Division and Utility Billing regarding new construction as well as the life cycle of a utility service location. The recommendations are under review by Management to develop a system of tracking the utility meter inventory and location to ensure services provided are properly billed.

COSO Internal Control Integrated Framework & GAO Internal Control Updates

Their Relationship to Government Entities

Effective internal control helps organizations manage change and cope with evolving demands and competing priorities. Lately, there has been a lot of change—evolving demands, and competing priorities, especially in government due mainly to the economic climate. At the same time, government entities are expected to do more with less and less each year and pressure is on government entities to improve operational processes and implement new technological developments. As a result, government managers must continually assess and evaluate their internal control to assure that the control activities they are using are effective and updated when necessary. The internal control tools that government managers have at their disposal must adapt and respond accordingly. The primary organizations that are the keepers of these tools are doing just that.

In the Federal arena, the Federal Managers' Financial Integrity Act requires the Government Accountability Office (GAO) to issue standards for internal control. The standards provide the overall framework for establishing and maintaining internal control and for identifying and addressing major performance and management challenges and areas at greatest risk of fraud, waste, abuse, and mismanagement.

The GAO's current standards reside in *Standards for Internal Control in the Federal Government* or the Green Book (GAO/AIMD-00.21.3.1, November 1999 www.gao.gov/assets/80/76455.pdf). Plans are underway at the GAO to update the Green Book and, once updated, it will be the subject of a Government Brief.

Since the original Committee of Sponsoring Organizations of the Treadway Commission (COSO) *Internal Control – Integrated Framework (ICIF)* was released in 1992 corporations, not-for-profits, and government entities have also used this guidance to implement effective internal control.

Change is currently occurring with the ICIF. On May 14, 2013, COSO released its updated ICIF, including a volume of *Illustrative Tools for Assessing Effectiveness of a System of Internal Control* and another volume titled, *Internal Control over External Financial Reporting: A Compendium of Approaches and Examples*. The *Illustrative Tools*, consists of templates that government and other entities can use to evaluate and document the effectiveness of internal control while the *Compendium* provides examples and ideas for assisting entities apply the updated ICIF to their specific circumstance.



Taking two and one-half years to develop, these documents are intended to help organizations adapt to an increasingly complex world and the rapid pace of change, to mitigate risks in achieving their objectives, and provide reliable information that supports sound decisions. In fact, the update is COSO's response to recognizing technological and business developments, increased corporate risks, the need to codify existing principles as well as the need to provide expanded guidance on non-financial reporting.

The updated Framework retains the core definition of internal control and the five components of a system of internal control, but explicitly specifies 17 guiding principles divided among the five components. The reporting objective is expanded by providing separate guidance for internal and external reporting acknowledging that a lot of reported external information surpasses what is reported in the financial statements.

The original ICIF will remain available during a transition period that extends to December 15, 2014; thereafter, COSO will consider the original superseded. During the transition time, an organization's external reporting that involves the ICIF should disclose whether it is using the original or updated version.

Entities that already have an effective system of internal control should not experience additional responsibilities under the clarified Framework; instead, they should build on what they are doing already while they implement the update.

What follows is more on the five components of the clarified ICIF with the 17 principles articulated.

Control Environment

This is the foundation for all other components of internal control, providing discipline, process and structure as established by the board and senior management. There are five principles relating to control environment:

- Commitment to integrity and ethics.
- Oversight for internal control by the board of directors, independent of management.

Resources:

[from the AICPA's website at www.aicpa.org/InterestAreas/BusinessIndustryAndGovernment/Resources/CorporateGovernanceRiskManagement/InternalControl/Pages/COSO_Integrated_Framework_Project.aspx]

- [Newly released COSO framework a fresh look at internal control](#) (Journal of Accountancy, May 14, 2013)
- [Eight steps to update internal control](#) (Journal of Accountancy, May 14, 2013)
- [COSO postpones release of Internal Control Framework](#) (Journal of Accountancy, April 30, 2012)
- [COSO Internal Control – Integrated Framework Exposure Draft - AICPA Comment Letter](#) (March 29, 2012)
- [White Paper: COSO 2012 – Updated, Principles-Based, and More Guidance](#) (March 2012)
- [Internal Control, Revisited](#) (Journal of Accountancy, March 2012)
- [COSO Internal Control – Integrated Framework FAQs](#) (January 2012)
- [COSO Chair Says Updated Framework is a 'Refresh'](#) (Journal of Accountancy, January 23, 2012)
- [COSO Internal Control Update Reflects 20 Years of Changes](#) (January 18, 2012)
- [Setting a Higher Threshold for Internal Control Maintenance](#) (January 9, 2012)
- [COSO Releases Draft of Updated Internal Control Framework](#) (Journal of Accountancy, December 19, 2011)

- Structures, reporting lines and appropriate responsibilities in the pursuit of objectives established by management and overseen by the board.
- A commitment to attract, develop and retain competent individuals in alignment with objectives.
- Holding individuals accountable for their internal control responsibilities in pursuit of objectives.



Risk Assessment

The basis for how risks should be managed involves a dynamic process. Management must consider possible changes in the external environment and within the business that may be obstacles to its objectives. There are four principles of risk assessment:

- Specifying objectives clearly enough for risks to be identified and assessed.
- Identifying and analyzing risks to determine how they should be managed.
- Considering the potential for fraud.
- Identifying and assessing changes that could significantly impact the system of internal control.

Control Activities

These are established to help ensure management's directives to mitigate risks get carried out. Control activities are performed at all levels and at various stages within the business process and over technology. There are three principles of control activities:

- Selecting and developing controls that help mitigate risks to an acceptable level.
- Selecting and developing general control activities over technology.
- Deploying control activities as specified in policies and relevant procedures.

Information and Communication

Communication must occur internally and externally to provide information needed to carry out day-to-day internal control activities. All personnel must understand their responsibilities.

There are three principles relating to information and communication:

- Obtaining or generating relevant, high-quality information to support internal control.
- Internally communicating information, including objectives and responsibilities, necessary to support the other components of internal control.
- Communicating relevant internal control matters to external parties.

Monitoring Activities

Evaluations ascertain whether each component of internal control is present and functioning. Deficiencies are communicated in a timely manner, with serious matters reported to senior management and the board. There are two principles relating to monitoring activities:

- Selecting, developing and performing ongoing or separate evaluations of the components of internal control.
- Evaluating and communicating deficiencies to those responsible for corrective action, including senior management and the board of directors, where appropriate.

Author's Bio

Audrey L. Duchesne is a member of the American Institute of Certified Public Accountants' (AICPA) Government Accountability and Performance Committee or GPAC.

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