

Fiscal Year Ended September 30, 2013  
Comprehensive Annual Financial Report

*City of*  
*Parkland*  
*Florida*

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**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**OF THE**  
**CITY OF PARKLAND, FLORIDA**

**Fiscal Year Ended September 30, 2013**

**Prepared by the**  
**Finance Department**

**Nancy Morando**  
**Finance Director**

**Chris Johnson, CPA**  
**Chief Accountant/Controller**

# CITY OF PARKLAND, FLORIDA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2013

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# CITY OF PARKLAND, FLORIDA

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## INTRODUCTORY SECTION





# CITY OF PARKLAND

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[www.cityofparkland.org](http://www.cityofparkland.org)

March 24, 2014

Honorable Mayor,  
Members of the City Commission and  
Residents of the City of Parkland, Florida

State law requires that every general-purpose local government publish within nine months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States (GAAP) and audited in accordance with auditing standards generally accepted in the United States, and government auditing standards by a firm of licensed certified public accountants. The report has been prepared by the City's Finance Department, with the assistance of the independent auditors, Nowlen, Holt & Miner, P.A., Certified Public Accountants. Pursuant to these requirements, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the City of Parkland for the fiscal year ended September 30, 2013.

This report consists of management's representations concerning the finances of the City of Parkland. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial statements of the governmental activities and various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The report includes all governmental activities and funds of the City and, in accordance with generally accepted accounting principles, only those legally separate entities for which the City is financially accountable. While the Broward County Board of County Commissioners, Broward County School Board, South Florida Water Management District, Florida Inland Navigation District, Children's Services Council of Broward County, and North Broward Hospital District levy and collect taxes on property located within the corporate limits of the City, the City is not financially accountable for these entities. Therefore, financial information of these taxing authorities is not included in this report. Annual financial reports on these entities are available on request from each board, district or council.

This letter of transmittal is designed to complement the Management's Discussion and Analysis (MD&A) and should be read in conjunction with it. The MD&A immediately follows the Report of the Independent Certified Public Accountants and provides a narrative introduction, overview and analysis of the basic financial statements.

## **Profile of the Government**

The City of Parkland, Florida (the "City") is located in northwest Broward County adjacent to the cities of Coral Springs, Coconut Creek and the Broward/Palm Beach County border. The City has been developed slowly and deliberately, reflecting the deep commitment of the residents, elected officials, management, and developers to the preservation of the pristine state of the region which includes the significant natural habitat of plants and wildlife. The population is 24,872 and the median age is 38.8. There are 8,359 dwelling units with 7,028 single family and 1,331 multifamily.

The City operates under a Commission-Manager form of government, comprised of five elected officials, the Mayor and four Commissioners. The Mayor is elected at-large and the Commissioners are elected by districts. The City Commission determines policy, adopts legislation, and approves the City's annual budget. The City Commission appoints the City Manager who is responsible for the daily operations and insuring all ordinances and resolutions are adhered to.

The City is viewed as a prestigious, semi-rural community and is a suburban part of Fort Lauderdale's Standard Metropolitan Statistical Area (SMSA). The City's highly rated schools and proximity to the Sawgrass Expressway and Florida's Turnpike, coupled with the natural beauty of the region help make the City a highly desirable residential area. Currently, a variety of residential developments are in place including single family and multi-family alternatives. Additional new residential developments are planned as the City develops vacant land in the Wedge. There are four commercial properties totaling approximately 61 acres that have been developed: Parkland Commons, Parkland Village, the Waterways and Riverstone Shops. This added upscale commercial development will diversify the City's economic base. Commercial development comprises only .80% of total land use.

### **Economic Conditions and Outlook**

Florida's growth rates are gradually returning to more typical levels. But, drags are more persistent than past events, and it will take a few more years to climb completely out of the hole left by the recession. In the various forecasts, normalcy has been largely achieved by FY 2016-2017. The housing market and mortgage industry continue to be impediments to growth in the overall economy. In December 2013, Florida accounted for the biggest share of U.S. foreclosure inventory. For 2013, Florida had the highest number of foreclosure filings and the highest foreclosure rate in the U.S. A total of 3.01% of housing units in Florida have received at least one foreclosure filing. To compound the problem further, the average foreclosure proceeding in Florida takes 929 days from start to finish, which is significantly higher than the National average of 551 days.

Median sales prices for existing homes drifted slightly downwards in the Summer and Fall of 2013 and are still substantially below the nation as a whole. The previous downturns in the housing market left many individuals and families in debt or out of large amounts of wealth. Future turnarounds in the Florida housing market will be dependent continued population growth and household formation. Florida is on track to break the 20 million population mark during 2016, becoming the third most populous state.

During the recent recession, the median household income declined significantly. For the 3<sup>rd</sup> quarter of 2013, Florida was ranked 8<sup>th</sup> in the country with personal income growth of 1.3%, which was slightly higher than the national average of 1.1%. Parkland continues to show household income increases in recent years going from \$125,926 in 2012 to \$130,386 in 2013. The combination of previous income declines, increasing inflation, and tightening credit continues to hurt a large portion of the population in South Florida. However, as the housing market starts to grow, the economy of South Florida is expected to have slow growth in the coming year.

For December 2013, the national unemployment rate was 6.7%. Florida is better than the national average with an unemployment rate of 6.2%, which is Florida's lowest unemployment rate since June 2008 when it was 6.0%. In the tri-county area of South Florida, Miami-Dade County has an unemployment rate of 6.8%, down from 9.1% a year ago. Broward County has the lowest area unemployment rate at 5.0%, down from 6.6% a year ago. Palm Beach County's unemployment rate is 6.0%, which is down from 7.9% a year ago. Florida's job market will take a long time to recover since approximately 419,700 jobs have been lost since the most recent peak. Florida's prime working-age population (age 25-54) is forecast to add about 3,400 people per month, so the hole is deeper than it looks. Population growth is Florida's primary engine for economic growth, fueling both employment and income growth. A surge in construction and increased tourism are the drivers behind Florida's strong job outlook for 2014.

The Bureau of Labor Statistics releases local inflation rates every two months and the national inflation rate every month. This rate is calculated by the BLS using the Consumer Price Index. The CPI produces monthly data based upon changes in the prices paid by consumers for goods and/or services. South Florida's December 2013 inflation rate has increased 1.9% compared to one year ago. The South Florida CPI increase is slightly higher than the 1.6% increase nationally.

The U.S. Energy Information Administration anticipates slight decreases in oil prices for 2014 and 2015.

## **Local Economy**

### ***Taxable Values***

- On July 1st the Broward County Property Appraiser's Office provided taxable values to all taxing authorities. The City had one of the largest increases in Broward County of 6.55% or \$196 million in taxable value. This increase is a combination of new taxable value and current values increasing. This increase resulted in an additional \$700,000 in ad valorem revenue. This is the 3<sup>rd</sup> consecutive year that taxable values have increased. We anticipate that future years will have similar if not higher growth due to new development. However, the City is still recovering from the large declines of 7.3% in 2010 and 17% in 2009.
- The City is one of the few cities in Broward County that will experience new growth due to new development. The "Wedge" is a 1,949 acre wedge-shaped property that was transferred from Palm Beach County to Broward County. The City has annexed 657 acres and development is already underway. The Wedge, once developed, will have a projected 3,115 new single family homes. This development is expected to bring in approximately \$5 million in new ad valorem revenue during the next ten years.

### ***Tax Reform***

- During 2012, various bills were passed to provide for additional ad valorem tax relief for Veterans, surviving spouses of military personnel or first responders and Florida senior citizens. The bills were effective January 1, 2013 and their impact on the City's budget have been minimal.

## **Financial Strategy**

Establishing a budget is more than determining appropriations and revenues, it is piecing together the many elements of our City in a way that exhibits our principles and meets the expectations of those we serve. The Fiscal Year 2014 budget tackles current financial and economic realities and displays the headway that the City has made to become more efficient and effective over the last five years. Today, Parkland residents should be proud of the stewardship of their elected body and the professional staff which have permitted the City to weather the Great Recession, the lukewarm economic recovery and the many years of stagnant or reduced General Fund revenues.

The Fiscal Year 2014 budget process was slightly easier than in prior years. Zero based budgeting was used to create the Fiscal Year 2014 budget. Departments were required to justify all budgeted expenditures. As mentioned, the City experienced an increase in taxable values and will continue to have growth with new development in the "Wedge". With this growth, come opportunities and challenges that the City is prepared for. Departmental increases in their operating expenditures were approved if they aligned with the City Commission's Strategic Plan. The Fiscal Year 2014 budget is conservative in its creation but allows for uncertainties in the economy while building a foundation for the future growth that will occur in the City.

Despite the current economic challenges that many municipalities are facing, the City of Parkland continues to be a Financially Sound City Government. We have sufficient reserves, equal to 20% of the General Fund operating budget, in a Stabilization Reserve for unforeseen economic conditions and potential national disasters (hurricanes). We have manageable debt payments and will continue to



fund major capital projects with the appropriate mix of low-cost debt or by utilizing cash reserves. We will continue to be financially sound with every budget that is balanced, spending within our means and being financially responsible to the citizens of Parkland.

Over the past five years, City staff has done more with less allowing the City to weather the storm of the recession. But now we need in to invest in technology. Information technology is always evolving and innovations in this field often allow for government to be done more effectively and efficiently. Therefore, in the last year, we have invested in new software for the Building Department for permitting activity and in the Finance Department for better tracking and reporting. We are also implementing a document imaging program. Not only will the City continue its "green initiative" by using less paper, we will store and easily find the information so it is available in the future.

Capital investments are the physical foundation of government service delivery, including our road infrastructure, landscaping and buildings to maintain City services, police services, fire rescue and parks and recreation facilities. Decisions about capital investments affect the availability and quality of most government services. This infrastructure is often taken for granted, yet is a cornerstone of the City's economy, with implications for health, safety, and quality of life. Any chronic under-investment in the City's infrastructure imperils the physical foundations that support and connect modern life. The Fiscal Year 2014 budget includes \$300,000 to be reserved for equipment replacement and another \$300,000 to be reserved for facilities replacement. This is the second year for reserving funds specifically for equipment and facilities replacement.

Parkland is fortunate to have paid for all capital projects since 2005 using operating cash, also referred to as "pay as you go" financing. The Fiscal Year 2014 budget, on the other hand, includes a tax-exempt loan for \$7,000,000 to fund capital improvements. With interest rates so low making borrowing reasonable and keeping money in the bank unreasonable, it only is prudent to continue to provide the residents the City facilities they desire and need. The loan was secured by various revenues and impact fees for Fire, Public Safety and Government Buildings.

### **Major Initiatives**

The City continues to fund capital improvement projects to maintain and improve City facilities. The most notable FY 2014 capital projects are as follows:

1. Western Fire Station This project involves the construction of an environmentally friendly Western Fire Station at the new location on Hillsboro Boulevard.
2. Pine Trails Park This project is the 2<sup>nd</sup> phase of the completion of Pine Trails Park. It will provide additional athletic facilities to meet current and future needs through the installation of additional baseball and multi-purpose fields.
3. Street Lighting This project involves the design and installation of 3.03 miles of Nob Hill Road with the installation of new Florida Power and Light concrete poles with mast arms, lighting fixtures, transformers, conduit, and wiring.

## **Relevant Financial Policies**

In the development and evaluation of the City's accounting and financial reporting systems, consideration is given to the adequacy and accuracy of the internal accounting controls. These controls are designed to provide reasonable, but not absolute, assurance that the assets of the City are safeguarded against loss from unauthorized use or disposition and that there are reliable financial records for the preparation of financial statements and for the accountability of those assets. The City has adopted comprehensive financial policies that enhance and supplement its system of internal accounting controls to safeguard the assets of the City and provides reasonable assurance of the proper recording of financial transactions. We believe the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of the proper recording of financial transactions.

**Operating Budget Policy** The City maintains budgetary controls, the objective of which is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Commission. All funds are required to balance. Total anticipated revenues must equal the sum of budgeted expenditures for each fund. Current anticipated revenues must be sufficient to support current expenditures. The level of budgetary control is maintained by the City Manager at the departmental level within an individual fund. Any changes made outside the department level control must be approved by City Commission.

**Stabilization/Operating Reserves Policy** The City's current policy is to maintain operating reserves at 20% of the General Fund operating budget, less any transfers and contingency amount. A variety of factors were considered in determining the appropriate operating reserve level. Major circumstances include economic stabilization for unforeseen economic conditions and potential natural disaster, especially hurricanes, which could affect the City. For FY 2013, the City's stabilization/operating reserves are \$4,914,761, or 2.3 months of operating expenditures.

**Capital Improvement Program Policy** The City adopts an annual Capital Improvement Plan that is directly linked to the City's Strategic Plan. It is the City's policy to determine the most prudent financial method for funding its Capital Improvement Program. When possible, the City shall use cash reserves to pay for capital expenditures. During 2013, cash reserves were utilized to pay for all Capital Improvement Program expenditures. For Fiscal Year 2014, a \$7,000,000 loan has been obtained to fund construction of the Western Fire Station and Pine Trails Park. Impact fee revenues will primarily be used to pay for the new debt service.

**Cash Management and Investments Policy** The City follows its adopted investment policy when handling public funds. The intent of this policy is to 1) ensure the preservation of principle, 2) maintain sufficient cash flow to enable the City to meet its obligations, and 3) maximize the return on assets with acceptably low exposure to risk. The investment policy meets the requirements of Florida Statutes, Section 218.415.

All temporarily idle funds are centrally managed through the use of a pooled cash and investment account. The funds available for investment of this nature average approximately \$24 million for the year and provided interest income totaling approximately \$32,000. The City utilizes SunTrust Bank and the Florida State Board of Administration Local Government Investment Pool, which was created under Florida Statute Chapter 218, Part IV to promote the maximization of net interest income on invested surplus funds. Investment earning was at a record low in 2013; however future improvements are expected, but will be slow in nature.

**Debt Management Policy** The City reviews its outstanding debt annually. The financing term of capital projects shall not exceed the average useful life of the project that is being financed. These projects shall be major projects and shall be financed only when unreserved fund balance is not available. For FY 2013, the City is in compliance with its debt management policy.

**Other Information**

**Independent Audit** In accordance with Section 218.32, Florida Statutes, the City engaged the services of the firm, Nowlen, Holt & Miner, P.A. Certified Public Accountants, to perform the independent audit of the City's accounts and records. The independent auditor's report is included in the Financial Section.

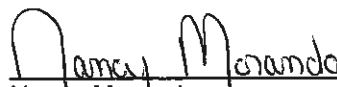
**Certificate of Achievement** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to City of Parkland, Florida for its comprehensive annual financial report for the fiscal year ended September 30, 2012.

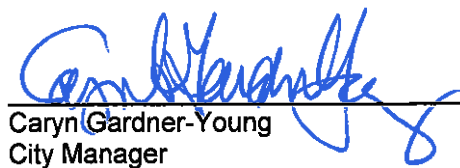
In order to be awarded a Certificate of Achievement, a governmental must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City has received a Certificate of Achievement for the last twenty-three consecutive years including the fiscal year ended September 30, 2012. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to GFOA.

**Acknowledgments** The preparation of this report would not have been possible without the efficient and dedicated services of the Finance Department. We would like to express our appreciation to all members of this department who assisted and contributed to the preparation of this report. Credit must also be given to the Mayor and Commission for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Parkland's finances.

Respectfully submitted,

  
\_\_\_\_\_  
Nancy Morando  
Finance Director

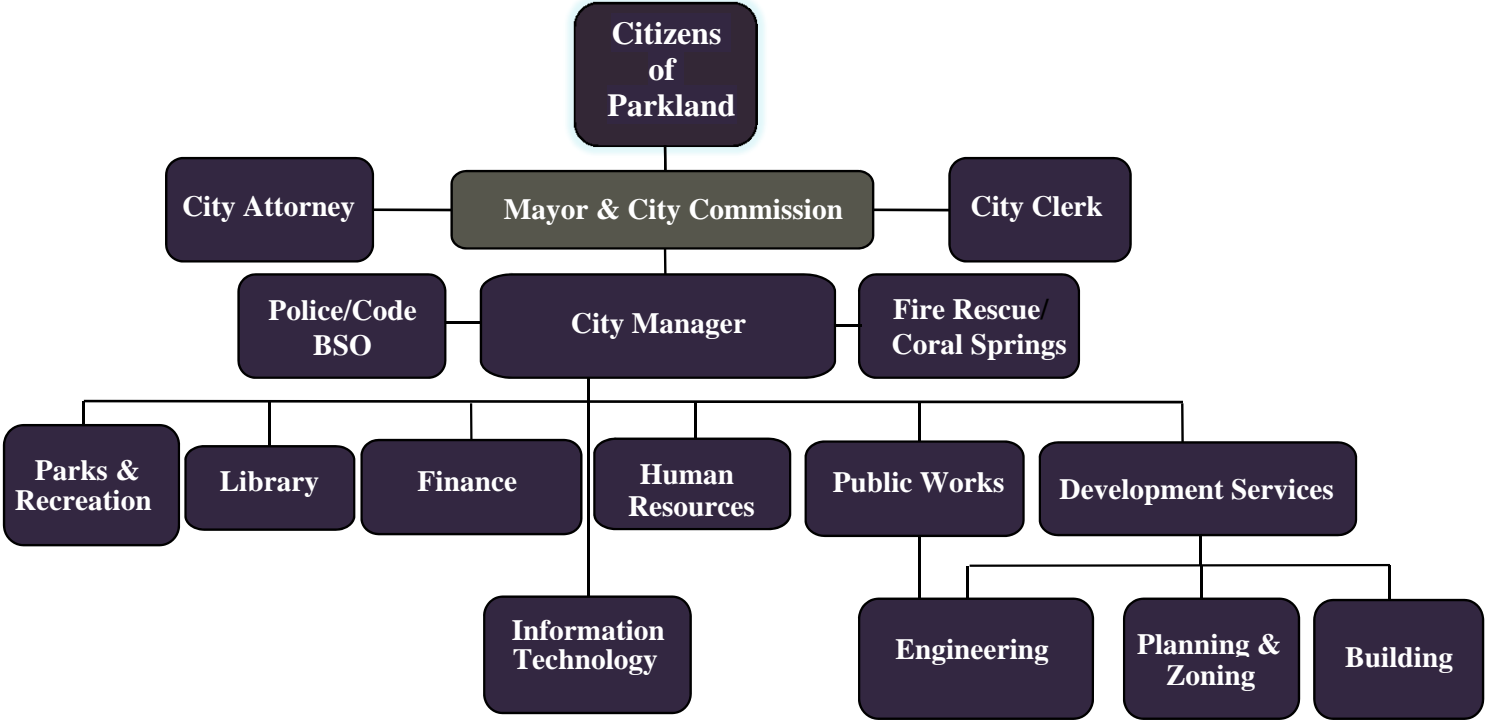
  
\_\_\_\_\_  
Caryn Gardner-Young  
City Manager

**List of Principal Officials**

**September 30, 2013**

Mayor .....	Michael Udine
Vice Mayor .....	David Rosenof
Deputy Vice Mayor .....	Christine Hunschofsky
Commissioner .....	Stacy Kagan
Commissioner .....	Mark Weissman
City Manager .....	Caryn Gardner-Young
City Attorney .....	Andrew Maurodis
City Clerk .....	Lanelda Gaskins
Finance Director.....	Nancy Morando
Public Works Director .....	Brian Archer
Building Official .....	Stephen Pizzillo
Fire Chief-CSFD.....	Mark Curran
Community Services Director.....	Philip Biscorner
Planning & Zoning Director .....	Michele Mellgren
Human Resources Director .....	Jenny D’Ugard
Police Chief-BSO.....	Marvin Stoner

City of Parkland  
Organizational Chart  
2012-2013







Government Finance Officers Association

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

Presented to

**City of Parkland  
Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2012**

Executive Director/CEO

## FINANCIAL SECTION



# NOWLEN, HOLT & MINER, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

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The Honorable Mayor and Members of the City Commission  
The City of Parkland, Florida

### Report on the Financial Statements

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

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City of Parkland, Florida's Police Officers Retirement Plan, which represents 35 percent, 35 percent, and 22 percent, respectively, of the assets, fund balance/net position, and revenues/additions of the aggregate remaining fund information of the City of Parkland, Florida. Those statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the City of Parkland, Florida's Police Officers Retirement Plan, is based on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United State 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 other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Parkland, Florida as of September 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund 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 the Management's Discussion and Analysis on pages 4 through 12, the Schedule of Funding Progress for other postemployment benefits on page 57, and the Schedule of Funding Progress and Schedule of Contributions from the Employer and Other Contributing Entities on page 58 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 of Parkland, Florida's basic financial statements. The Introductory Section, Other Financial Information Section, and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Other Financial Information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Other Financial Information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The Introductory Section and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2014, on our consideration of the City of Parkland, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Parkland, Florida's internal control over financial reporting and compliance.

*Nowlen, Holt & Miner, P.A.*

West Palm Beach, Florida  
March 24, 2014



## MANAGEMENT'S DISCUSSION AND ANALYSIS

The purpose of the financial reporting, in general, is to provide the readers of the financial statements with information that will help them make decisions and draw conclusions about an entity. As management of the City of Parkland, Florida (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2013. We encourage readers to consider the information presented here in conjunction with the additional information provided in the transmittal letter on pages I through VI at the beginning of this report as well as the financial statements and notes to financial statements that follow.

### FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$62,652,663 (net position), as compared with \$56,555,113 for the previous fiscal year. Of this amount, \$21,221,272 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$6,097,550 during the current fiscal year. The increase is attributable to an increase in charges for services, permit fees and associated impact fees related to new housing development taking place in the Wedge. Expenditures increased slightly due to contractual increases for Police Services and Fire Rescue Services provided to the City and additional Building Department personnel that were required to handle the increased workload encountered due to the new development.
- The City's governmental funds reported combined ending fund balances of \$25,339,369, an increase of \$5,504,494 in comparison with the prior fiscal year. Of this amount, approximately \$194,209 is non-spendable, \$4,754,828 is restricted, \$4,914,761 committed, \$1,919,891 is assigned and \$13,555,680 is unassigned.
- The total fair value of the City's cash and investments at September 30, 2013 was \$26,395,684, an increase of \$5,583,478 from the prior year.
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$13,555,680, or 67% of total general fund expenditures.
- The City's long-term liabilities decreased by \$506,440 due primarily to debt service payments. No new debt was issued during the year.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts: 1) Introductory Section 2) Financial Section, 3) Statistical Section, and 4) Compliance Section. Within the Financial Section, there is the Independent Auditors' Report, the Management's Discussion and Analysis, the Basic Financial Statements, Required Supplementary Information and Other Financial Information.

**Government-wide financial statements.** The government-wide statements on pages 13 and 14 include the statement of net position and the statement of activities. They are designed to provide a broad overview of the City's financial position as a whole, similar to private sector financial statements. The statement of net position shows the total assets and liabilities for the City, with the difference reported as net position. Over time, increases or decreases in net position may be an indicator of whether the financial position of the City is improving or deteriorating. The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position 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. A good example of this is uncollected taxes and earned but unused compensated absences (annual 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 include general government, public safety, physical environment, culture and recreation, and development services. The business-type activities of the City consist of capital replacement.

**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 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary 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 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 maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and the capital projects fund, both of which are considered to be major funds. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its general fund, capital projects fund and capital replacement fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 15 through 20 of this report.

Proprietary fund. The City maintains one type of proprietary fund known as an internal service fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City of Parkland's various functions. The City uses the internal service fund to account for its vehicle and computer replacement programs. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Propriety funds provide the same type of information as the government-wide financial statements, only in more detail. The City adopts an annual appropriated budget for its proprietary fund, the capital replacement fund.

The proprietary fund financial statements can be found on pages 21 through 23.

Fiduciary fund. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements 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 Fiduciary Fund represents the Police Officers' Retirement Plan, and can be found on pages 24 and 25.

Notes to the financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 26 through 56 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 police officers. Required supplementary information can be found on pages 57 and 58 of this report.

Combining and individual fund statements and schedules. Combining statements referred to earlier in connection with non-major governmental is presented immediately following the required supplementary information. They can be found on pages 59 through 60.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of the City’s financial position. In the case of the City of Parkland, assets exceeded liabilities by \$62,652,663 at the close of the fiscal year. The table below summarized the City’s net position for the fiscal year ended September 30, 2013.

By far the largest portion of the City’s net position (approximately 59%) reflects its net investment in capital assets (land, buildings, improvements other than buildings, machinery and equipment, vehicles, and infrastructure) less any related outstanding debt used to acquire those assets (approximately \$8.9 million). The City uses these capital assets to provide services to the residents; therefore, these assets are not available for future spending. Although the City’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**City of Parkland, Florida  
Net Position**

	<u>September 30, 2013</u>	<u>September 30, 2012</u>
Current and other assets	\$ 27,700,159	\$ 22,227,464
Capital assets	<u>45,573,440</u>	<u>45,577,255</u>
Total assets	<u>73,273,599</u>	<u>67,804,719</u>
Other liabilities	1,203,555	1,319,164
Long-term liabilities	<u>9,417,381</u>	<u>9,930,442</u>
Total liabilities	<u>10,620,936</u>	<u>11,249,606</u>
Net position:		
Net investment in capital assets	36,676,563	36,118,346
Restricted	4,754,828	2,091,191
Unrestricted	<u>21,221,272</u>	<u>18,345,576</u>
Total net position	<u><u>\$ 62,652,663</u></u>	<u><u>\$ 56,555,113</u></u>

A portion of net position, approximately 8%, represents resources that are subject to external restrictions on how they may be used. The largest components of these resources are for building department expenditures. Restricted net position for park improvements and the western fire station are to be paid from impact fees. The remaining balance of unrestricted net position of \$21,221,272 may be used to meet the City’s ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in net position. The same situation held true for the prior fiscal year.

The largest component of current and other assets are cash and investments, which comprise approximately 95% of these assets. Cash and investments increased by \$5,583,478, from \$20,812,206 to \$26,395,684 as the City continues to experience growth within the Wedge. Capital assets (net) was nearly the same as current year additions were offset by depreciation expense and current year disposals.

Approximately 11% of the total liabilities are attributable to current liabilities, down slightly from 12% in the prior year. Accounts payable decreased \$160,022, resulting from the 2013 police pension liability that was recorded in the prior year. Net long-term liabilities, comprised of compensated absences payable and long-term debt, decreased \$513,061 as long-term debt decreased by \$565,037 and compensated absences payable increased by \$50,004.

Governmental activities:

Governmental activities increased the City’s net position by \$6,097,550, thereby accounting for the total growth in net position of the City. Key elements of the change are described below:

	<b>City of Parkland, Florida</b>	
	<b>Change in Net Position</b>	
	September 30, 2013	September 30, 2012
<b>REVENUES:</b>		
Program revenues:		
Charges for services	\$ 10,438,093	\$ 6,943,694
Operating grants and contributions	120,986	70,644
Capital grants and contributions	22,951	80,905
General revenues:		
Ad valorem taxes	11,519,275	11,274,022
Franchise and other taxes	3,221,839	3,106,616
Intergovernmental	2,393,759	2,129,297
Interest income	32,361	38,386
Miscellaneous income	148,951	210,486
Total revenues	27,898,215	23,854,050
<b>EXPENSES:</b>		
General government	2,423,958	2,128,059
Public safety	10,910,156	10,693,529
Physical environment	4,054,575	3,440,729
Culture and recreation	2,750,940	3,088,740
Development services	1,297,404	1,217,932
Interest and other financing costs	363,632	385,701
Total expenses	21,800,665	20,954,690
	6,097,550	2,899,360
Net position at beginning of year	56,555,113	53,655,753
Net position at end of year	\$ 62,652,663	\$ 56,555,113

Property tax collections increased \$245,253 from FY 2012. This increase is attributed to the appreciating values of homes. The City of Parkland had an increase of 3.5% in taxable values, resulting in this increase in ad valorem revenue. The City decreased the operating millage in FY 2013, which had a rollback rate of \$3.9372. The FY 2013 millage rate was \$3.9999 mills per \$1,000 of assessed value. This rate is well within the 10-mill maximum established by the State of Florida.

## **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$25,339,369, an increase of \$5,504,494. Approximately 53% of this total amount constitutes unassigned fund balance, or \$13,555,680, which is available for spending at the City's discretion. The remainder is either restricted, committed, assigned or non-spendable, indicating it is not available for new spending.

The general fund is the chief operating fund of the City. At the end of the fiscal year, unassigned fund balance of the general fund was \$13,555,680, while total fund balance was \$20,992,738. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 67% of the total general fund expenditures, while total fund balance represents 103% of that same amount.

The fund balance of the City's general fund increased by \$2,343,612 during the current fiscal year. Key factors in this growth are as follows:

- The City budgeted the use of \$408,101 from reserves during FY 2013. No spending from reserves occurred during FY 2013.
- License and permit revenues increased compared to FY 2012 and was greater than budgeted amounts due to an increase in new housing construction within the Wedge.
- Intergovernmental revenues were significantly higher than budgeted amounts due to an increase in half-cent sales tax and state revenue sharing collections in FY 2013.
- Charges for services were significantly higher due to development review and engineering review fees associated with the new housing construction within the Wedge.
- Fine & forfeitures were significantly higher due to ongoing code enforcement efforts aimed at mitigating some of the negative effects brought on by properties that have been foreclosed on.
- Significant budget savings across all operating departments resulted in approximately \$2.9 million in savings.
- General Government was 24% less than budgeted due to maintaining a contingency budget of \$153,765 which was not fully utilized. City-wide legal costs were significantly less than anticipated. Additionally, budgeted other contractual services were not fully utilized.
- Public Safety was 10% less than budgeted due to anticipated unknown communication upgrades that were not made during FY 2013 and contractual increases that were less than anticipated.
- Development Services was 27% less than budget. The Building Department budgeted for contractual staff to conduct numerous building inspections that current inspectors were not able to handle. Additionally, both the Building Department and Planning & Zoning Department had numerous personnel vacancies throughout the year.
- Culture and Recreation was 16% less than budgeted due to lower than anticipated use of summer camp counselors and vacant positions throughout the year.



## GENERAL FUND BUDGETARY HIGHLIGHTS

During the fiscal year, there were no increases or decreases in appropriations between the original and final amended budget.

Licenses and permits were over budget by \$1,577,938, or 37% due to new building related revenue associated with new development taking place within the Wedge. As the local population continues to grow with the new housing development, Intergovernmental revenues were over budget by \$249,535 due to an increase in half-cent sales tax collections and state revenue sharing proceeds. Charges for services were over budget by \$1,038,988, or 94% due to development review and engineering review fees associated with the new development mentioned above. Fines and forfeitures revenues surpassed the budgeted amount by \$148,824 or 92%, due primarily to higher code violations resulting from the City's efforts to maintain its standards.

General government expenditures were below budget by \$657,159 due primarily to contingency budgeted amounts not being utilized, lower than expected legal costs and budgeted contractual services that were not fully utilized. Public safety expenditures were below budget by \$1,197,918 due to anticipated communication upgrades that were not made and contractual increases that were less than anticipated. Development services were \$476,691 below budget due to a reduction in the use of outside consultants that were budgeted to conduct building inspections on behalf of the City. Additionally, both the Building Department and Planning & Zoning Department had numerous personnel vacancies throughout the year. Culture and recreation was \$321,873 below budget due lower than anticipated use of summer camp counselors and vacant positions throughout the year.

### Summary of Revenues and Expenditures – Budget and Actual General Fund For the Year Ended September 30, 2013

	Original Budget	Final Budget	Actual	Approximate Percent Variance
<u>Revenues</u>				
Ad Valorem taxes	\$ 11,426,427	\$ 11,426,427	\$ 11,519,275	1%
Franchise fees & local business tax	337,500	337,500	379,921	13%
Utility service taxes	2,747,300	2,747,300	2,885,688	5%
Licenses and permits	4,253,497	4,253,497	5,831,435	37%
Intergovernmental	2,172,775	2,172,775	2,422,310	11%
Charges for services	1,106,630	1,106,630	2,145,618	94%
Fines and forfeitures	162,000	162,000	310,824	92%
Interest income	26,300	26,300	30,128	15%
Unrealized gain on investment	-	-	32,669	-
Miscellaneous income	259,470	259,470	402,928	55%
<b>Total revenues</b>	<b>\$ 22,491,899</b>	<b>\$ 22,491,899</b>	<b>\$ 25,960,796</b>	<b>15%</b>
<u>Expenditures</u>				
General government	\$ 2,821,165	\$ 2,783,030	\$ 2,125,871	-24%
Public safety	11,860,833	11,860,833	10,662,915	-10%
Physical environment	3,504,523	3,409,677	3,227,308	-5%
Culture and recreation	1,957,231	1,972,573	1,650,700	-16%
Development services	1,728,706	1,748,747	1,272,056	-27%
Debt Service	934,586	934,586	932,653	0%
Capital outlay	92,956	190,554	155,607	-18%
<b>Total expenditures</b>	<b>\$ 22,900,000</b>	<b>\$ 22,900,000</b>	<b>\$ 20,027,110</b>	<b>-13%</b>

## CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities, as well as to account for financial resources to be used for the purchase of equipment and construction of major improvements to City facilities. At the end of the fiscal year, the fund balance of the Capital Projects Fund was \$1,399,721, an increase of \$959,862. For FY 2014, loan proceeds of \$7,000,000 will be used to construct a new fire station and the last phase of Pine Trails Park. General Fund reserves will be transferred into the Capital Projects Fund to pay for other FY 2014 capital expenditures.

The major expenditures in the capital projects fund were as follows:

- Public Roadway Improvements
- Information Technology Enhancements
- Terramar Park Lights
- Western Fire Station Design

## CAPITAL ASSETS AND DEBT ADMINISTRATION

The City's investment in capital assets for its governmental activities as of September 30, 2013, amounts to \$45,573,440 (net of accumulated depreciation). The investment includes land, buildings, improvements other than buildings, machinery and equipment, vehicles, construction in progress and infrastructure.

Major capital asset events during the current fiscal year included the following:

- Public Roadway Improvements were nearly completed during the current fiscal year. A total of \$790,822 was expended in the current fiscal year.
- New operating software for the Building Department and Finance Department totaling \$291,082 was purchased in the current fiscal year.
- Terramar Park lights was completed with a total cost of \$250,000, all of which was expended in the current fiscal year.
- Design services for the new Western Fire Station were started during the current fiscal year. A total of \$236,549 was expended in the current fiscal year.

Capital assets for the years ended September 30, 2013 and 2012 consisted of the following:

	<b>Capital Assets</b>	
	<u>September 30, 2013</u>	<u>September 30, 2012</u>
Governmental activities:		
Capital assets:		
Land	\$ 12,680,489	\$ 12,680,489
Buildings	8,431,507	8,431,507
Improvements other than buildings	3,367,929	2,928,021
Machinery and equipment	4,405,627	4,242,998
Vehicles	1,994,586	1,994,586
Infrastructure	31,464,918	31,418,024
Construction in progress	1,322,788	192,196
Total capital assets	<u>\$ 63,667,844</u>	<u>\$ 61,887,821</u>

Further data on the City of Parkland's capital assets can be found in Note 6 on page 40.

## **DEBT ADMINISTRATION**

Long-term debt. At the end of the fiscal year, the City had total long-term liabilities of \$9,417,381. The note payable and the revenue bonds are secured solely by specific revenue sources as detailed in the notes to the financial statements.

Additional information on the City's long-term debt can be found in Note 7 on page 41. All debt is related to governmental activities.

The implementation of GASB 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension, has resulted in the City including an amount of \$18,518 in long-term liabilities. Additional information on the City's obligation can be found in Note 12 on page 48.

### **Changes in Long-Term Liabilities**

	Balance October 1, 2012	Additions	Retirements	Balance September 30, 2013	Due within One Year
Notes Payable	\$ 7,320,565	-	\$ (442,544)	\$ 6,878,021	\$ 459,632
Revenue bonds payable	2,145,000	-	(120,000)	2,025,000	120,000
Unamortized Bond premium	32,403	-	(2,493)	29,910	-
OPEB	16,546	1,972	-	18,518	-
Compensated absences payable	415,928	369,638	(319,634)	465,932	16,000
Governmental activity:					
Long-term debt	<u>\$ 9,930,442</u>	<u>\$ 371,610</u>	<u>\$ (884,671)</u>	<u>\$ 9,417,381</u>	<u>\$ 595,632</u>

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

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 rely on property tax and a limited variety of permitted other taxes such as utility taxes, sales and gasoline, and fees such as business taxes and franchise fees to support their governmental activities.

Parkland is one of the few cities in Broward County that will experience new growth due to new development. The "Wedge" is a 1,949 acre wedge shaped property that was transferred from Palm Beach County to Broward County. The City has annexed 657 acres and development is already underway. Once developed, the Wedge will have a projected 3,115 new single family homes. This development is expected to bring in \$5 million in new ad-valorem revenue during the next ten years.

As the local real estate market has started to rebound, in FY 2013, the City had a 3.5% increase in taxable values. For FY 2014, the City had another increase of 6.6% in taxable values. This is due to new housing construction and increased property values throughout the City. Even with the overall losses in the tax base experienced in the 2007-2010 timeframe, the City was able to balance the FY 2014 budget with a slight decrease in taxes. The current millage rate is \$3.9900 and the roll back rate is \$3.8424. It is evident that ad valorem is an important revenue source for the City. Property taxes generated approximately 44% of total FY 2013 revenue. The City continues to evaluate its spending. Operating budget increases were approved as long as they aligned with the City's strategic plan. Operating departments have been consolidated to allow maximum the City to provide its services in the best possible manner. Many major capital purchases that were previously deferred are now being made. As taxable values have begun to increase, capital expenditures will increase. The City is living within its means and has sufficient reserves set aside in a stabilization fund.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided herein or requests for additional financial information should be addressed to:

**City of Parkland  
Finance Department  
6600 University Drive  
Parkland, Florida 33067**

## BASIC FINANCIAL STATEMENTS

**CITY OF PARKLAND, FLORIDA**  
**Statement of Net Position**  
**September 30, 2013**

	Governmental Activities
<b>ASSETS</b>	
Cash and equity in pooled cash	\$ 18,868,919
Cash with fiscal agent	165,571
Investments	7,361,194
Receivables (net)	
Accounts	264,891
Assessments	5,495
Interest	12,056
Due from other governments	497,439
Prepaid items	25,069
Deferred charges (net)	36,054
Net pension asset	463,471
Capital assets, non-depreciable	14,003,277
Capital assets, depreciable (net of depreciation)	31,570,163
Total assets	\$ 73,273,599
<b>LIABILITIES AND NET POSITION</b>	
Accounts payable	\$ 352,957
Retainage payable	38,180
Accrued expenses	138,161
Accrued interest payable	74,049
Unearned revenue	91,687
Deposits	498,450
Other liabilities	10,071
Due within one year:	
Compensated absences	16,000
Long-term debt	579,632
Due in more than one year	
Other post employment benefits	18,518
Compensated absences	449,932
Long-term debt	8,353,299
Total liabilities	10,620,936
Net Position	
Net investment in capital assets	36,676,563
Restricted for:	
Equestrian center	9,470
Liberty park	200
Library	554
Country point	4,575
Building department	2,077,406
Waste containers	3,817
Riverside Trail MUST grant	5,646
Public safety building	119,800
Western fire station	767,487
Administrative building	176,240
Public works building	3,815
Library	263,356
Park improvements	1,285,805
Police forfeiture	36,657
Unrestricted	21,221,272
Total net position	62,652,663
Total liabilities and net position	\$ 73,273,599

See notes to the financial statements

**CITY OF PARKLAND, FLORIDA**  
**Statement of Activities**  
**For the Year Ended September 30, 2013**

Function / Program Activities	<u>Program Revenues</u>				Total Governmental Activities
	<u>Expenses</u>	<u>Charges For Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental activities					
General government	\$ 2,423,958	\$ 571,066	\$ 92,435		\$ (1,760,457)
Public safety	10,910,156	7,095,095			(3,815,061)
Physical environment	4,054,575	831,893			(3,222,682)
Culture and recreation	2,750,940	1,817,767	28,551	22,951	(881,671)
Development services	1,297,404	122,272			(1,175,132)
Interest on long term debt	363,632				(363,632)
<b>Total governmental activities</b>	<u>21,800,665</u>	<u>10,438,093</u>	<u>120,986</u>	<u>22,951</u>	<u>(11,218,635)</u>
General revenues					
Ad valorem taxes					11,519,275
Franchise taxes					336,151
Utility service taxes					2,885,688
Intergovernmental (unrestricted)					2,393,759
Interest income					32,361
Net increase in fair value of investments					32,669
Miscellaneous income					116,282
<b>Total general revenues</b>					<u>17,316,185</u>
Change in net position					6,097,550
Net position, beginning of year					<u>56,555,113</u>
Net position, end of year					<u>\$ 62,652,663</u>

See notes to the financial statements

**CITY OF PARKLAND, FLORIDA**  
**Balance Sheet**  
**Governmental Funds**  
**September 30, 2013**

	Major Governmental Funds			Total Governmental Funds
	General	Capital Projects Fund	Nonmajor Governmental Funds	
<b>ASSETS</b>				
Cash and equity in pooled cash	\$ 14,082,394	\$ 1,361,428	\$ 2,786,779	\$ 18,230,601
Cash with fiscal agent	165,571			165,571
Investments	7,050,083	150,980	160,131	7,361,194
Receivables (net)				
Accounts	244,058	20,833		264,891
Assessments	5,495			5,495
Interest	12,056			12,056
Due from other governments	497,439			497,439
Prepaid items	25,069			25,069
Total assets	<u>\$ 22,082,165</u>	<u>\$ 1,533,241</u>	<u>\$ 2,946,910</u>	<u>\$ 26,562,316</u>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>Liabilities</b>				
Accounts payable	\$ 278,450	\$ 74,507		\$ 352,957
Retainage payable		38,180		38,180
Accrued liabilities	138,161			138,161
Deferred revenue	164,295	20,833		185,128
Deposits	498,450			498,450
Other liabilities	10,071			10,071
Total liabilities	<u>1,089,427</u>	<u>133,520</u>		<u>1,222,947</u>
<b>Fund balances</b>				
<b>Non-spendable:</b>				
Prepaid items	25,069			25,069
SBA - Fund B	151,589			151,589
Assessment receivable	5,495			5,495
Interest receivable	12,056			12,056
<b>Restricted for:</b>				
Equestrian center	9,470			9,470
Liberty park	200			200
Library	554			554
Country point	4,575			4,575
Building department	2,077,406			2,077,406
Waste containers		3,817		3,817
Riverside Trail MUST grant		5,646		5,646
Public safety building			119,800	119,800
Western fire station		6,250	761,237	767,487
Administrative building			176,240	176,240
Public works building			3,815	3,815
Library			263,356	263,356
Park improvements			1,285,805	1,285,805
Police forfeiture			36,657	36,657
<b>Committed to:</b>				
Stabilization agreement	4,914,761			4,914,761
<b>Assigned to:</b>				
Subsequent year's budget	235,883			235,883
Capital projects		1,384,008	300,000	1,684,008
Unassigned	<u>13,555,680</u>			<u>13,555,680</u>
Total fund balances	<u>20,992,738</u>	<u>1,399,721</u>	<u>2,946,910</u>	<u>25,339,369</u>
Total liabilities and fund balances	<u>\$ 22,082,165</u>	<u>\$ 1,533,241</u>	<u>\$ 2,946,910</u>	<u>\$ 26,562,316</u>

See notes to the financial statements



**CITY OF PARKLAND, FLORIDA**  
**Reconciliation of the Balance Sheet – Governmental Funds**  
**to the Statement of Net Position**  
**September 30, 2013**

Fund balances total governmental funds		\$ 25,339,369
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Governmental capital assets	\$ 63,667,844	
Less accumulated depreciation	<u>(18,094,404)</u>	45,573,440
Revenues earned but not collected within 60 days are not current financial resources and therefore, are not reported in the governmental fund.		
Deferred revenue		93,441
Net pension assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
		463,471
Internal service funds are used by management to charge the costs of fleet management and self-insurance activities to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities column of the statement of net position.		
Net position		638,318
The cost of issuance for the debt, are not financial resources and, therefore are not reported in the governmental funds:		
Cost of issuance	60,092	
Accumulated amortization	<u>(24,038)</u>	36,054
Long-term liabilities, including notes and bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds. Long-term liabilities at year end consist of:		
Debt, including unamortized premium	(8,932,931)	
Other post employment benefits	(18,518)	
Compensated absences	(465,932)	
Accrued interest on long-term debt	<u>(74,049)</u>	(9,491,430)
Net position of governmental activities		<u><u>\$ 62,652,663</u></u>

See notes to the financial statements

**CITY OF PARKLAND, FLORIDA**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances - Governmental Funds**  
**For the Year Ended September 30, 2013**

	Major Governmental Funds			Total Governmental Funds
	General	Capital Projects Fund	Nonmajor Governmental Funds	
<b>Revenues</b>				
Ad valorem taxes	\$ 11,519,275	\$	\$	\$ 11,519,275
Franchise taxes	336,151			336,151
Utility service taxes	2,885,688			2,885,688
Local business tax	43,770			43,770
Permits and fees	5,831,435			5,831,435
Intergovernmental revenues	2,638,515	14,648		2,653,163
Charges for services	2,145,618		1,889,848	4,035,466
Fines and forfeitures	310,824		9,688	320,512
Interest income	30,128	228	1,484	31,840
Unrealized gain on investments	32,669			32,669
Miscellaneous income	402,928	73,700		476,628
<b>Total revenues</b>	<b>26,177,001</b>	<b>88,576</b>	<b>1,901,020</b>	<b>28,166,597</b>
<b>Expenditures</b>				
<b>Current</b>				
General government	2,125,871			2,125,871
Public safety	10,879,120			10,879,120
Physical environment	3,227,308			3,227,308
Development services	1,272,056			1,272,056
Culture and recreation	1,650,700			1,650,700
Capital outlay	155,607	2,128,714		2,284,321
Debt service				
Principal	562,544			562,544
Interest and fiscal charges	370,109			370,109
<b>Total expenditures</b>	<b>20,243,315</b>	<b>2,128,714</b>		<b>22,372,029</b>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	5,933,686	(2,040,138)	1,901,020	5,794,568
<b>Other financing sources (uses)</b>				
Insurance proceeds	6,801			6,801
Proceeds from sale of capital assets	3,125			3,125
Transfers in		3,000,000	334,066	3,334,066
Transfers out	(3,600,000)		(34,066)	(3,634,066)
<b>Total other financing sources (uses)</b>	<b>(3,590,074)</b>	<b>3,000,000</b>	<b>300,000</b>	<b>(290,074)</b>
<b>Net change in fund balances</b>	<b>2,343,612</b>	<b>959,862</b>	<b>2,201,020</b>	<b>5,504,494</b>
Fund balances, beginning of year	18,649,126	439,859	745,890	19,834,875
Fund balances, end of year	<b>\$ 20,992,738</b>	<b>\$ 1,399,721</b>	<b>\$ 2,946,910</b>	<b>\$ 25,339,369</b>

See notes to the financial statements

**CITY OF PARKLAND, FLORIDA**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund**  
**Balances of the Governmental Funds to the Statement of Activities**  
**For the Year Ended September 30, 2013**

Net change in fund balances - total governmental funds \$ 5,504,494

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for capital assets	\$ 2,188,130	
Less: current year depreciation	<u>(2,280,938)</u>	(92,808)

In the statement of activities, only the gain on the sale capital assets is reported, whereas in the governmental funds, the proceeds from the disposal increase financial resources

Net book value of capital assets disposed		(11,596)
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Revenues earned but not collected within 60 days are not current financial resources and therefore, are not reported in the governmental fund.

Ambulance transport fees collected in current year	(9,499)	
Litigation settlement revenue collected in current year	<u>(50,000)</u>	(59,499)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal payments on debt	562,544	
Amortization of bond premium	<u>2,493</u>	565,037

Internal service funds are used by management to charge the costs of certain activities to individual funds. Net revenues of the internal service fund is reported with government activities.

296,377

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Change in deferred charges	(3,005)	
Change in accrued interest	3,984	
Change in other postemployment benefits	(1,972)	
Change in long-term compensated absences	(50,004)	
Change in net pension assets	<u>(53,458)</u>	<u>(104,455)</u>

Change in net position		<u>\$ 6,097,550</u>
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See notes to the financial statements

**CITY OF PARKLAND, FLORIDA**  
**Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**General Fund**  
**For the Year Ended September 30, 2013**

	Budget Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final Revised		
Revenues				
Taxes				
Ad valorem taxes	\$ 11,426,427	\$ 11,426,427	\$ 11,519,275	\$ 92,848
Franchise taxes	305,000	305,000	336,151	31,151
Utility service taxes	2,747,300	2,747,300	2,885,688	138,388
Local business tax	32,500	32,500	43,770	11,270
Total taxes	<u>14,511,227</u>	<u>14,511,227</u>	<u>14,784,884</u>	<u>273,657</u>
Permits and fees				
Building permits	2,263,000	2,263,000	3,234,384	971,384
Other permits and fees	82,297	82,297	668,352	586,055
Fire assessments	1,908,200	1,908,200	1,928,699	20,499
Total permits and fees	<u>4,253,497</u>	<u>4,253,497</u>	<u>5,831,435</u>	<u>1,577,938</u>
Intergovernmental revenues				
Half cent sales tax	1,200,000	1,200,000	1,428,297	228,297
State revenue sharing	336,000	336,000	492,078	156,078
Motor fuel tax	408,000	408,000	417,474	9,474
Alcoholic beverage license	2,000	2,000	5,015	3,015
Grants	28,330	28,330	28,551	221
Local shared revenues	198,445	198,445	50,895	(147,550)
Total intergovernmental revenues	<u>2,172,775</u>	<u>2,172,775</u>	<u>2,422,310</u>	<u>249,535</u>
Charges for services				
Ambulance transport fees	240,000	240,000	333,407	93,407
Summer camp fees	529,750	529,750	548,805	19,055
Other charges for services	336,880	336,880	1,263,406	926,526
Total charges for services	<u>1,106,630</u>	<u>1,106,630</u>	<u>2,145,618</u>	<u>1,038,988</u>
Fines and forfeitures				
Court fines	102,000	102,000	98,174	(3,826)
Violations of local ordinances	60,000	60,000	212,650	152,650
Total fines and forfeitures	<u>162,000</u>	<u>162,000</u>	<u>310,824</u>	<u>148,824</u>
Miscellaneous revenues				
Interest income	26,300	26,300	30,128	3,828
Unrealized gain on investments			32,669	32,669
Rents	128,500	128,500	160,092	31,592
Contributions	34,750	34,750	92,435	57,685
Other income	96,220	96,220	150,401	54,181
Total miscellaneous revenues	<u>285,770</u>	<u>285,770</u>	<u>465,725</u>	<u>179,955</u>
Total revenues	<u>22,491,899</u>	<u>22,491,899</u>	<u>25,960,796</u>	<u>3,468,897</u>

(Continued)

See notes to the financial statements

**CITY OF PARKLAND, FLORIDA**  
**Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**General Fund**  
**For the Year Ended September 30, 2013**  
**(Continued)**

	Budget Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final Revised		
Expenditures				
General government				
City Commission	\$ 135,564	\$ 135,564	\$ 116,076	\$ 19,488
City Manager	378,309	378,309	359,210	19,099
Finance	529,161	527,261	490,954	36,307
Legal services	325,000	325,000	222,109	102,891
City Clerk	283,318	293,318	283,593	9,725
Personnel	183,866	183,866	153,970	29,896
Computer support	303,674	303,674	244,103	59,571
Other general	682,273	636,038	255,856	380,182
Total general government	<u>2,821,165</u>	<u>2,783,030</u>	<u>2,125,871</u>	<u>657,159</u>
Public safety				
Police/crossings guards	6,176,163	6,176,163	5,185,123	991,040
Fire rescue	5,516,370	5,516,370	5,450,613	65,757
Code enforcement	168,300	168,300	27,179	141,121
Total public safety	<u>11,860,833</u>	<u>11,860,833</u>	<u>10,662,915</u>	<u>1,197,918</u>
Physical environment				
Public works	3,504,523	3,409,677	3,227,308	182,369
Development services				
Building	1,259,324	1,269,365	975,274	294,091
Planning and zoning	341,641	341,641	170,738	170,903
Environmental services	127,741	137,741	126,044	11,697
Total development services	<u>1,728,706</u>	<u>1,748,747</u>	<u>1,272,056</u>	<u>476,691</u>
Culture and recreation				
Parks and recreation	1,478,854	1,500,111	1,263,324	236,787
Library	478,377	472,462	387,376	85,086
Total culture and recreation	<u>1,957,231</u>	<u>1,972,573</u>	<u>1,650,700</u>	<u>321,873</u>
Debt Service				
Principal	562,254	562,254	562,544	(290)
Interest and fiscal charges	372,332	372,332	370,109	2,223
Total debt service	<u>934,586</u>	<u>934,586</u>	<u>932,653</u>	<u>1,933</u>
Capital outlay				
	92,956	190,554	155,607	34,947
Total expenditures	<u>22,900,000</u>	<u>22,900,000</u>	<u>20,027,110</u>	<u>2,872,890</u>
Excess (deficiency) of revenues over (under) expenditures				
	<u>(408,101)</u>	<u>(408,101)</u>	<u>5,933,686</u>	<u>6,341,787</u>
Other financing sources				
Insurance proceeds			6,801	6,801
Proceeds from sale of capital assets			3,125	3,125
Transfers out		(3,000,000)	(3,600,000)	(600,000)
Total other financing sources (uses)		<u>(3,000,000)</u>	<u>(3,590,074)</u>	<u>(590,074)</u>
Net change in fund balance	<u>\$ (408,101)</u>	<u>\$ (3,408,101)</u>	2,343,612	<u>\$ 5,751,713</u>
Fund balance, beginning of year			<u>18,649,126</u>	
Fund balance, end of year			<u>\$ 20,992,738</u>	

See notes to the financial statements

**CITY OF PARKLAND, FLORIDA**  
**Statement of Net Position**  
**Proprietary Fund - Internal Service Fund**  
**Capital Replacement Fund**  
**September 30, 2013**

Assets	
Current assets	
Cash and equity in pooled cash	\$ 638,318
Liabilities	<hr/>
Net Position	
Unrestricted	<u>\$ 638,318</u>

See notes to the financial statements

**CITY OF PARKLAND, FLORIDA**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Fund - Internal Service Fund**  
**Capital Replacement Fund**  
**For the Year Ended September 30, 2013**

Operating revenue	<u>\$</u>	<u>2,600</u>
Operating expenses		
Small tools and equipment		<u>6,744</u>
Total operating expenses		<u>6,744</u>
Operating income (loss)		<u>(4,144)</u>
Nonoperating revenues (expenses)		
Interest revenue		521
Loss on disposal of equipment		<u>(100,589)</u>
Total nonoperating expenses		<u>(100,068)</u>
Transfers in		<u>300,000</u>
Change in net position		195,788
Net position - beginning		<u>442,530</u>
Net position - ending	<u>\$</u>	<u><u>638,318</u></u>

See notes to the financial statements

**CITY OF PARKLAND, FLORIDA**  
**Statement of Cash Flows**  
**Proprietary Fund - Internal Service Fund**  
**Capital Replacement Fund**  
**For the Year Ended September 30, 2013**

Cash flows from operating activities:	
Receipts from interfund services provided	\$ 2,600
Payments to suppliers for goods or services	<u>(6,744)</u>
Net cash provided (used) by operating activities	<u>(4,144)</u>
Cash flows from capital and related financing activities:	
Transfer from other funds	300,000
Purchase of capital assets	<u>(100,589)</u>
Net cash provided (used) by capital and related financing activities	<u>199,411</u>
Cash flows from investing activities:	
Interest	<u>521</u>
Net cash provided (used) by investing activities	<u>521</u>
Net increase (decrease) in cash and cash equivalents	195,788
Cash and cash equivalents at beginning of year	<u>442,530</u>
Cash and cash equivalents at end of year	<u>\$ 638,318</u>
Reconciliation of operating income (loss)	
to net cash provided by operating activities:	
Operating income	<u>\$ (4,144)</u>
Adjustments to reconcile operating income (loss)	
to net cash provided by operating activities:	
Change in assets and liabilities	<u>                    </u>
Total adjustments	<u>                    </u>
Net cash provided by operating activities	<u>\$ (4,144)</u>

See notes to the financial statements



**CITY OF PARKLAND, FLORIDA**  
**Statement of Fiduciary Plan Net Position**  
**Police Officers Retirement Plan**  
**September 30, 2013**

Assets	
Cash and cash equivalents	\$ 2,364
Investment in external investment pool	<u>1,954,494</u>
Total assets	<u>1,956,858</u>
Liabilities	
Accounts payable and accrued expenses	<u>2,623</u>
Net position restricted trust for pension benefits	<u><u>\$ 1,954,235</u></u>

See notes to the financial statements

**CITY OF PARKLAND, FLORIDA**  
**Statement of Changes in Fiduciary Plan Net Position**  
**Police Officers Retirement Plan**  
**For the Year Ended September 30, 2013**

Additions	
Contributions	
Employer	\$ 144,592
State of Florida	216,205
Total contributions	<u>360,797</u>
Investment income	
Gain from settlement	11,145
Net appreciation in fair value of investments	151,443
Net investment income (loss)	<u>162,588</u>
Total additions	<u>523,385</u>
Deductions	
Benefits	142,278
Other distributions	147,198
Administrative expense	38,239
Total deductions	<u>327,715</u>
Net increase (decrease)	195,670
Net position held in trust for pension benefits	
Beginning of year	<u>1,758,565</u>
End of year	<u>\$ 1,954,235</u>

See notes to the financial statements

**CITY OF PARKLAND, FLORIDA**  
**Notes to Financial Statements**  
**September 30, 2013**

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

The summary of significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. The financial statements of the City of Parkland, Florida (the City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. Generally accepted accounting principles (GAAP) include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

**Reporting Entity**

As required by generally accepted accounting principles, these financial statements include the City (the primary government) and its component units. Component units are legally separate entities for which the City is financially accountable. The City is financially accountable if:

- it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City
- the organization is fiscally dependent on the City and (1) there is a potential for the organization to provide specific financial benefits to the City or (2) impose specific financial burdens on the City.

Organizations for which the City is not financially accountable are also included when doing so is necessary in order to prevent the City's financial statements from being misleading.

Based upon application of the above criteria, the City of Parkland has determined that there is one component unit that is required to be included in the City's financial reporting entity. The City of Parkland Police Officers Retirement Plan is fiscally dependent on the City, and there is the potential for the Plan to impose specific financial burdens on the City. The Plan is reported as a pension trust fund in the City's fiduciary fund financial statements.

**Basis of Presentation**

*Government-Wide Financial Statements*

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for the fiduciary fund. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. As of September 30, 2013, the City had no business-type activities.

**CITY OF PARKLAND, FLORIDA**  
**Notes to Financial Statements**  
**September 30, 2013**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Basis of Presentation (Continued)

*Government-Wide Financial Statements* (Continued)

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.

*Fund Financial Statements*

The accounts of the City are organized on the basis of funds, each of which is considered and accounted for as a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category.

The City reports the following major governmental funds:

General Fund – the General Fund is the principal operating fund of the City and is used to account for all financial transactions except those that are required to be accounted for in another fund.

Capital Projects Fund – the Capital Projects Fund is used to account for the acquisition and construction of major capital facilities as well as to account for financial resources to be used for the purchase of equipment and the construction of major improvements to City facilities.

Additionally, the City reports the following fund types:

The Internal Service Fund, the Capital Replacement Fund, is used to account for goods or services provided by one department to other departments of the City on a cost-reimbursement basis. The City operates one Internal Service Fund.

Fiduciary Trust Fund – the Fiduciary Trust Fund is used to account for assets held by the City as trustee for others. The Police Officers Retirement Plan, reported as a Fiduciary Trust Fund, is used to account for the activities of the City-sponsored Plan.

**CITY OF PARKLAND, FLORIDA**  
**Notes to Financial Statements**  
**September 30, 2013**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Measurement Focus and Basis of Accounting

*Government-Wide Financial Statements*

The government-wide financial statements (i.e., the Statements of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the government. Fiduciary funds are excluded from the government-wide financial statements. The effect of interfund activity has been removed from these statements. Interfund services provided, if any, are not eliminated in the process of consolidating the government-wide financial statements.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

*Fund Financial Statements*

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, generally only current assets and current liabilities are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financial sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The accrual basis of accounting is followed in the Internal Service Fund and the Pension Trust Fund. Under this method accounting, operating revenues and additions are recognized in the accounting period in which they are earned, while expenses and deductions are recognized in the period in which they are incurred. With this measurement focus, all assets and liabilities associated with the operations of these funds are included on the statement of net position.

All governmental fund types use the modified accrual basis of accounting under which revenue is recognized in the accounting period in which it becomes susceptible to accrual (i.e., when it becomes both measurable and available). "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers property taxes as available if they are collected within sixty days after year end. Other taxes, intergovernmental

**CITY OF PARKLAND, FLORIDA**  
**Notes to Financial Statements**  
**September 30, 2013**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Measurement Focus and Basis of Accounting (Continued)

*Fund Financial Statements* (Continued)

revenues, 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. All other revenue items such as fines and forfeitures and licenses and permits are considered to be measurable and available only when cash is received by the City.

Expenditures are generally recognized when the related fund liability is incurred except for principal and interest on long-term debt which are recognized as expenditures on the due date.

Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and highly liquid investments with a maturity of three months or less when purchased.

Investments

All City investments are stated at fair value. Interest income from pooled cash and investments is allocated on the basis of each individual fund's proportionate share of the investment pool.

Accounts Receivable

Accounts receivable of the General Fund and Capital Projects Fund consists of billed receivables for special assessments and related interest, and other miscellaneous services. The City has not established a reserve for doubtful accounts relating to this accounts receivable because the City considers all balances to be collectable.

Prepays

Certain payments to vendors reflect costs applicable to a future accounting period and are recorded as prepaid items in both government-wide and fund financial statements.

**CITY OF PARKLAND, FLORIDA**  
**Notes to Financial Statements**  
**September 30, 2013**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Capital Assets

Capital assets, which include land, buildings, improvements other than buildings, machinery and equipment, vehicles, construction in progress, and infrastructure are reported in the governmental activities column in the government-wide financial statements. The government defines capital assets as assets with an initial, individual cost of more than \$1,000 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 asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets of the government are depreciated using the straight-line method over their estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	10-50
Improvements other than buildings	5-25
Machinery and equipment	5-20
Vehicles	5-20
Infrastructure	10-50

Deferred Outflows/Inflows of Resources

The Statement of Net Position includes separate sections for Deferred Outflows of Resources and Deferred Inflows of Resources. A deferred outflow of resources is a consumption of net position that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position that is applicable to a future reporting period. Currently, the City does not report any deferred outflows of resources or deferred inflow of resources.

Net position is the residual of all other elements presented in a statement of financial position. It is the difference between (a) assets plus deferred outflow of resources and (b) liabilities and deferred inflows of resources.

**CITY OF PARKLAND, FLORIDA**  
**Notes to Financial Statements**  
**September 30, 2013**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Compensated Absences

City employees are granted vacation, sick, and compensatory leave in varying amounts based on length of service. Upon separation in good standing, employees receive full reimbursement up to a maximum of 240 hours for accumulated vacation, up to 16 hours of compensatory hours, as well as reimbursement for sick hours at a rate of one hour of pay for every two hours accumulated up to a maximum of 520 hours.

Accumulated compensated absences are recorded as expenses in the government-wide financial statements when earned. Expenditures for accumulated compensated absences have been recorded in the governmental funds only for amounts payable to employees who have terminated as of the end of the fiscal year.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. The long-term debt consists primarily of notes, revenue bonds, and accrued compensated absences payable.

On-Behalf Payments

The City receives on-behalf payments from the State of Florida to be used for Police Officers' Retirement Plan contributions. On-behalf payments to the City totaled \$216,205 for the fiscal year ended September 30, 2013. Such payments are recorded as intergovernmental revenue and public safety expenses/expenditures in the GAAP basis government-wide and general fund financial statements, but are not budgeted and therefore are not included in the general fund budgetary basis financial statements.

Unearned/Deferred Revenue

Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. Unearned revenues at the government-wide level arise only when the City receives resources before it has a legal claim to them.



**CITY OF PARKLAND, FLORIDA**  
**Notes to Financial Statements**  
**September 30, 2013**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Equity Classifications

*Government-Wide Statements*

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – consists of net position with constraints placed on the use either by: 1) external groups such as creditors, grantors, contributors, laws or regulations of other governments; or 2) law through constitutional provisions of enabling legislation.
- c. Unrestricted net position – all other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

*Fund Statements*

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.

- a. Nonspendable fund balances – Amounts that cannot be spent because they are either (a) not in spendable form; or (b) legally or contractually required to be maintained intact.
- b. Restricted fund balance – Amounts that are restricted to specific purposes either by a) constraints placed on the use of resources by creditors, grantors, contributors, laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.
- c. Committed fund balance – Amounts that can only be used for specific purposes pursuant to constraints imposed by the City Commission through an ordinance.
- d. Assigned fund balance – Amounts that are constrained by the City’s intent to be used for specific purposes but are neither restricted nor committed. In accordance with the City’s fund balance policy, assignments can be made by formal action of the City Commission or the City Commission can delegate authority to the City Manager.
- e. Unassigned fund balance – 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.

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it is the City’s policy to reduce restricted amounts first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the City’s policy to reduce committed amounts first, followed by assigned amounts, and then unassigned amounts.

**CITY OF PARKLAND, FLORIDA**  
**Notes to Financial Statements**  
**September 30, 2013**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Interfund Transactions

Basic types of interfund transactions include transactions for services rendered or facilities provided. These transactions are recorded as revenues in the receiving fund and expenditures in the disbursing fund. In addition, interfund transactions include transactions to transfer revenue or contributions from the fund budgeted to receive them to the fund budgeted to expend them. These transactions are recorded as operating transfers in and out. Lastly, interfund transactions include transfers to close funds.

Amortization of Bond Discount and Issuance Costs

Bond discount and bond issuance costs are amortized over the life of the bond issue, on a straight-line basis in the government-wide financial statements. Such costs are expensed as incurred in the fund financial statements.

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental funds for which an annual budget is adopted. Encumbrances outstanding at year-end are included in next the year's budget; however, the General Fund typically does not have any encumbrances outstanding at year end.

**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

Budgets and Budgetary Data

The City adopts an annual operating budget, which is employed as a management control device, for the General Fund and Capital Projects Fund. These budgets, as adopted or amended during the year by the City Commission, are prepared on a modified-accrual basis, excluding on-behalf payments from the State for Police Officers pension. During the year, all legal requirements with regard to budget adoption were met.

**CITY OF PARKLAND, FLORIDA**  
**Notes to Financial Statements**  
**September 30, 2013**

**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY** (Continued)

Process of Adoption

1. On or about August 1, the City Manager submits a proposed operating budget for the coming fiscal year to the City Commission.
2. During August, the City Commission holds workshops, which are open to the public, to review the proposed budget and determine the tentative budget.
3. During September, two public hearings are held for the purpose of presenting to and receiving input from citizens on the tentative budget and the proposed millage rate. At the second hearing, the annual budget is adopted, and the taxes are levied.

Period of Appropriation

Unless encumbered by a purchase order, budgeted appropriations lapse at the end of each fiscal year. For budgetary control purposes, encumbrances are rolled over and adjusted to next year's budget.

Supplemental Appropriations

If during the fiscal year revenues in excess of the original budgeted amounts become available, the City Commission may make supplemental appropriations.

Level of Control

The adoption of the budget by the City Commission constitutes the legal appropriation of the amounts specified therein as expenditures from the appropriate governmental fund. The amount of the appropriation cannot be exceeded unless the City Commission has approved a supplemental appropriation. Budgetary control of expenditures is maintained at the departmental level. A departmental budget cannot be exceeded without the approval, by motion, of the City Commission at a public meeting. The City Manager may authorize a budget adjustment among the various line items within a department, as long as the total budget for the department does not change.

**CITY OF PARKLAND, FLORIDA**  
**Notes to Financial Statements**  
**September 30, 2013**

**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY** (Continued)

Budget Reconciliation

The General Fund budget excludes on-behalf payments from the State for Police Officers pension. As a result the General Fund revenues and expenditures reported in the Statement of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual differ from the revenues and expenditures reported on the GAAP basis. The differences are reconciled as follows:

<u>General Fund</u>	<u>Revenues</u>	<u>Expenditures</u>
Budgetary Basis	\$25,960,796	\$20,027,110
On-behalf payments for pension benefits	<u>216,205</u>	<u>216,205</u>
GAAP Basis	<u>\$26,177,001</u>	<u>\$20,243,315</u>

**NOTE 3 – PROPERTY TAXES**

Property taxes levied by the City are billed and collected by Broward County and remitted to the City. Taxes for the fiscal year beginning October 1 are levied prior to October 1 and become a lien on real property on October 1 of each year based upon the assessed value as of January 1. These taxes are billed in the month of November and are due no later than March 31. On April 1, unpaid amounts become delinquent, subject to penalties and interest, and become subject to the issuance of tax sale certificates on June 1. Generally, the City collects nearly all of the current year property taxes during the year in which they are due.

**NOTE 4 – DEPOSITS AND INVESTMENTS**

Deposits

In addition to insurance provided by the Federal Depository Insurance Corporation, deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, *Florida Security for Public Deposits Act*, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or other banking institution eligible collateral. In the event of failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. The City's deposits at year end are considered insured for custodial credit risk purposes.

As of September 30, 2013, the carrying amount of the City's deposits was \$18,868,374, and the bank balances totaled \$19,413,464. The City also had cash on hand of \$545 and cash with a fiscal agent of \$165,571.

**CITY OF PARKLAND, FLORIDA**  
**Notes to Financial Statements**  
**September 30, 2013**

**NOTE 4 – DEPOSITS AND INVESTMENTS** (Continued)

Investments

The State Board of Administration is part of the Local Governments Surplus Funds Trust Fund and is governed by Chapter 19-7 of the Florida Administrative Code. These rules provide guidance and establish the general operating procedures for the administration of the Local Governments Surplus Funds Trust Fund. Additionally, the Office of the Auditor General performs the operational audit of the activities and investments of the State Board of Administration. The Local Government Surplus Funds Trust Fund is not a registrant with the Securities and Exchange Commission (SEC); however, the board has adopted operating procedures consistent with the requirements for a 2a-7 fund.

The State Board of Administration is dividend into two separate pools. Florida PRIME, (Local Government Surplus Funds Trust Fund Investment Pool) consists of all money market appropriate assets. Pool B, (Surplus Funds Trust Fund) consists of assets that either defaulted on a payment, paid more slowly than expected, and/or had any significant credit and liquidity risk.

At September 30, 2013, Florida PRIME was assigned an “AAAm” principal stability fund rating by Standard and Poor’s. Florida PRIME is considered a SEC 2a7-like fund, thus, the account balances should be considered its fair value. Fund B is not considered a SEC 2a7-like fund and is not rated by any national rating agency.

Fund B is accounted for as a fluctuating NAV pool. The fair value factor for September 30, 2013, was 1.13262284. The factor should be multiplied by the account balance in order to calculate the fair value of the investment in Fund B.

The weighted average days to maturity (WAM) of Florida PRIME at September 30, 2013, was 44 days. A portfolio’s WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of Florida PRIME to interest rate changes.

The weighted average life based on expected cash flows (WAL) of Fund B at September 30, 2013, was 4.04 years. However, because Fund B consists of restructured or defaulted securities there is considerable uncertainty regarding the weighted average life

As of September 30, 2013, the City of Parkland had \$7,209,605 invested in Florida PRIME. The cost basis of its investment in Fund B as of September 30, 2013, was \$133,839, and the fair value and adjusted book value was \$151,589. Additional information regarding the Local Government Surplus Funds Trust Fund may be obtained from the State Board of Administration.

**CITY OF PARKLAND, FLORIDA**  
**Notes to Financial Statements**  
**September 30, 2013**

**NOTE 4 – DEPOSITS AND INVESTMENTS** (Continued)

Credit Risk

The City has an investment policy that emphasizes the safety of principal while maintaining adequate liquidity to meet its needs. Investments are limited to the highest ratings by two of the nationally recognized statistical rating organizations (NRSRO) – (Standard & Poors and Moody’s Investment Services). As of September 30, 2013, Florida PRIME was rated AAAM by Standard and Poor's Ratings Services. The State Board of Administration Fund B is not rated by any nationally recognized rating agency.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City does not have a formal investment policy that limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

Fiduciary Funds

Investment Authorization

The Police Officers Retirement Plan’s investment policy is determined by the Board of Trustees. The policy has been identified by the Board as preserving the purchasing power of the Plan’s assets to earn an above average real rate of return (after inflation) over the long-term while minimizing, to a reasonable extent, the short-term volatility of results. The Plan is authorized to invest in certificates of deposit; bonds, notes or other obligations of the United States or any of its agencies; notes secured by first mortgages on real property insure or guaranteed by the Federal Housing Administration or the Veterans Administration; interest-bearing obligations with fixed maturity of any corporation organized under the laws of the United States provided that such obligations meet certain ratings requirements; bonds issued by the State of Israel; real estate; common stock, preferred stock and interest-bearing obligations of domestic corporations; index funds, mutual funds and collective investment funds; foreign securities (not to exceed 10 percent of the portfolio cost); and any other investment permitted by law. At September 30, 2013, the Plan’s investments were as follows:

	<u>Fair Value</u>
Local Government Investment Pool:	
Florida Municipal Pension Trust Fund	<u>\$1,954,494</u>
Total investments	<u>\$1,954,494</u>

**CITY OF PARKLAND, FLORIDA**  
**Notes to Financial Statements**  
**September 30, 2013**

**NOTE 4 – DEPOSITS AND INVESTMENTS** (Continued)

Fiduciary Funds (Continued)

The Florida Municipal Investment Trust (Municipal Trust) was created under the laws of the State of Florida to provide eligible units of local government with an investment vehicle to pool their surplus funds and to reinvest such funds in one or more investment portfolios under the directions and daily supervision of an investment advisor. The Florida League of Cities serves as the administrator, investment manager and secretary-treasurer of the Trust. The Municipal Trust is not a registrant with the Securities and Exchange Commission (SEC); however, the board has adopted operating procedures consistent with the requirements for a “2a-7 like” pool.

All assets of the Plan are invested with the Florida Municipal Pension Trust Fund (FMPTF). The FMPTF was established in 1993 under the laws of the State of Florida to provide eligible units of local government with an investment vehicle to pool their surplus funds. All Plan assets within the FMPTF are included in the trust’s Master Trust Fund and are administered by the Florida League of Cities, Inc. The fund is stated at fair value and investment earnings are allocated to the participants in the fund based on their equity in this pooled investment account as provided by the FMPTF.

The Plan is invested in the 50/50 Allocation Portfolio with the following balances:

	Fair Value	Percent
Cash	\$ 213,040	10.9%
Broad Market High Quality Bond Fund	854,114	43.7%
High Quality Growth Portfolio	109,452	5.6%
Large Cap Diversified Value Portfolio	105,543	5.4%
Russell 1000 Enhanced Index Portfolio	406,534	20.8%
Diversified Small Cap Equity Portfolio	130,951	6.7%
International Blend Portfolio	134,860	6.9%
	\$ 1,954,494	100.0%

Shares of the portfolios are neither insured nor guaranteed by any U.S. Government Agency, including the FDIC. At September 30, 2013, the Broad Market High Quality Bond Fund was rated AA/V4 by Fitch Rating and had a weighted average maturity of 5.54 years.

Interest Rate Risk

The Plan does not have a formal policy that limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

**CITY OF PARKLAND, FLORIDA**  
**Notes to Financial Statements**  
**September 30, 2013**

**NOTE 4 – DEPOSITS AND INVESTMENTS** (Continued)

Fiduciary Funds (Continued)

*Custodial Risk*

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. The Plan has no formal policy for custodial risk. The local government investment pool is not evidenced by securities that exist in physical or book entry form.

*Credit Risk*

For investments, credit risk is generally the risk an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investment ratings by investment type are included in the preceding summary of investments.

*Concentration of Credit Risk*

The investment policy of the Plan contains limits on the amount that can be invested in any one issuer as well as maximum portfolio allocation percentages.

**NOTE 5 – INTERFUND TRANSACTIONS**

Interfund transfers for the year ended September 30, 2013, were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$	\$ 3,600,000
Capital Projects Fund	3,000,000	
Non-major governmental Funds	334,066	34,066
Capital Replacement Fund	<u>300,000</u>	<u>                    </u>
Totals	<u>\$ 3,634,066</u>	<u>\$ 3,634,006</u>

The transfers from the General Fund to the other governmental fund were to move restricted and unrestricted General Fund revenues to finance various programs which must be accounted for in other funds in accordance with budgetary authorizations.



**CITY OF PARKLAND, FLORIDA**  
**Notes to Financial Statements**  
**September 30, 2013**

**NOTE 6 – CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2013, was as follows:

	Balance October 1, 2012	Additions	Disposals	Balance September 30, 2013
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 12,680,489	\$	\$	\$ 12,680,489
Construction in progress	192,196	1,295,747	(165,155)	1,322,788
<b>Total capital assets, not being depreciated</b>	<b>12,872,685</b>	<b>1,295,747</b>	<b>(165,155)</b>	<b>14,003,277</b>
Capital assets, being depreciated:				
Buildings	8,431,507			8,431,507
Infrastructure	31,418,024	265,215	(218,321)	31,464,918
Machinery and equipment	4,242,998	453,004	(290,375)	4,405,627
Vehicles	1,994,586			1,994,586
Improvements other than buildings	2,928,021	439,908		3,367,929
<b>Total capital assets, being depreciated</b>	<b>49,015,136</b>	<b>1,158,127</b>	<b>(508,696)</b>	<b>49,664,567</b>
Less accumulated depreciation for:				
Buildings	1,709,915	261,663		1,971,578
Infrastructure	8,452,238	1,365,448	(218,321)	9,599,365
Machinery and equipment	3,144,035	348,641	(278,779)	3,213,897
Vehicles	1,792,445	99,842		1,892,287
Improvements other than buildings	1,211,933	205,344		1,417,277
<b>Total accumulated depreciation</b>	<b>16,310,566</b>	<b>2,280,938</b>	<b>(497,100)</b>	<b>18,094,404</b>
<b>Total capital assets, being depreciated, net</b>	<b>32,704,570</b>	<b>(1,122,811)</b>	<b>(11,596)</b>	<b>31,570,163</b>
<b>Governmental activities, capital assets, net</b>	<b>\$ 45,577,255</b>	<b>\$ 172,936</b>	<b>\$ (176,751)</b>	<b>\$ 45,573,440</b>

**CITY OF PARKLAND, FLORIDA**  
**Notes to Financial Statements**  
**September 30, 2013**

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

Provision for depreciation was charged to functions/programs of the government as follows:

Governmental activities	
General government	\$ 217,411
Public safety	193,710
Physical environment	811,792
Culture and recreation	<u>1,058,025</u>
 Total provision for depreciation – governmental activities	 <u>\$ 2,280,938</u>

**NOTE 7 – LONG-TERM LIABILITIES**

The following is a summary of the changes in long-term liabilities of the City’s governmental activities for the year ended September 30, 2013:

	Balance October 1, 2012	Additions	Retirements	Balance September 30, 2013	Due Within One Year
Note payable	\$ 7,320,565	\$	\$ (442,544)	\$ 6,878,021	\$ 459,632
Revenue bonds payable	2,145,000		(120,000)	2,025,000	120,000
Unamortized bond premium	32,403		(2,493)	29,910	
OPEB	16,546	1,972		18,518	
Compensated absences	<u>415,928</u>	<u>369,638</u>	<u>(319,634)</u>	<u>465,932</u>	<u>16,000</u>
 Governmental activity long-term liabilities	 <u>\$ 9,930,442</u>	 <u>\$ 371,610</u>	 <u>\$ (884,671)</u>	 <u>\$ 9,417,381</u>	 <u>\$ 595,632</u>

Compensated absences, other postemployment benefit obligations, and net pension obligation are typically liquidated in the General Fund.

**Note Payable**

In September 2005, the City issued a promissory note in the amount of \$10,000,000 to provide funds to refinance existing debt and to finance recreational facility improvements. This note requires quarterly payments of principal and interest of approximately \$179,850. The interest rate of the note is 3.82%. Payment of this note is secured by a pledge of the City’s half cent sales tax, franchise, and utility tax revenues. Principal and interest paid for the current fiscal

**CITY OF PARKLAND, FLORIDA**  
**Notes to Financial Statements**  
**September 30, 2013**

**NOTE 7 – LONG-TERM LIABILITIES** (Continued)

Note Payable (Continued)

year was \$719,425 and the pledged half-cent sales taxes, franchise taxes, and utility taxes totaled \$4,650,136 for the year. At September 30, 2013, principal and interest to maturity in 2025 to be paid from pledged future revenues totaled \$8,634,009.

Future debt service requirements to amortize the Note Payable are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>Ending</u>			
2014	\$ 459,632	\$ 259,792	\$ 719,424
2015	477,694	241,730	719,424
2016	495,856	223,569	719,425
2017	515,952	203,473	719,425
2018	536,227	183,198	719,425
2019-2023	3,013,844	583,280	3,597,124
2024-2025	<u>1,378,816</u>	<u>60,946</u>	<u>1,439,762</u>
	<u>\$6,878,021</u>	<u>\$1,755,988</u>	<u>\$8,634,009</u>

Revenue Bonds Payable

In 2005, the City issued the \$2,824,849 Series 2005D Florida Municipal Loan Council Revenue Bonds, which require semi-annual interest payments as well as one annual principal payment, which will equal approximately \$210,000 in annual debt service, with an approximate 4.6% of yield. This amount included a premium of \$49,849, which is being amortized over the life of the Bonds. The bonds mature in October 2025.

Payment for the Bonds is from a pledge of all non-ad valorem tax revenues. Principal and interest paid for the current fiscal year was \$210,343 and pledged non-ad valorem tax revenues totaled \$12,146,429 for the year. At September 30, 2013, principal and interest to maturity in 2025 to be paid from pledged future revenues totaled \$2,738,469.

The Bonds also contains certain debt service coverage ratios. The City is currently in compliance with these financial covenants.

**CITY OF PARKLAND, FLORIDA**  
**Notes to Financial Statements**  
**September 30, 2013**

**NOTE 7 – LONG-TERM LIABILITIES** (Continued)

Revenue Bonds Payable (Continued)

Future debt service requirements to amortize the Revenue Bonds are as follows:

<u>Fiscal Year</u> <u>Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 120,000	\$ 88,318	\$ 208,318
2015	125,000	84,238	209,238
2016	130,000	79,863	209,863
2017	135,000	75,150	210,150
2018	140,000	69,750	209,750
2019-2023	800,000	257,900	1,057,900
2024-2026	<u>575,000</u>	<u>58,250</u>	<u>633,250</u>
	<u>\$2,025,000</u>	<u>\$ 713,469</u>	<u>\$2,738,469</u>

**NOTE 8 – SPECIAL ASSESSMENTS**

Fire Assessments

In 2005, the City instituted a fire assessment. Starting in 2006, the assessments were on the tax roll with Broward County. During the year ended September 30, 2013, the City collected approximately \$1,928,699 of fire assessments.

Drainage Improvements Assessments

The City previously levied a special assessment on all lots in the Ranches area for providing major drainage improvements. Assessments were calculated at approximately \$319 per acre, payable in full, or in five equal semi-annual payments of principal and interest, at 8%. At September 30, 2013, the drainage improvements assessments had delinquent balances in the amount of \$5,495 and interest and penalties on these delinquent balances were \$12,056.

**CITY OF PARKLAND, FLORIDA**  
**Notes to Financial Statements**  
**September 30, 2013**

**NOTE 9 – DEFINED CONTRIBUTION PENSION PLAN**

On February 22, 1989, the City Commission passed Ordinance No. 89-1 authorizing and establishing the first ICMA 401(a), a money purchase plan, which is a defined contribution pension plan. On March 1, 2000, the City Commission adopted two additional ICMA 401(a) plans for middle management and the City Manager. Ordinance 2000-04 authorized and adopted those Plans. Historically, the City Commission authorized amendments to contributions through the budget-adopting ordinance. In the case of the City Manager, contributions would be determined through contractual arrangements, which would be adopted by resolution of the City Commission.

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account and the returns earned on investments of those contributions. Substantially all permanent, full-time employees participate in this Plan.

City contributions and related earnings are 20% vested after one year of service and the remaining City contributions vest at 20% each year until fully vested after five years. Contributions made by an employee vest immediately. Employees must complete ICMA forms within 90 days of termination to elect the method by which they will receive their distribution of funds held in trust. In case of a death, the beneficiaries must complete forms for the distribution of funds held in trust. Upon death or retirement due to disability, the employee is immediately vested at 100%.

The total payroll for all employees and payroll for employees covered by the Plan for the current year were \$3,852,771 and \$2,562,028, respectively. During the year, the City was required to contribute 10% of each eligible general employee's gross earnings and 10% of management employee's gross earnings with a mandatory employee contribution of 8%. The City is also required to contribute 17% of the City Manager's salary. The City's contribution to the plan as of September 30, 2013, was \$270,960 which is 100% of the required contribution. Total forfeitures of \$32,767 were processed for the defined contribution plan during 2013.

**CITY OF PARKLAND, FLORIDA**  
**Notes to Financial Statements**  
**September 30, 2013**

**NOTE 10 – DEFINED BENEFIT PENSION PLAN**

Plan Description

The Police Officers Retirement Plan is a single-employer defined benefit pension plan created by the City in accordance with Florida Statutes, Chapter 185. The City established the Plan pursuant to City Ordinance Number 2004-09 (as amended) in February 2004. The Plan is administered by a board of trustees, which covers all police officers employed by the City or as a Broward County Deputy Sheriff who elected membership at the Plan adoption date.

Plan members with at least 10 years of credited service and age 55, or Plan members with at least 20 years of credited service, regardless of age, are eligible for normal retirement benefits. Plan members with at least 10 years of credited service and age 50 are eligible for early retirement benefits. In the case of early retirement, the participant's benefit is reduced by 3% for each year by which the participant's early retirement age precedes the normal retirement age. A participant becomes fully vested upon attainment of 10 years of credited service. Pursuant to City Ordinance Number 2011-11, the sole remaining member of the Plan was permitted to retire without any penalty for early retirement based on existing credited service as of June 15, 2011.

The monthly retirement benefit is equal to the number of years of credited service multiplied by 3% of average monthly earnings. Average monthly earnings are determined based on earnings during the highest consecutive 5 years out of the 10 years immediately preceding the determination. Earnings include total cash remuneration, but limit overtime to 300 hours per year and exclude payments for extra duty or special detail work performed on behalf of a second party. At September 30, 2013, the Plan had three participants receiving service retirement benefits and one participant receiving disability retirement benefits. There were no actively employed participants.

Funding Policy

Funding for the Plan consists of contributions from members, the City of Parkland, the Broward Sheriff's Office, and the State of Florida. Plan members are required to contribute 5% of their annual covered compensation. The City is required to contribute an amount determined by the Plan's actuaries at least once every three years. Additionally, the State of Florida makes contributions from locally authorized insurance premium surcharges. During the year ending September 30, 2013, the State of Florida contributed \$216,205 to the Plan.

The City's external auditors did not audit the financial statements of the Police Officers Retirement Plan, the fiduciary fund of the City. Other auditors were engaged, who audited the stand-alone financial report. Copies of the report can be obtained from the pension board by calling the Police Pension Administrator at 954-720-8910.

**CITY OF PARKLAND, FLORIDA**  
**Notes to Financial Statements**  
**September 30, 2013**

**NOTE 10 – DEFINED BENEFIT PENSION PLAN** (Continued)

Annual Pension Cost and Net Pension Asset

The City's annual pension cost and net pension asset for the Plan for the year ended September 30, 2013, was as follows:

Annual required contribution	\$ 213,598
Interest on net pension asset	(36,185)
Adjustment to annual required contribution	<u>89,643</u>
Annual pension cost	267,056
Contributions made	<u>(213,598)</u>
Decrease in net pension asset	53,458
Net pension asset, beginning of year	<u>(516,929)</u>
Net pension asset, end of year	<u>\$ (463,471)</u>

Trend Information

Annual pension cost (APC) is a measure of the periodic cost of an employer's participation in a defined benefit pension plan. The APC for the Plan for the last three fiscal years follows:

Fiscal Year Ended	Annual Pension Cost (APC)	Three Year Trend Information		Net Pension Obligation (Asset)
		Actual Contributions	Percentage of APC Contributed	
09/30/11	\$ 300,706	\$ 163,382	54%	\$ (541,062)
09/30/12	314,792	290,659	92%	(516,929)
09/30/13	267,056	213,598	80%	(463,471)

**CITY OF PARKLAND, FLORIDA**  
**Notes to Financial Statements**  
**September 30, 2013**

**NOTE 10 – DEFINED BENEFIT PENSION PLAN** (Continued)

Actuarial Methods and Significant Assumptions

Actuarial methods and significant actuarial assumptions used to determine the annual required contributions for the two most recent actuarial valuations are presented below:

Valuation date	October 1, 2012	October 1, 2013
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level dollar, closed	Level dollar, closed
Remaining amortization period	7 years	10 years
Asset valuation method	Market value	Market value
Actuarial assumptions:		
Investment rate of return	7.0%	7.0%
Projected salary increases	0.0%	0.0%
Cost-of-living adjustments (COLA)	2.0%	2.0%

Schedule of Funding Progress

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Funded Status

The funded status of the Plan as of the most recent actuarial valuation date was as follows:

Actuarial valuation date	10/01/13
Actuarial value of assets	\$ 1,952,986
Actuarial accrued liability	\$ 2,187,103
Unfunded actuarial accrued liability (UAAL)	\$ 234,117
Funded ratio	89.30%
Covered payroll	\$
UAAL as a percentage of covered payroll	N/A

There are no current employees eligible for the Plan. All Plan participants are retired. Consequently, there is no covered payroll.



**CITY OF PARKLAND, FLORIDA**  
**Notes to Financial Statements**  
**September 30, 2013**

**NOTE 11 – DEFERRED COMPENSATION PLAN**

The City also offers its employees a deferred compensation plan created in accordance with Internal Revenue Code 457. The Plan is available to all full-time employees and permits them to defer a portion of their salary until future years. Such deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency.

Under the provisions of IRC Section 457, the City modified its Plan documents and transferred all Plan assets to custodial accounts. In the opinion of City Management, this custodial account structure removes any presumption of fiduciary responsibility. Because City Management has little administrative involvement with the Plan and does not perform any investing functions for the Plan, the Plan assets are not included in the City's financial statements.

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS**

The City implemented Governmental Accounting Standards Board Statement 45 (GASB 45), *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, effective October 1, 2009. Retirees of the City pay an amount equal to the actual premium for health insurance charged by the carrier, but there is an implied subsidy in the healthcare insurance premium for retirees because the premium charged for these retirees is the same as the premium charged for active employees, who are younger than retirees on average. This implied subsidy constitutes other postemployment benefits (OPEB) under GASB 45.

Plan Description

The City provides a single employer defined benefit health care plan to all of its employees. The plan allows its employees and their beneficiaries to continue to obtain health and dental benefits upon retirement. The normal retirement age for City employees is age 62. The benefits of the plan are in accordance with Florida Statutes, which are the legal authority for the plan. The plan has no assets and does not issue a separate financial report.

Funding Policy

The City does not directly make a contribution to the plan on behalf of retirees. Retirees and their beneficiaries pay the same group rates as are charged to the City for active employees by its healthcare provider. However, the City's actuaries in their actuarial valuation, calculate an offset to the cost of these benefits as an Employer Contribution, based upon an implicit rate subsidy. This offset equals the total age-adjusted costs paid by the City or its active employees for coverage of the retirees and their dependents for the year net of the retiree's own payments for the year. The Plan has never had any employees that continued to obtain health and dental benefits upon retirement.

**CITY OF PARKLAND, FLORIDA**  
**Notes to Financial Statements**  
**September 30, 2013**

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS** (Continued)

Annual OPEB Cost and Net OPEB Obligation

The City’s annual other post employment benefit (OPEB) cost is calculated based on the annual required contribution (ARC). The City has elected to calculate the ARC and related information using the alternative method permitted under GASB Statement No. 45 for employers with plans that have fewer than 100 total members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

The annual OPEB cost and the net OPEB obligation for the City for the current year and the related information are as follows:

Required contribution rates:	Pay-as-you-go
Employer	N/A
Plan members	N/A
Annual Required Contribution (ARC)	\$ 2,354
Interest on Net Unfunded OPEB Obligation	579
Adjustment to Annual Required Contribution	<u>(961)</u>
Annual OPEB cost	1,972
Contributions made	<u>1,972</u>
Increase in net OPEB obligation	1,972
Net OPEB obligation October 1, 2012	<u>16,546</u>
Net OPEB obligation September 30, 2013	<u>\$ 18,518</u>

The Plan has never had any employees that continued to receive health and dental benefits upon retirement. The City has never (1) made payments of benefits directly to or on behalf of a retiree or beneficiary, (2) made premium payments to an insurer, or (3) irrevocably transferred assets to a trust, or equivalent arrangement, in which Plan assets are dedicated to providing benefits to retirees and beneficiaries in accordance with the terms of the Plan and are legally protected from creditors of the employer or plan administrator. Consequently, the City has never made a contribution in relation to the annual required contribution.

**CITY OF PARKLAND, FLORIDA**  
**Notes to Financial Statements**  
**September 30, 2013**

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS** (Continued)

Trend Information

Three-Year Trend Information			
Fiscal Year End	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
09/30/11	\$5,514	0.0%	\$11,135
09/30/12	\$5,411	0.0%	\$16,546
09/30/13	\$1,972	0.0%	\$18,518

Funded Status

The funded status of the plan as of most recent actuarial valuation date was as follows:

Actuarial valuation date	9/30/2013
Actuarial accrued liability	\$ 12,853
Actuarial value of plan assets	\$
Unfunded actuarial accrued liability (UAAL)	\$ 12,853
Funded ratio	0.0%
Covered payroll	\$3,831,403
UAAL as a percentage of covered payroll	0.34%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are comparable with past expectations and new estimates are made about the future. The schedule of funding progress presented as required supplementary information following the notes to the financial statements, will present multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Because the fiscal year ended September 30, 2010, was the year of implementation of GASB 45, and the City elected to apply the statement prospectively, only two years are presented in the schedule at this time. The City has not contributed assets to the plan at this time.

**CITY OF PARKLAND, FLORIDA**  
**Notes to Financial Statements**  
**September 30, 2013**

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS** (Continued)

Actuarial Methods and Assumptions

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Significant methods and assumptions at September 30, 2013, were as follows:

Actuarial valuation date	9/30/2013
Actuarial cost method	Entry Age
Amortization method	Level Percentage of Payroll
Amortization period	20 years, open
Asset valuation method	Unfunded
Actual assumptions:	
Discount rate	3.5%
Inflation rate	3.5%
Investment return	0.0%
Payroll growth rate	2.0%
Healthcare cost trend	10% for 2013 decreasing to 8% in 2023

**NOTE 13 – CONTINGENCIES AND COMMITMENTS**

Contingencies

The City is involved in various litigations and claims arising in the course of operations. It is the opinion of legal counsel that the likelihood of an unfavorable outcome and the amounts of potential losses cannot be reasonably determined at this time. Accordingly, no provision for any liability that may result has been made in the accompanying financial statements.

**CITY OF PARKLAND, FLORIDA**  
**Notes to Financial Statements**  
**September 30, 2013**

**NOTE 13 – CONTINGENCIES AND COMMITMENTS** (Continued)

Police Services Agreement

The City previously entered into an agreement with the Broward Sheriff's Office (BSO) to provide professional law enforcement services through September 30, 2009, with an option to renew for an additional five years, which the City exercised. Under this agreement BSO provides all necessary labor, supervision, equipment, vehicles, communication facilities, and supplies necessary for the purpose of performing the services. In accordance with the agreement, the City provides a police facility, major improvements and repairs for which are the City's responsibility. BSO pays for all utility costs including, but not limited to, telephone, electric, and water services. During the fiscal ending September 30, 2013, the City paid BSO an additional \$20,000 to cover overtime hours for enhanced code enforcement; this increase is only for the year ended September 30, 2013, and will not be added to the base of consideration in future years. For the year ended September 30, 2013, the City had expenditures of approximately \$4,883,000 relating to this agreement.

Emergency Medical and Fire Protection Services

Effective October 1, 2010, the City entered into a new interlocal agreement with the City of Coral Springs to provide emergency medical and fire protection services through September 30, 2015. Either party may terminate this agreement with twelve months' written notice. Under the terms of the agreement, Parkland shall provide spacing and housing for all necessary services and is responsible for major repairs as well as utility costs. The City of Coral Springs is responsible for maintaining the aforementioned facilities.

Baseline costs are \$4,513,024 for the fiscal year ended September 30, 2011, and annual increases will be determined based on the same percentage as the increases in the Coral Springs' Fire Fund personnel cost, benefit costs, and operating expenses, subject to certain limits. For the year ended September 30, 2013, the City paid costs of approximately \$5,311,000 relating to this agreement.

Encumbrances

Appropriations in governmental fund types are encumbered upon issuance of purchase orders for goods and/or services. Even though encumbered appropriations lapse at the end of the fiscal year, unfilled purchase orders of the current year are carried forward, and the following year's appropriations are likewise encumbered. At September 30, 2013, the City had encumbrances of \$425,822 in the Capital Projects Fund.

**CITY OF PARKLAND, FLORIDA**  
**Notes to Financial Statements**  
**September 30, 2013**

**NOTE 14 – 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; and natural disasters for which the City carries commercial insurance. The City is also covered by Florida Statutes under the Doctrine of Sovereign Immunity which effectively limits the amount of liability of municipalities to individual claims of \$200,000 and \$300,000 for all claims relating to the same accident. During the year ended September 30, 2013, the City had coverage for property and automobile insurance up to a maximum of \$1,000,000 per occurrence. The City has not significantly reduced insurance coverage from coverage in the prior year. There were no settled claims which exceeded insurance coverage during the past three fiscal years.

**NOTE 15 – STABILIZATION AGREEMENT**

Many governments have formal arrangements to maintain amounts for budget or revenue stabilization, working capital needs, contingencies, or emergencies. The City has adopted a stabilization agreement that provides for an operating reserve of 20% of the General Fund operating budget less transfers and contingency. As of September 30, 2013, the General Fund reported fund balance committed to the stabilization agreement in the amount of \$4,914,761.

**NOTE 16 – SETTLEMENTS**

Litigation Settlement

In March 2011, the City approved a settlement of litigation against a vendor regarding certain damages sustained by the City. Under the terms of the agreement, the City will receive \$100,000 to be paid in equal monthly installments over a two year period and an additional \$50,000 to be paid no later than April 2016. The additional \$50,000 payment may be paid in advance of the due date with no penalty. The vendor will also provide certain repair services to the City.

During the fiscal year ended September 30, 2013, the City received \$45,833 in payments pursuant to the agreement. The required future payments under the agreement are as follows:

<u>Fiscal Year Ending September 30</u>	<u>Payment Due</u>
2016	<u>\$ 20,833</u>
	<u><u>\$ 20,833</u></u>

**CITY OF PARKLAND, FLORIDA**  
**Notes to Financial Statements**  
**September 30, 2013**

**NOTE 17 – IMPLEMENTATION OF ACCOUNTING STANDARDS**

The City implemented the following Governmental Accounting Standards Board Statements during the fiscal year ended September 30, 2013:

GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*. This statement provides additional criteria for classifying entities as component units to better assess the accountability of elected officials by ensuring that the financial reporting entity includes organizations for which the elected officials are financially accountable or that are determined by the government to be misleading to exclude.

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This statement directly incorporates the applicable guidance from FASB and AICPA pronouncements into the state and local government accounting and financial reporting standards, with provisions modified, as appropriate, to recognize the effects of the governmental environment and the needs of governmental financial statement users without affecting the substance of the applicable guidance.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement improves financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed.

**NOTE 18 – RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS**

A brief description of new accounting pronouncements that might have a significant impact on the City's financial statements is presented below.

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. GASB 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. This statement is effective for the fiscal year ending September 30, 2014. Management is currently evaluating the impact of the adoption of this statement on the City's financial statements.

**CITY OF PARKLAND, FLORIDA**  
**Notes to Financial Statements**  
**September 30, 2013**

**NOTE 18 – RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS** (Continued)

In March 2012, the GASB issued Statement No. 66, *Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62*. GASB 66 improves accounting and financial reporting for a governmental reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* and Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This statement is effective for the fiscal year ending September 30, 2014. Management is currently evaluating the impact of the adoption of this statement on the City's financial statements.

In June 2012, the GASB issued Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement 25*. GASB 67 improves financial reporting by state and local governmental pension plans primarily through enhanced note disclosures and schedules of required supplementary information. This Statement is effective for the fiscal year ending September 30, 2014. Management is currently evaluating the impact of the adoption of this statement on the City's financial statements.

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement 27*. GASB 68 improves financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This Statement is effective for the fiscal year ending September 30, 2015. Management is currently evaluating the impact of the adoption of this statement on the City's financial statements.

In November 2013, the GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. This Statement amends paragraph 137 of GASB 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. The provisions of this Statement are required to be applied simultaneously with the provisions of GASB 68.



**CITY OF PARKLAND, FLORIDA**  
**Notes to Financial Statements**  
**September 30, 2013**

**NOTE 19 – SUBSEQUENT EVENTS**

On October 7, 2013, the City entered into a 15-year loan agreement totaling \$7,000,000, with a fixed interest rate of 2.79%. The loan proceeds will be used to construct capital improvements consisting of a fire station, improvements to Pine Trails Park, and such other capital projects as shall be approved by the City. This loan requires semi-annual interest payments as well as one annual principal payment, which will equal approximately \$575,000. The note matures in October 2028.

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

**CITY OF PARKLAND, FLORIDA**  
**Required Supplemental Information**  
**September 30, 2013**

Other Post Employment Benefits (OPEB)  
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Entry Age(1) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
09/30/10	\$	\$ 23,091	\$ 23,091	0.0%	\$ 3,632,459	0.64%
09/30/13	\$	\$ 12,853	\$ 12,853	0.0%	\$ 3,831,403	0.34%

The schedule of funding progress presented above will present multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Because the fiscal year ended September 30, 2010, was the year of implementation of GASB 45, and the City elected to apply the statement prospectively, only two years are presented in the schedule at this time. In future years, required trend data will be presented. The City has not contributed assets to the plan at this time.

**CITY OF PARKLAND, FLORIDA**  
**Required Supplemental Information**  
**Police Officers Retirement Plan**  
**September 30, 2013**

Schedule of Funding Progress  
Police Officers Retirement Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
10/01/08	\$ 896,556	\$ 2,150,299	\$ 1,253,743	41.69%	\$ 78,508	1596.96%
10/01/09	1,078,605	1,988,764	910,159	54.23%	78,552	1158.67%
10/01/10	1,346,172	2,050,642	704,470	65.65%	85,816	820.91%
10/01/11	1,416,392	2,159,194	742,802	65.60%		N/A
10/01/12	1,756,197	2,155,927	399,730	81.46%		N/A
10/01/13	1,952,986	2,187,103	234,117	89.30%		N/A

Schedule of Contributions from the  
Employer and Other Contributing Entities

Fiscal Year Ended September 30	Annual Required Contribution	Percentage Contributed	Annual Pension Cost	Percentage Contributed
2008	\$ 87,316	269%	\$ 79,778	294%
2009	88,472	283%	77,880	321%
2010	260,513	105%	305,216	90%
2011	250,882	65%	300,706	54%
2012	267,983	108%	314,792	92%
2013	213,598	100%	267,056	80%

OTHER FINANCIAL INFORMATION

## NONMAJOR GOVERNMENTAL FUNDS

### Capital Projects Fund

#### Infrastructure Replacement Fund

This fund is used to fund future capital expenditures as they relate to City facilities.

### Special Revenue Funds

#### Parks Improvements Fund

This fund is used to account for revenues and expenditures for capital improvements to and the acquisition of City parks.

#### Government Library Building Fund

This fund is used to account for the revenue and expenditure for the collection of impact fees for government buildings and the library.

#### Impact Fee Fund

This fund is used to account for the revenue and expenditure for the collection of impact fees.

#### Law Enforcement Fund

This fund is used to account for revenues derived from the enforcement from the Florida Contraband Act. Expenditures are restricted to the purchase of law enforcement equipment.

**CITY OF PARKLAND, FLORIDA**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**September 30, 2013**

	Capital Project	Special Revenue Funds				Total Nonmajor Governmental Funds
	Fund	Government	Public	Law		
	Infrastructure	Park	Library	Safety	Enforcement	
	Improvements	Improvements	Building	Improvement		
Assets						
Cash and equity in pooled cash	\$ 300,000	\$ 1,125,674	\$ 443,411	\$ 881,037	\$ 36,657	\$ 2,786,779
Investments		160,131				160,131
Total assets	<u>\$ 300,000</u>	<u>\$ 1,285,805</u>	<u>\$ 443,411</u>	<u>\$ 881,037</u>	<u>\$ 36,657</u>	<u>\$ 2,946,910</u>
Liabilities and fund balances						
Fund balances						
Restricted						
Park improvements	\$	\$ 1,285,805	\$	\$	\$	\$ 1,285,805
Public safety building				119,800		119,800
Western fire station				761,237		761,237
Administrative building			176,240			176,240
Public works building			3,815			3,815
Library			263,356			263,356
Police forfeiture					36,657	36,657
Assigned						
Capital projects	300,000					300,000
Total liabilities and fund balances	<u>\$ 300,000</u>	<u>\$ 1,285,805</u>	<u>\$ 443,411</u>	<u>\$ 881,037</u>	<u>\$ 36,657</u>	<u>\$ 2,946,910</u>

**CITY OF PARKLAND, FLORIDA**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended September 30, 2013**

	Capital Project	Special Revenue Funds			Total Nonmajor Governmental Funds	
	Infrastructure Improvements	Park Improvements	Government Library Building	Public Safety Improvement		Law Enforcement
Revenues						
Impact Fees	\$	\$ 1,102,689	\$ 342,358	\$ 444,801	\$	\$ 1,889,848
Fines and forfeitures					9,688	9,688
Interest income		754	166	538	26	1,484
Total revenues		<u>1,103,443</u>	<u>342,524</u>	<u>445,339</u>	<u>9,714</u>	<u>1,901,020</u>
Expenditures						
Excess of revenues over (under) expenditures		<u>1,103,443</u>	<u>342,524</u>	<u>445,339</u>	<u>9,714</u>	<u>1,901,020</u>
Other financing sources (uses)						
Transfers in	300,000		34,066			334,066
Transfers out				(34,066)		(34,066)
Total other financing sources (uses)	<u>300,000</u>		<u>34,066</u>	<u>(34,066)</u>		<u>300,000</u>
Net changes in fund balances	300,000	1,103,443	376,590	411,273	9,714	2,201,020
Fund balances - Beginning		182,362	66,821	469,764	26,943	745,890
Fund balances - Ending	<u>\$ 300,000</u>	<u>\$ 1,285,805</u>	<u>\$ 443,411</u>	<u>\$ 881,037</u>	<u>\$ 36,657</u>	<u>\$ 2,946,910</u>



**CITY OF PARKLAND, FLORIDA**  
**Schedule of Revenues, Expenditures and Changes in Fund**  
**Balance - Budget and Actual - Capital Projects Fund**  
**For the Year Ended September 30, 2013**

	Budget Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final Revised		
Revenues				
Intergovernmental revenues	\$ 235,000	\$ 235,000	\$ 14,648	\$ (220,352)
Interest income	5,000	5,000	228	(4,772)
Miscellaneous income			73,700	73,700
Total revenues	<u>240,000</u>	<u>240,000</u>	<u>88,576</u>	<u>(151,424)</u>
Expenditures				
Capital outlay	4,345,000	8,870,698	2,128,714	6,741,984
Total expenditures	<u>4,345,000</u>	<u>8,870,698</u>	<u>2,128,714</u>	<u>6,741,984</u>
Excess of revenues over (under) expenditures	<u>(4,105,000)</u>	<u>(8,630,698)</u>	<u>(2,040,138)</u>	<u>6,590,560</u>
Other financing sources (uses)				
Transfers in		3,000,000	3,000,000	
Total other financing sources		<u>3,000,000</u>	<u>3,000,000</u>	
Net changes in fund balances	<u>\$ (4,105,000)</u>	<u>\$ (5,630,698)</u>	959,862	<u>\$ 6,590,560</u>
Fund balances - Beginning			<u>439,859</u>	
Fund balances - Ending			<u>\$ 1,399,721</u>	

STATISTICAL SECTION

## STATISTICAL SECTION

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

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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.*

CITY OF PARKLAND, FLORIDA  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Net investment in										
capital assets,	\$ 20,094,238	\$ 19,780,878	\$ 16,612,031	\$ 25,619,785	\$ 30,933,834	\$ 34,951,724	\$ 34,606,524	\$ 34,295,287	\$ 36,118,346	\$ 36,676,563
Restricted										
Park Improvement	293,376	549,304	391,922	483,542	516,453	519,402	177,423	177,998	182,362	1,285,805
Law enforcement	12,013	12,331	26,363	32,982	5,421	5,573	22,204	25,632	26,943	36,657
Capital projects	50,000	50,000	50,000	50,000	50,000	50,000	287,596	711,944	1,881,886	3,432,366
Unrestricted	1,165,235	5,629,177	20,502,089	16,509,709	14,790,700	13,034,682	16,313,585	18,444,892	18,345,576	21,221,272
Total governmental activities										
net position	<u>\$ 21,614,862</u>	<u>\$ 26,021,690</u>	<u>\$ 37,582,405</u>	<u>\$ 42,696,018</u>	<u>\$ 46,296,408</u>	<u>\$ 48,561,381</u>	<u>\$ 51,407,332</u>	<u>\$ 53,655,753</u>	<u>\$ 56,555,113</u>	<u>\$ 62,652,663</u>

The City has no business-type activities.

**CITY OF PARKLAND, FLORIDA  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>EXPENSES</b>										
Governmental activities										
General government	\$ 2,240,710	\$ 2,357,693	\$ 9,478,330	\$ 3,112,802	\$ 1,911,316	\$ 2,211,045	\$ 2,141,547	\$ 2,216,074	\$ 2,128,059	\$ 2,423,958
Public safety	8,323,321	7,785,681	8,100,925	9,248,602	8,359,670	9,007,437	9,853,919	10,276,680	10,693,529	10,910,156
Physical environment	1,157,329	1,252,367	1,411,339	1,737,151	3,353,445	3,886,648	3,738,358	3,677,816	3,440,729	4,054,575
Culture and recreation	3,574,551	3,666,711	4,211,656	4,517,481	3,549,448	3,010,988	2,797,480	2,852,652	3,088,740	2,750,940
Development services (1)					1,916,518	1,305,912	1,158,007	1,113,484	1,217,932	1,297,404
Interest expense and other financing costs	244,813	232,741	494,212	480,424	464,255	440,030	424,712	404,442	385,701	363,632
<b>Total governmental activities expenses</b>	<b>15,540,724</b>	<b>15,295,193</b>	<b>23,696,462</b>	<b>19,096,460</b>	<b>19,554,652</b>	<b>19,862,060</b>	<b>20,114,023</b>	<b>20,541,148</b>	<b>20,954,690</b>	<b>21,800,665</b>
<b>PROGRAM REVENUES</b>										
Governmental activities:										
Charges for services:										
General government	1,532,377	2,082,858	2,341,997	1,574,789	797,830	165,755	194,958	208,681	285,636	571,066
Public safety	502,325	2,840,212	3,255,242	2,177,420	2,040,386	2,658,876	3,841,174	4,384,739	5,479,703	7,095,095
Physical environment	119,504	166,800	531,285	506,877	207,071	107,814	106,128	82,806	460,788	831,893
Culture and recreation	443,221	759,729	2,366,757	672,078	622,101	651,868	720,571	630,167	590,292	1,817,767
Development Services						51,277	327,103	106,375	127,275	122,272
Operating grants and contributions	755	89,682	5,685,143	89,259		13,652	22,996	112,051	70,644	120,986
Capital grants and contributions	1,202,783	360,000	4,959,305	1,147,150	1,100,000	948,796	160,092	795,036	80,905	22,951
<b>Total governmental activities program revenues</b>	<b>3,800,965</b>	<b>6,299,281</b>	<b>19,139,729</b>	<b>6,167,573</b>	<b>4,767,388</b>	<b>4,598,038</b>	<b>5,373,022</b>	<b>6,319,855</b>	<b>7,095,243</b>	<b>10,582,030</b>
Net expense/revenue: Governmental activities	(11,739,759)	(8,995,912)	(4,556,733)	(12,928,887)	(14,787,264)	(15,264,022)	(14,741,001)	(14,221,293)	(13,859,447)	(11,218,635)
<b>Total governmental activities net expense</b>	<b>\$ (11,739,759)</b>	<b>\$ (8,995,912)</b>	<b>\$ (4,556,733)</b>	<b>\$ (12,928,887)</b>	<b>\$ (14,787,264)</b>	<b>\$ (15,264,022)</b>	<b>\$ (14,741,001)</b>	<b>\$ (14,221,293)</b>	<b>\$ (13,859,447)</b>	<b>\$ (11,218,635)</b>
<b>General revenues and other changes in net position:</b>										
Governmental activities:										
Taxes:										
Ad valorem taxes	\$ 7,426,920	\$ 8,669,254	\$ 10,283,097	\$ 11,689,254	\$ 12,438,089	\$ 12,373,712	\$ 11,825,554	\$ 10,916,305	\$ 11,274,022	\$ 11,519,275
Franchise taxes	460,466	174,478	187,652	189,927	250,427	285,559	263,796	347,935	344,222	336,151
Utility service taxes	1,619,716	2,167,077	2,200,054	2,341,042	2,589,312	2,778,104	2,848,999	2,757,831	2,762,394	2,885,688
Intergovernmental (Unrestricted)	1,618,625	1,875,156	2,176,921	2,213,449	2,191,407	2,078,602	2,348,410	2,081,753	2,129,297	2,393,759
Interest income	58,761	234,514	1,079,785	1,404,515	447,862	100,123	55,543	44,689	38,386	32,361
Net increase/(decrease) in the fair value of investments						(119,658)	129,671	44,649	71,559	32,669
Miscellaneous	265,449	282,261	189,940	204,313	470,557	302,363	114,979	276,552	138,927	116,282
<b>Total governmental activities general revenues</b>	<b>11,449,937</b>	<b>13,402,740</b>	<b>16,117,449</b>	<b>18,042,500</b>	<b>18,387,654</b>	<b>17,798,805</b>	<b>17,586,952</b>	<b>16,469,714</b>	<b>16,758,807</b>	<b>17,316,185</b>
<b>Change in net position Governmental activities</b>	<b>(289,822)</b>	<b>4,406,828</b>	<b>11,560,716</b>	<b>5,113,613</b>	<b>3,600,390</b>	<b>2,534,783</b>	<b>2,845,951</b>	<b>2,248,421</b>	<b>2,899,360</b>	<b>6,097,550</b>
<b>Total primary government</b>	<b>\$ (289,822)</b>	<b>\$ 4,406,828</b>	<b>\$ 11,560,716</b>	<b>\$ 5,113,613</b>	<b>\$ 3,600,390</b>	<b>\$ 2,534,783</b>	<b>\$ 2,845,951</b>	<b>\$ 2,248,421</b>	<b>\$ 2,899,360</b>	<b>\$ 6,097,550</b>

(1) 2008 was the initial year this activity has been reported separately

CITY OF PARKLAND, FLORIDA  
 FUND BALANCES, GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>General Fund:</b>										
Nonspendable:										
Assessments Receivable	\$ 7,887	\$ 7,563	\$ 7,563	\$ 7,563	\$ 7,563	\$ 7,563	\$ 7,197	\$ 6,296	\$ 6,296	\$ 5,495
Interest Receivable	9,857	11,160	11,160	11,812	11,812	13,084	12,967	13,012	12,719	12,056
Prepays	59,513	72,740	60,287	5,509	149,993	44,706	14,848	47,203	55,584	25,069
SBA - Fund B						37,803	37,650	32,008	277,434	151,589
Restricted for:										
Equestrian Center					9,470	9,470	9,470	9,470	9,470	9,470
Liberty Park					200	200	200	200	200	200
Library					554	554	554	554	554	554
Country Point					4,575	4,575	4,575	4,575	4,575	4,575
Building Department							57,973	433,615	1,314,789	2,077,406
Committed to:										
Stabilization Agreement		3,070,435	3,107,262	3,867,274	3,900,000	3,776,000	4,112,000	4,160,010	4,540,000	4,914,761
Capital Replacement Fund									300,000	-
Infrastructure Replacement Fund									300,000	-
Assigned:										
Subsequent year's budget					9,291	-	1,002,300	522,350	408,101	235,883
Unassigned	1,098,963	451,488	2,189,321	3,140,044	2,127,926	4,522,184	7,166,521	10,160,028	11,419,404	13,555,680
<b>Total General Fund</b>	<b>\$ 1,176,220</b>	<b>\$ 3,613,386</b>	<b>\$ 5,375,593</b>	<b>\$ 7,032,202</b>	<b>\$ 6,221,384</b>	<b>\$ 8,416,139</b>	<b>\$ 12,426,255</b>	<b>\$ 15,389,321</b>	<b>\$ 18,649,126</b>	<b>\$ 20,992,738</b>
<b>All other governmental funds:</b>										
Nonspendable:										
Prepays	\$	\$ 150	\$	\$ 75,150	\$ 75,150	\$ 150	\$	\$	\$	\$
SBA - Fund B						279,742	278,612	236,853		
Restricted for:										
M.U.S.T. grant						5,646	5,646	5,646	5,646	5,646
Impact Fees							34,066	34,066	100,887	443,411
Public Safety							6,295	14,436	44,862	119,800
Western Fire Station							165,000	205,565	397,086	767,487
Waste containers							3,817	3,817	3,817	3,817
Park improvements	293,376	549,304	391,922	483,542	516,453	519,402	177,423	177,998	182,362	1,285,805
Law enforcement	12,013	12,331	26,363	32,982	5,421	5,573	22,204	25,632	26,943	36,657
Assigned to:										
Subsequent year's budget						779,550				
Capital projects	456,428	9,647,941	15,343,037	9,474,336	8,037,246	2,910,113	2,993,587	2,459,364	424,146	1,684,008
<b>Total other governmental funds</b>	<b>\$ 761,817</b>	<b>\$ 10,209,726</b>	<b>\$ 15,761,322</b>	<b>\$ 10,066,010</b>	<b>\$ 8,634,270</b>	<b>\$ 4,500,176</b>	<b>\$ 3,686,650</b>	<b>\$ 3,163,377</b>	<b>\$ 1,185,749</b>	<b>\$ 4,346,631</b>

**CITY OF PARKLAND, FLORIDA**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>REVENUES:</b>										
Ad valorem taxes	\$ 7,426,920	\$ 8,669,254	\$ 10,283,097	\$ 11,689,254	\$ 12,438,089	\$ 12,373,712	\$ 11,825,554	\$ 10,916,305	\$ 11,274,022	\$ 11,519,275
Franchise fees	460,466	174,478	187,652	189,927	250,427	285,559	263,796	347,935	344,222	336,151
Utility service taxes	1,619,716	2,167,077	2,200,054	2,341,042	2,589,312	2,778,103	2,848,999	2,757,831	2,762,394	2,885,688
Licenses and permits	2,934,485	3,659,957	4,274,793	2,385,371	1,332,888	1,068,792	1,919,614	3,562,201	4,445,864	5,875,205
Intergovernmental revenues	2,821,408	1,964,838	8,300,003	2,571,569	3,291,407	3,157,365	2,458,202	2,715,327	2,452,615	2,653,163
Charges for services	569,485	2,038,261	4,013,218	2,323,984	2,126,423	2,112,303	2,339,854	1,191,657	1,895,663	4,035,466
Fines and forfeitures	93,457	151,381	207,270	221,808	208,077	326,891	541,026	412,480	421,259	320,512
Interest income	58,761	234,514	1,079,785	1,404,515	436,700	98,739	53,676	43,989	37,860	31,840
Unrealized gain (loss) on investments						(119,658)	129,671	44,649	71,559	32,669
Miscellaneous revenues	265,449	282,261	189,940	204,313	458,104	377,708	453,902	703,036	344,666	476,628
Contributions	755	360,000	4,521,365	878,289			88,796			
<b>Total revenues</b>	<b>16,250,902</b>	<b>19,702,021</b>	<b>35,257,177</b>	<b>24,210,072</b>	<b>23,131,427</b>	<b>22,459,514</b>	<b>22,923,090</b>	<b>22,695,410</b>	<b>24,050,124</b>	<b>28,166,597</b>
<b>EXPENDITURES:</b>										
<b>Current:</b>										
General Government	2,016,025	1,960,564	9,446,013	3,000,725	1,903,659	1,984,573	1,846,739	1,948,035	1,861,771	2,125,871
Public safety	8,201,712	7,837,422	8,275,794	9,263,933	8,411,435	9,049,174	9,618,082	10,048,868	10,624,950	10,879,120
Physical environment	1,107,865	1,321,964	1,313,506	1,630,084	3,167,453	3,502,666	2,950,630	2,913,972	2,669,135	3,227,308
Development services					1,864,018	1,310,006	1,083,778	1,105,335	1,240,803	1,272,056
Culture and recreation	3,003,965	2,955,594	3,729,259	3,883,465	2,261,617	2,105,967	1,883,553	1,930,453	2,021,496	1,650,700
Contingency					41,651					
Capital outlay	1,734,592	703,134	4,591,136	9,601,137	6,403,305	5,567,662	1,445,646	1,421,478	3,489,675	2,284,321
<b>Debt service:</b>										
Principal retirement	184,728	5,554,708	452,658	450,943	468,737	484,084	498,930	519,429	539,654	562,544
Interest and fiscal charges	244,999	308,409	480,844	480,783	464,562	448,007	429,609	410,853	391,910	370,109
<b>Total expenditures</b>	<b>16,493,886</b>	<b>20,641,795</b>	<b>28,289,210</b>	<b>28,311,070</b>	<b>24,986,437</b>	<b>24,452,139</b>	<b>19,756,967</b>	<b>20,298,423</b>	<b>22,839,394</b>	<b>22,372,029</b>
Excess of revenues over (under) expenditures	(242,984)	(939,774)	6,967,967	(4,100,998)	(1,855,010)	(1,992,625)	3,166,123	2,396,987	1,210,730	5,794,568
<b>Other financing sources(uses):</b>										
Insurance proceeds			345,836	62,295	7,452	71,556	17,701	42,556	65,083	6,801
Proceeds from sale of capital assets					5,000	31,611	12,766	250	6,364	3,125
Issuance of debt		12,824,849								
Transfers in			3,269,649		2,070,000				1,000,000	3,334,066
Transfers out			(3,269,649)		(2,470,000)				(1,000,000)	(3,634,066)
<b>Total other financing sources (uses)</b>		<b>12,824,849</b>	<b>345,836</b>	<b>62,295</b>	<b>(387,548)</b>	<b>103,167</b>	<b>30,467</b>	<b>42,806</b>	<b>71,447</b>	<b>(290,074)</b>
<b>Net change in fund balances</b>	<b>\$ (242,984)</b>	<b>\$ 11,885,075</b>	<b>\$ 7,313,803</b>	<b>\$ (4,038,703)</b>	<b>\$ (2,242,558)</b>	<b>\$ (1,889,458)</b>	<b>\$ 3,196,590</b>	<b>\$ 2,439,793</b>	<b>\$ 1,282,177</b>	<b>\$ 5,504,494</b>
Debt Service as a % of noncapital expenditures	2.91%	2.68%	3.94%	4.98%	4.89%	4.94%	5.05%	4.92%	4.79%	4.64%

CITY OF PARKLAND, FLORIDA  
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS

<u>Year</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Industrial Property</u>	<u>Personal and Other Property</u>	<u>Total Taxable Assessed Value</u>	<u>Direct Tax Rate</u>	<u>Estimated Actual Value</u>	<u>Estimated Actual Value as a % of Net Assessed Value</u>
2004	\$ 1,879,681,737	\$ 2,207,340	\$	\$	\$ 1,881,889,077	4.1000	\$ 1,881,889,077	100%
2005	2,442,116,050	64,305,390	3,775,620	59,885,230	2,570,082,290	4.1000	2,570,082,290	100%
2006	2,884,125,180	77,703,080	682,540	78,431,840	3,040,942,640	3.9500	3,040,942,640	100%
2007	3,521,786,460	103,726,540	736,510	99,241,100	3,725,490,610	3.4083	3,725,490,610	100%
2008	3,522,487,900	105,611,700	783,190	84,751,000	3,713,633,790	3.4083	3,713,633,790	100%
2009	2,870,245,470	108,619,490	783,190	83,282,440	3,062,930,590	4.0198	3,062,930,590	100%
2010	2,673,746,589	100,750,541	648,703	58,665,496	2,833,811,329	4.0198	2,833,811,329	100%
2011	2,712,847,310	93,077,570	632,170	88,049,200	2,894,606,250	4.0198	2,894,606,250	100%
2012	2,802,659,230	84,591,400	1,717,300	85,538,200	2,974,506,130	4.0198	2,974,506,130	100%
2013	2,980,927,570	88,277,670	1,838,200	81,893,360	3,152,936,800	3.9999	3,152,936,800	100%



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

Overlapping Rates								
<u>Year</u>	<u>City Direct Rate</u>	<u>Broward County</u>	<u>Broward School District</u>	<u>Children's Service Council of Broward County</u>	<u>South Florida Water Manage- ment District</u>	<u>Florida Inland Navigation District</u>	<u>North Broward Hospital District</u>	<u>Total</u>
2004	4.1000	7.0230	8.2695	0.4231	0.6970	0.0385	2.4803	23.0314
2005	4.1000	6.7830	8.0623	0.4231	0.6970	0.0385	2.1746	22.2785
2006	4.1000	6.0661	7.8687	0.4073	0.6970	0.0385	1.8317	21.0093
2007	3.9500	5.2868	7.6484	0.3572	0.6240	0.0345	1.6255	19.5264
2008	3.4083	5.3145	7.4170	0.3754	0.6240	0.0345	1.7059	18.8796
2009	4.0198	5.3889	7.4310	0.4243	0.6240	0.0345	1.7059	19.6284
2010	4.0198	5.5530	7.6310	0.4696	0.6240	0.0345	1.8750	20.2069
2011	4.0198	5.5530	7.4180	0.4789	0.4363	0.0345	1.8750	19.8155
2012	3.9999	5.5530	7.4560	0.4902	0.4289	0.0345	1.8564	19.8189
2013	3.9900	5.7230	7.4800	0.4882	0.4110	0.0345	1.7554	19.8821

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

CITY OF PARKLAND, FLORIDA  
 PRINCIPAL PROPERTY TAXPAYERS  
 CURRENT YEAR AND NINE YEARS AGO

TAXPAYER	2013			2004		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Toll FL V, LLC	\$ 59,379,850	1	2.00%	\$		
Sunrise AG Parkland Commons, LLC	36,727,500	2	1.23%			
Bell Fund IV Winners Circle	32,134,269	3	1.08%			
WCI Communities	25,425,850	4	0.85%	78,634,680	1	4.18%
WRI HR Parkland, LLC	18,311,590	5	0.62%			
Lucky Land Star Holdings	14,397,080	6	0.48%			
Standard Pacific of Florida	13,275,920	7	0.45%			
Barclay Millennium, LLC	11,400,000	8	0.38%			
Toll Parkland GSC, LLC	10,594,038	9	0.36%			
Florida Power & Light Co.	9,848,022	10	0.33%	6,420,550	8	0.34%
Aston Gardens at Parkland Common, Ltd.				32,030,736	2	1.70%
Winners Circle Realty Holding Company				30,523,720	3	1.62%
Magnolia Star Parkland, LP				17,349,580	4	0.92%
Florida National Properties, Inc.				9,805,380	5	0.52%
Parkland 2000 Developers, LLC				6,615,640	6	0.35%
Lennar Homes				6,486,870	7	0.34%
Simon & Douglas Development, LLC				6,056,770	9	0.32%
Southern Bell Telephone Co.				3,619,706	10	0.19%
<b>Total</b>	<b>\$ 231,494,119</b>		<b>7.78%</b>	<b>\$ 197,543,632</b>		<b>10.48%</b>

Source: Broward County Property Appraiser's Office

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

Fiscal Year	Taxes Levied	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2004	\$ 7,715,795	\$ 7,421,165	96.18%	\$ 5,755	\$7,426,920	96.26%
2005	8,995,392	8,664,359	96.32%	4,895	8,669,254	96.37%
2006	10,781,809	10,280,163	95.35%	2,934	10,283,097	95.37%
2007	12,111,993	11,679,258	96.43%	9,996	11,689,254	96.51%
2008	12,791,727	12,370,872	96.71%	67,217	12,438,089	97.24%
2009	15,037,082	12,351,054	82.14%	22,658	12,373,712	82.29%
2010	12,425,411	11,823,250	95.15%	2,529	11,825,779	95.17%
2011	11,343,950	10,540,193	92.91%	376,112	10,916,305	96.23%
2012	11,741,741	10,994,504	93.64%	279,519	11,274,023	96.02%
2013	12,002,786	11,265,089	93.85%	254,187	11,519,275	95.97%

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

Fiscal Year	<u>Government Activities</u>			Percentage of Personal Income	Per Capita
	<u>Notes Payable</u>	<u>Revenue Bonds</u>	<u>Total Government</u>		
2004	\$ 5,554,708	\$	\$ 5,554,708	*	\$ 263.84
2005	10,000,000	2,824,849	12,824,849	*	590.33
2006	9,642,342	2,727,327	12,369,669	1.7056%	557.47
2007	9,291,400	2,624,865	11,916,265	1.2279%	514.45
2008	8,927,663	2,517,373	11,445,036	1.1794%	480.17
2009	8,548,579	2,475,000	11,023,579	1.1359%	459.76
2010	8,154,648	2,370,000	10,524,648	0.9790%	442.31
2011	7,745,218	2,260,000	10,005,218	0.8844%	417.55
2012	7,320,564	2,145,000	9,465,564	0.8038%	388.08
2013	6,878,021	2,025,000	8,903,021	0.7789%	357.95

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

Population data provided by the City of Parkland Planning Department.

\* Percentage of personal income information not available.

CITY OF PARKLAND, FLORIDA  
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
 September 30, 2013

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>		<u>Percentage Applicable to Parkland</u>	<u>Amount Applicable to Parkland</u>
Broward County	\$ 307,445,000	(1)	2.19%	\$ 6,745,899
Broward District Schools	<u>1,868,431,000</u>	<u>(2)</u>	<u>2.19%</u>	<u>40,996,753</u>
Total Overlapping Debt	2,175,876,000			47,742,652
City of Parkland	<u>8,903,021</u>		100%	<u>8,903,021</u>
Total Direct Debt	<u>8,903,021</u>			<u>8,903,021</u>
Total Direct and Overlapping Debt	<u>\$ 2,184,779,021</u>			<u>\$ 56,645,673</u>

Notes:

The Broward County Property Appraiser's Office provided total assessed taxable values to provide a basis for the ratio on assessed taxable values.

(1) Source: Budget Office, Broward County, Florida

(2) Source: School Board, Broward County, Florida

CITY OF PARKLAND, FLORIDA  
 PLEDGED-REVENUE COVERAGE  
 LAST TEN FISCAL YEARS

Fiscal Year	Note Payable					Coverage
	Half-Cent Sales Tax	Utility Service Tax	Debt Service			
			Principal	Interest		
2004	\$ 866,501	\$ 795,265	\$ 188,782	\$ 240,944	3.87	
2005	908,774	870,597	196,934	232,792	4.14	
2006	1,004,315	933,582	357,696	361,729	2.69	
2007	991,750	1,014,227	350,943	368,482	2.79	
2008	996,965	1,046,526	468,818	461,946	2.20	
2009	724,666	862,402	484,084	448,007	1.70	
2010	1,201,499	1,658,933	498,930	429,610	3.08	
2011	1,255,344	1,644,623	519,430	410,852	3.12	
2012	1,318,974	1,671,899	539,654	391,909	3.21	
2013	1,428,297	1,774,608	562,544	370,109	3.43	

CITY OF PARKLAND, FLORIDA  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 LAST TEN CALENDAR YEARS

Calendar Year	Population (4)	Personal Income (Thousands of Dollars)	Per Capita Personal Income (1)	Median Age (1)	Unemployment Rate (6)
2004	21,053	\$ 715,965	\$ 34,008	35.2	5.0%
2005	21,725	(2)	(2)	35.5	3.9%
2006	22,189	725,243	32,685	35.5	3.8%
2007	23,163	970,437	41,896	35.5	2.9%
2008	23,435	970,437 (3)	41,409	35.5	2.9%
2009	23,647 (5)	970,437 (3)	41,409 (3)	39.6	10.9%
2010	23,795	1,075,094	45,191	38.6	9.7%
2011	23,962	1,131,247	47,214	38.4	8.6%
2012	24,391	1,177,671	48,285	40.0	6.7%
2013	24,872	1,142,975	45,958	38.8	5.3%

Source:

- (1) U.S. Census Bureau - American Fact Finder
- (2) Information is unavailable.
- (3) Information is unchanged from prior year. No updated information available.
- (4) Planning & Zoning - Bureau of Economic and Business Research
- (5) U.S. Department of Labor - Metropolitan Area - December 2009
- (6) State of Florida - LAUS

CITY OF PARKLAND, FLORIDA  
 PRINCIPAL EMPLOYERS  
 September 30, 2013

Employer	2013			2004 (1)		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Broward County Public School	619	1	*			*
Aston Gardens	198	2	*			*
City of Parkland	119	3				
BJ's Wholesale Club	110	4	*			*
Publix Supermarket	64	5	*			*
Total	<u>1,110</u>		<u>*</u>	<u>-</u>		<u>*</u>

\* Percentage of total City employment information not available.

(1) Information for fiscal year September 30, 2004 is not available, as it was not required disclosure at that time.



CITY OF PARKLAND, FLORIDA  
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM  
 LAST TEN FISCAL YEARS

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>General Government</b>										
Mayor and Commission	5	5	5	5	5	5	5	5	5	5
City Manager	3	4	5	4.5	3	3	3	3	3	3
City Clerk	2	2	2	2	2	2	2	2	2	2
Finance	4.5	4.5	4	6	5	4.5	4.5	4.5	5.5	5
Human Resources	1.5	1.5	2	1.5	1.5	1.5	-	-	2	2
Planning	2	2	2	1.5	1.5	2	2	2	1	1
Engineering	1	1	1	1	1	1	-	-	1.5	3
Information Technology	-	-	-	-	-	1	1	1	2	2
<b>Public Safety</b>										
Police protection	31	33	31	31	34.5	35.5	35.5	36.5	36.5	38.5
Fire rescue and EMS	21	21	21	33 **	33	33	33	33	33	33
Protective inspections	23	23	23	24	20	5.4	6.4	6.5	6.5	10
Crossing Guards	13	14	16.5	16	16	8.7	5.9	7.5	7.5	7
<b>Physical Environment</b>										
Code Enforcement	2	2	2	1.5	-	-	-	-	-	-
Environmental Resources	-	0	0	1	1	1	1	1	1	1
Public Works	35	35	34	31	31	30	30	31.5	40.5	38
<b>Culture and Recreations</b>										
Parks and Recreation	13	13.5	9	20.5	19.5	18.8	18.4	17	10	5.5
Library	6	6	7	7	7	6.8	5.7	6	6.5	6.5
<b>Total</b>	<b>163</b>	<b>167.5</b>	<b>164.5</b>	<b>186.5</b>	<b>181</b>	<b>159.2</b>	<b>153.4</b>	<b>156.5</b>	<b>163.5</b>	<b>162.5</b>

\*\* On April 1, 2007, the City added a western fire station and added 12 firefighters/paramedics to staff the facility.

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

<u>Function/Program</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General government										
Building permits issued	6,004	8,052	10,100	5,458	2,850	2,291	3,578	3,088	3,980	4,997
Building inspections conducted	32,190	44,231	54,933	41,931	15,950	10,345	16,980	12,273	17,545	24,764
Business licenses issued	N/A	236	283	371	340	340	343	326	362	409
Residential certificates of occupancy	20	264	332	367	85	51	120	85	138	259
Police										
Physical arrests	184	333	231	242	211	217	332	653	402	173
Parking violations	98	264	263	177	148	166	136	58	72	111
Traffic violations	1,357	3,996	3,574	3,160	4,474	4,349	4,616	5,122	6,781	6,339
Calls for service	N/A	N/A	9,752	9,232	16,339	10,046	8,322	9,376	9,287	8,378
Fire										
Emergency response	1,199	1,230	1,356	1,143	937	983	1,058	1,134	1,127	1,146
Fire calls	282	321	386	370	28	32	35	40	24	25
Response time < 8 min.	N/A	N/A	N/A	N/A	N/A	84.4%	86.8%	87.6%	90.0%	91.3%
Other public works										
Street resurfacing (in miles)	-	-	-	2.02	0.88	1.75	-	-	1.00	1.00
Potholes repaired	N/A	N/A	250	250	1,846	1,044	961	660	1,064	1,007
Engineering permits issued	12	4	12	52	35	34	32	52	34	40
Inspections performed	N/A	172	450	607	628	172	292	306	459	362
Parks and recreation										
Pavilion reservations	225	215	230	242	330	357	283	246	266	188
Special events held	4	4	7	18	45	47	56	60	61	60
Camp participants	680	770	915	1,024	971	1,105	834	911	916	867
Library										
Number of books owned	N/A	29,000	34,500	38,017	39,982	41,950	41,487	41,756	41,823	39,681
Number of programs offered	N/A	330	390	443	420	423	483	487	476	532
Number of books checked out	N/A	44,000	56,200	68,146	75,027	79,257	89,939	88,382	86,678	88,223
City Clerk										
Research documents	152	160	140	217	211	232	136	112	107	132
Certification of notarization	154	162	156	262	267	59	157	178	177	260
Resolutions and ordinances	97	102	115	158	180	163	134	143	148	176
Passport services (1)	N/A	N/A	N/A	232	1,139	715	536	536	611	409
Finance										
Checks/direct deposits issued	5,792	5,832	5,861	5,689	5,385	4,929	5,109	5,017	4,789	5,290
Purchase orders issued	600	705	869	606	384	251	250	222	266	250
Computer support	259	328	400	496	780	893	769	1,132	1,042	1,357
Planning and zoning										
Number of planning petitions processed	25	30	94	39	94	33	50	51	79	68

(1) New service provided as of July 16, 2007

Operating indicators for 2003 are not available.

CITY OF PARKLAND, FLORIDA  
 CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
 LAST TEN FISCAL YEARS

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Fire Stations	1	2	2	3	3	3	3	3	3	3
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	30	30	30	30	30	30	30	30	30	30
Other public works:										
Streets (miles) *	11.14	11.14	11.14	18.05	18.05	18.05	18.05	18.05	18.05	18.05
Street lights	328	328	328	328	328	328	328	328	328	328
Traffic signals	-	-	-	2	2	2	3	3	3	3
Parks and recreation:										
Acreage	210	210	210	210	210	210	210	210	210	210
Playgrounds	5	5	6	6	7	7	7	7	7	7
Community centers	-	-	-	-	1	1	1	1	1	1
Soccer/football fields	7	11	11	11	11	11	11	11	11	11
Basketball courts	5	7	7	7	7	7	7	7	7	7
Tennis courts	7	7	7	7	7	7	7	7	7	7
Baseball/softball fields	10	10	10	10	10	14	14	14	14	14
Dog park	-	-	-	-	-	-	-	-	1	1

\* Street mileage is only streets maintained by the Public Works Department and does not include sections of University Drive and Trails End Road

## OTHER REPORTS



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

The Honorable Mayor and  
Members of the City Commission  
City of Parkland, 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, each major fund, and the aggregate remaining fund information of City of Parkland, Florida, as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City of Parkland, Florida's basic financial statements and have issued our report thereon dated March 24, 2014. Our report includes a reference to other auditors who audited the financial statements of the City of Parkland, Florida's Police Officers Retirement Plan, as described in our report on the City of Parkland, Florida's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Parkland, Florida'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 of Parkland, Florida's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Parkland, Florida'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 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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. 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.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Parkland, Florida'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.

*Nowlen, Holt & Mimes, P.A.*

West Palm Beach, Florida  
March 24, 2014



# NOWLEN, HOLT & MINER, P.A.

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

The Honorable Mayor and  
Members of the City Commission and City Manager  
City of Parkland, Florida

We have audited the financial statements of the City of Parkland, Florida, as of and for the year ended September 30, 2013, and have issued our report thereon dated March 24, 2014. Our report includes a reference to other auditors. Other auditors audited the financial statements of the City of Parkland, Florida's Police Officers Retirement Plan.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated March 24, 2014, should be considered in conjunction with this Management Letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which governs the conduct of local government entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's reports.

### PRIOR YEAR FINDINGS AND RECOMMENDATIONS

The Rules of the Auditor General require 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 items in the prior year that required a response by management.

## CURRENT YEAR COMMENTS

### *Investment of Public Funds*

Rules of the Auditor General require our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the City of Parkland complied with Section 218.415, Florida Statutes.

### *Recommendation to Improve Financial Management*

Rules of the Auditor General require that we address in the Management Letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

### *Noncompliance with Provisions of Contracts or Grant Agreements, or Abuse*

Rules of the Auditor General require that we address noncompliance with provisions of contracts or grant agreements, or abuse that could 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.

### *Oversight Unit and Component Units*

Rules of the Auditor General require 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. This information is disclosed in Note 1 to the financial statements.

### *Consideration of Financial Emergency Criteria*

Rules of the Auditor General require a statement be included as to whether or not the local governmental entity 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, the results of our procedures did not disclose that the City of Parkland, Florida has met any of the conditions described in Section 218.503(1), Florida Statutes.

### *Annual Financial Report*

Rules of the Auditor General require that we determine whether the annual financial report for the City of Parkland, Florida for the fiscal year ended September 30, 2013, 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, 2013. In connection with our audit, we noted that the two reports were in substantial agreement.

Financial Condition Assessment Procedures

Rules of the Auditor General require that we apply financial condition assessment procedures. It is management's responsibility to monitor the City of Parkland, 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. In connection with our audit we applied financial condition assessment procedures as of the fiscal year end. The results of our procedures did not disclose any matters that are required to be reported.

Excess of Expenditures Over Appropriations

There were no departments that had expenditures in excess of appropriations for the fiscal year ended September 30, 2013.

Single Audits

The City expended less than \$500,000 of federal awards and less than \$500,000 of state financial assistance for the year ended September 30, 2013. Consequently, the City was not required to have a federal single audit or a state single audit.

Response to Management Letter

There were no items that required a response from management.

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 state awarding agencies, and applicable management of the City of Parkland, and members of the City Commission and is not intended to be and should not be used by anyone other than these specified parties.

*Nowlen, Holt & Mimer, P.A.*

West Palm Beach, Florida  
March 24, 2014



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