

City of Parkland



*Comprehensive Annual
Financial Report*

**Fiscal Year Ended
September 30, 2014**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

CITY OF PARKLAND, FLORIDA

Fiscal Year Ended September 30, 2014

**Prepared by the
Finance Department**

**Nancy Morando
Finance Director**

**Chris Johnson, CPA
Finance Manager**

CITY OF PARKLAND, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
SEPTEMBER 30, 2014

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CITY OF PARKLAND, FLORIDA

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INTRODUCTORY SECTION



CITY OF PARKLAND

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March 26, 2015

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, Alberni, Caballero & Fierman, LLP. 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, 2014.

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 Independent Auditors' Report 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 25,576 and the median age is 39.0. There are 8,836 dwelling units with 7,476 single family and 1,360 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

Parkland is an affluent, upscale residential community with low density housing, outstanding recreational facilities, and excellent schools. The median value of a Parkland home is approximately \$552,000. The median value is significantly higher than the median house price in South Florida of \$270,000.

Despite the home values in Parkland, housing foreclosures are still a major issue for Florida as a whole. For calendar year 2014, Florida accounted for the highest number of foreclosure filings and the highest foreclosure rate in the U.S. To compound the problem further, the average foreclosure proceeding in Florida takes 946 days from start to finish, which is significantly higher than the National average of 604 days. However, the improvement of the South Florida economy should help reduce the number of foreclosed properties.

In Florida, existing homes sales volume for 2014 exceeded the 2005 peak for the first time. Existing home price gains are 88% of the National median for the first time since March 2014. Continued 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 2014-2017 it is expected that Florida's economy, as measured by real state GDP, will expand at an average annual rate of 2.8%, and that payroll job creation will average an annual pace of 2.2%. Both remain stronger than the pace expected for the national economy.

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 2014 inflation rate has increased by 1.4% compared to one year ago. The South Florida CPI increase is slightly higher than the 0.8% increase nationally.

For the 3rd quarter of 2014, Florida was ranked 21st in the country with personal income growth of 0.9%, which was slightly lower than the national average of 1.0%. Parkland continues to show strong household income as the median family income for 2014 was \$124,453, compared to \$49,946 for the entire South Florida region.

For December 2014, the national unemployment rate was 5.6%. Florida's unemployment rate of 5.6% is Florida's lowest unemployment rate since April 2008 when it was 5.4%. In the tri-county area of South Florida, Miami-Dade County has an unemployment rate of 6.9%, up slightly from 6.8% a year ago. Broward County has the lowest area unemployment rate at 4.5%, down from 5.0% a year ago. Palm Beach County's unemployment rate is 4.8%, which is down from 6.0% a year ago. Beginning in

January 2014, the job participation rate strengthened as improving job prospects began to encourage people to rejoin or enter the labor force. At 60.8%, May marked the fifth consecutive month of increases in the participation rate. In the latest reading for December, the participation rate was 60.3%. Overall, this positive shift caused the decline in the FL unemployment rate to slow temporarily relative to the US, but the reason is actually a signal of a strongly improving economy.

Local Economy

Taxable Values

- On July 1st the Broward County Property Appraiser's Office provided taxable values to all taxing authorities. The City had an increase of 7.2% or \$229 million in taxable value. This increase is a combination of new taxable value and current values increasing. This increase resulted in an additional \$818,000 in ad valorem revenue. This is the 4th consecutive year that taxable values have increased. We anticipate that future years will have similar if not higher growth due to new development.
- Parkland's quality of life will continue to make Parkland a very desirable place to live. 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

Fortunately, the City weathered the recession as well or better, than most municipalities. We are proud of the work completed during the last five (5) very tough economic years and the City's ability to successfully navigate complex fiscal challenges by making strategic allocations of limited resources and making difficult choices with minimal impacts to the residents. While effects of the downturn continue to be felt, and the City has not fully recovered, by laying off employees, consolidating services, implementing cost savings programs, deferring equipment replacement and streamlining operations allowed City staff to deliver a structurally balanced budget without increasing the tax rate of fees, all while maintaining a competitive total compensation package for employees and enhancing service levels to the public.

As a result of the City's continued dedication to fiscal responsibility and effective management through persistence, cooperation and creativity, the City has emerged in a robust position. We are fiscally optimistic regarding the future. The focus of the 2015 budget is to ensure the long term financial viability of Parkland while maintaining our capital infrastructure investment in the current economic environment.

The Fiscal Year 2015 budget process began with departments using zero based budgeting to justify all Fiscal Year 2015 budgeted expenditures. As mentioned, the City experienced an increase in taxable values and will continue to have growth with new development in the "Wedge". Parkland is a growing community and change is inevitable. The annexation of 1,900 acres in the "Wedge" transformed the way Parkland operates. Growth and change, and their impact on the present and future of Parkland, are concerns of the current administration. Parkland's Elected Officials have implemented various policies to maintain the City's existing character while dealing with the impacts from growth.

Parkland continues to be in excellent financial health. City staff's ability to control expenditures the last several years in combination with conservative revenue forecasts has allowed the General Fund to accrue a healthy fund balance. With such strong financial position, the City can maintain excellent services to our residents while undertaking a steady amount of significant projects to improve our community. The City is able to pay for significant non-recurring expenditures, such as infrastructure investments and capital replacements using a "pay as we go" strategy.

The millage rate for 2015 decreased slightly, but will allow the City to maintain its stabilization/operating reserve of twenty percent (20%) of the General Fund Operating Budget. This reserve is for unforeseen economic conditions and potential natural 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.

It is anticipated that the City will remain in good financial condition throughout the next fiscal year. While not immune from the impacts of the national and state economy, Parkland is seeing a positive sign of a stabilizing economy. The FY 2015 budget will allow the City to allocate resources to strategic projects that will achieve the City Commission's goals and priorities. The 2015 budget will be a roadmap to making real progress in areas of providing technology enhancements, ensuring movement through Parkland, maintaining financial sustainability, improving safety, providing environmental enhancements and planning for growth while preserving the City's character. The targeted investments we make today will benefit the residents, businesses and City work force for years to come.

Major Initiatives

The City continues to fund capital improvement projects to maintain and improve City facilities. The most notable FY 2015 capital projects are as follows:

1. Western Fire Station This project involves completing the construction of an environmentally friendly Western Fire Station at the new location on Hillsboro Boulevard.
2. Pine Trails Park This project is the 2nd 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. Traffic Signal This project involves the design and installation of a mast arm traffic signal at the intersection of Heron Bay Boulevard/Parkland Reserve Boulevard and Nob Hill Road.

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. The City was in compliance with this reserve requirement for FY 2014, in which, the City's stabilization/operating reserves are \$5,112,499, 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. For Fiscal Year 2014, a \$7,000,000 loan was 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. During Fiscal Year 2015, cash reserves and impact fee collections will be utilized to pay for all Capital Improvement Program expenditures.

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 \$32 million for the year and provided interest income totaling approximately \$34,000. 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 2014 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 2014, 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, Albemni Caballero & Fierman, LLP, to perform the independent audit of the City's accounts and records. The independent auditors' 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, 2013.

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.

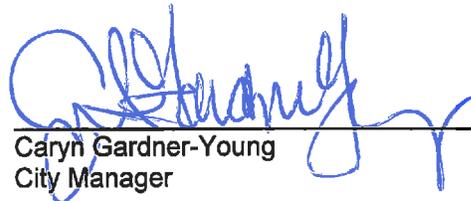
A Certificate of Achievement is valid for a period of one year only. The City has received a Certificate of Achievement for the last twenty-four consecutive years including the fiscal year ended September 30, 2013. We believe our current report continues to conform to the Certificate of Achievement program 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

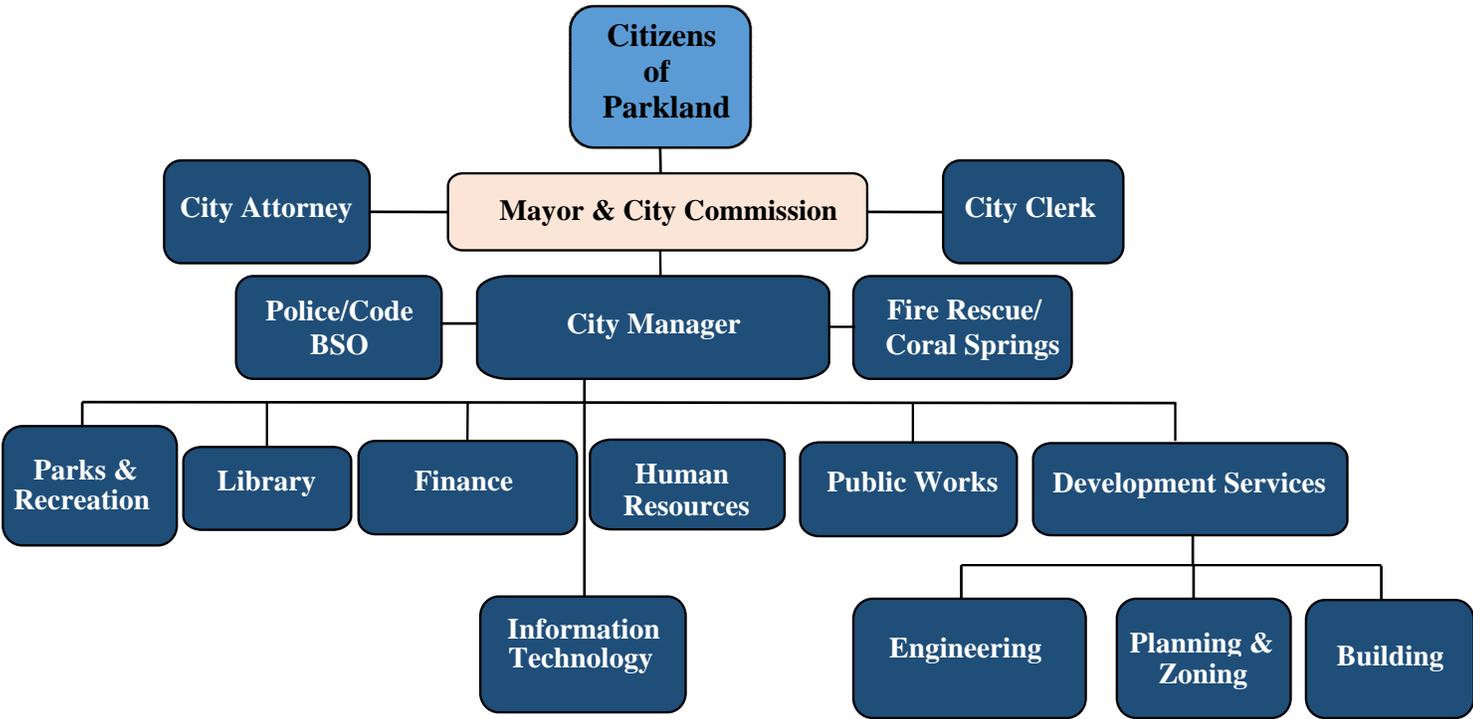


Caryn Gardner-Young
City Manager

List of Principal Officials
September 30, 2014

Mayor	Michael Udine
Vice Mayor	Christine Hunschofsky
Deputy Vice Mayor	Stacy Kagan
Commissioner	David Rosenof
Commissioner	Mark Weissman
City Manager	Caryn Gardner-Young
City Attorney	Andrew Maurodis
City Clerk	Lanelda Gaskins
City Engineer	Sowande Johnson
Finance Director	Nancy Morando
Public Information Director	Scott Davidoff
Public Works Director	Brian Archer
Building Official	Stephen Pizzillo
Fire Chief-CSFD	Frank Babinec
Parks & Recreation Director	Philip Biscorner
Planning & Zoning Director	Michele Mellgren
Human Resource Director	Jenny D’Ugard
Police Chief-BSO	Marvin Stoner

City of Parkland
Organizational Chart
2013-2014





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, 2013

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT



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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Commission
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, (the "City") as of and for the fiscal year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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.

Auditors' 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 represent 30%, 30%, and 10%, 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 has been furnished to us, and our opinion, insofar as it relates to the amounts included for the City of Parkland, Florida's Police Retirement Plan, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance 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, Budgetary Comparison Schedule, and the Schedules Funding Progress and Schedule of Contributions from the Employer and Other Contributing Entities on pages 3-11 and 53-59, respectively be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with 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, combining and individual nonmajor fund financial statements, budgetary comparison schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic 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 basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the combining and individual fund financial statements and budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections 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 26, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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's internal control over financial reporting and compliance.

Alberni Caballero & Fierman, LLP

Alberni, Caballero & Fierman, LLP
Coral Gables, Florida
March 26, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplementary Information)

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, 2014. 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 and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$70,387,050 (net position), as compared with \$62,652,663 for the previous fiscal year. Of this amount, \$31,058,853 (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 \$7,734,387 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. Expenses increased due to contractual increases for Police Services and Fire Rescue Services provided to the City, additional Building Department personnel that were required to handle the increased workload encountered due to the new development, and developer contributions that were paid to the School Board of Broward County to increase classroom space at schools located in the City.
- The City's governmental funds reported combined ending fund balances of \$38,275,675, an increase of \$12,936,306 in comparison with the prior fiscal year. Of this amount, approximately \$143,987 is non-spendable, \$7,849,833 is restricted, \$5,719,999 committed, \$5,815,212 is assigned and \$18,746,644 is unassigned.
- The total fair value of the City's cash and investments at September 30, 2014 was \$40,698,637, an increase of \$14,302,953 from the prior year.
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$18,746,644, or 86% of total general fund expenditures.
- The City's long-term liabilities increased by \$6,049,507 due primarily to a new \$7,000,000 loan that was obtained in 2014. The loan proceeds will be used to construct the new Western Fire Station and the final phase of Pine Trails Park.

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 12 and 13 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 deferred outflows and liabilities and deferred inflows 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.

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, capital replacement fund, park & community improvements fund, government/library building fund, and public safety improvement 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 14 through 17 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.

Proprietary 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 18 through 20.

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 21 and 22.

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 23 through 52 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 53 and 54 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 60 through 61.

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 \$70,387,050 at the close of the fiscal year. The table below summarized the City's net position for the fiscal year ended September 30, 2014.

The largest portion of the City's net position (approximately 45%) 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 \$15.3 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			
	September 30, 2014	September 30, 2013	% Change
Current and other assets	\$ 41,998,589	\$ 27,700,159	52%
Capital assets	46,829,168	45,573,440	3%
Total assets	<u>88,827,757</u>	<u>73,273,599</u>	21%
Other liabilities	2,526,972	1,203,555	110%
Long-term liabilities	15,865,930	9,417,381	68%
Total liabilities	<u>18,392,902</u>	<u>10,620,936</u>	73%
Net position:			
Net investment in capital assets	31,478,364	36,676,563	-14%
Restricted	7,849,833	4,754,828	65%
Unrestricted	31,058,853	21,221,272	46%
Total net position	<u><u>\$ 70,387,050</u></u>	<u><u>\$ 62,652,663</u></u>	12%

A portion of net position, approximately 11%, 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 \$31,058,853 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 97% of these assets. Cash and investments increased by \$14,302,953, from \$26,395,684, to \$40,698,637 as the City continues to experience growth within the Wedge. Capital assets (net) increased by \$1,255,728 as current year capital spending exceeded depreciation expense and current year disposals.

Approximately 14% of the total liabilities are attributable to current liabilities, up slightly from 11% in the prior year. Accounts payable increased \$1,054,674, due to outstanding construction payments due for the Western Fire Station and Pine Trails Park capital projects. Net long-term liabilities, comprised of compensated absences payable and long-term debt, increased \$6,448,549 as long-term debt increased by \$6,419,850 and compensated absences payable increased by \$28,669.

Governmental activities:

Governmental activities increased the City's net position by \$7,734,387, thereby accounting for the total growth in net position of the City. Key elements of the change are described below:

City of Parkland, Florida			
Change in Net Position			
	<u>September 30, 2014</u>	<u>September 30, 2013</u>	<u>% Change</u>
REVENUES:			
Program revenues:			
Charges for services	\$ 12,787,195	\$ 10,438,093	23%
Operating grants and contributions	262,946	120,986	117%
Capital grants and contributions	325,567	22,951	1,319%
General revenues:			
Ad valorem taxes	12,224,931	11,519,275	6%
Franchise and other taxes	3,357,473	3,221,839	4%
Intergovernmental (unrestricted)	2,806,658	2,393,759	17%
Interest income	34,928	32,361	8%
Miscellaneous income	421,679	148,951	183%
Total revenues	32,221,377	27,898,215	15%
EXPENSES:			
General government	2,716,262	2,423,958	12%
Public safety	11,663,587	10,910,156	7%
Physical environment	3,264,799	4,054,575	-19%
Culture and recreation	2,832,387	2,750,940	3%
Development services	3,429,707	1,297,404	164%
Interest and other financing costs	580,248	363,632	60%
Total expenses	24,486,990	21,800,665	12%
	7,734,387	6,097,550	
Net position at beginning of year	62,652,663	56,555,113	
Net position at end of year	\$ 70,387,050	\$ 62,652,663	12%

Property tax collections increased \$705,656 from Fiscal Year 2013. This increase is attributed to the appreciating values of homes. The City of Parkland had an increase of 6.55% in taxable values, resulting in this increase in ad valorem revenue. The City decreased the operating millage in Fiscal Year 2014, which had a rollback rate of \$3.8424. The Fiscal Year 2014 millage rate was \$3.9900 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 \$38,275,675, an increase of \$12,936,306. Approximately 49% of this total amount constitutes unassigned fund balance, or \$18,746,644, 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 \$18,746,644, while total fund balance was \$29,004,952. 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 86% of the total general fund expenditures, while total fund balance represents 133% of that same amount.

The fund balance of the City's general fund increased by \$8,012,214 during the current fiscal year. Key factors in this growth are as follows:

- The City budgeted the use of \$235,883 from reserves during Fiscal Year 2014. No spending from reserves occurred during Fiscal Year 2014.
- License and permit revenues increased compared to Fiscal Year 2013 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 population increases that led to increases in half-cent sales tax and state revenue sharing collections in Fiscal Year 2014.
- 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 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 \$3.1 million in budget savings.
- General Government was 22% less than budgeted due to maintaining a contingency budget of \$223,885 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 5% less than budgeted due to contractual increases that were less than anticipated.
- Development Services was 22% less than budget. The Building Department budgeted for additional staffing to handle the increased workload due to new housing construction within the Wedge. Many of these budgeted positions were not filled during 2014.
- Culture and Recreation was 17% less than budgeted due to lower than anticipated use of summer camp counselors and special event costs that were less than anticipated.

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 \$2,539,615, or 50% 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 \$449,493 due to an increase in half-cent sales tax collections and state revenue sharing proceeds. Charges for services were over budget by \$1,300,743, or 102% due to development review and engineering review fees associated with the new development mentioned above. Fines and forfeitures revenues surpassed the budgeted amount by \$91,590 or 50%, due primarily to higher code violations resulting from the City's efforts to maintain its standards.

General government expenditures were below budget by \$660,589 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 \$569,428 due to anticipated contractual increases that were less than anticipated. Development services were \$468,995 below budget due to a budgeted positions that were not filled within the Building Department. Culture and recreation was \$361,742 below budget due lower than anticipated use of summer camp counselors and special event costs that were less than anticipated.

Summary of Revenues and Expenditures – Budget and Actual General Fund For the Year Ended September 30, 2014

	Original Budget	Final Budget	Actual	Approximate Percent Variance
<u>Revenues</u>				
Ad Valorem taxes	\$ 12,095,770	\$ 12,095,770	\$ 12,224,931	1%
Franchise fees & local business tax	365,225	365,225	388,313	6%
Utility service taxes	2,719,000	2,719,000	3,010,550	11%
Licenses and permits	5,080,928	5,080,928	7,620,543	50%
Intergovernmental	2,586,334	2,586,334	2,835,827	10%
Charges for services	1,277,205	1,277,205	2,577,948	102%
Fines and forfeitures	184,000	184,000	275,590	50%
Interest income	26,300	26,300	26,618	1%
Miscellaneous income	316,405	316,405	415,935	31%
Total revenues	<u>\$ 24,651,167</u>	<u>\$ 24,651,167</u>	<u>\$ 29,376,255</u>	19%
<u>Expenditures</u>				
General government	\$ 2,991,462	\$ 2,969,154	\$ 2,310,565	22%
Public safety	12,274,786	12,274,786	11,471,581	7%
Physical environment	3,644,223	3,666,223	3,205,260	13%
Culture and recreation	2,123,353	2,071,536	1,705,994	18%
Development services	2,129,365	2,129,365	1,660,370	22%
Debt Service	1,550,649	1,550,649	1,030,362	34%
Capital outlay	106,162	158,287	123,820	22%
Total expenditures	<u>\$ 24,820,000</u>	<u>\$ 24,820,000</u>	<u>\$ 21,507,952</u>	13%

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 \$5,230,715, an increase of \$3,830,994. For Fiscal Year 2014, loan proceeds of \$7,000,000 was obtained and will be used to fund construction of a new fire station and the last phase of Pine Trails Park.

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

- Western Fire Station
- Pine Trails Park
 - Final Phase Design
 - Sports Field Lighting
 - Shade Covers
- Information Technology Enhancements

CAPITAL ASSETS AND DEBT ADMINISTRATION

The City's investment in capital assets for its governmental activities as of September 30, 2014, amounts to \$46,829,171 (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:

- Construction on the Western Fire Station commenced during the current fiscal year and will be complete during Fiscal Year 2015. A total of \$2,193,016 was expended in the current fiscal year.
- New sports lighting and shade covers were purchased during Fiscal Year 2014. A total of \$463,337 was expended in the current fiscal year.
- Design services for the final phase of Pine Trails Park were started during the current fiscal year. A total of \$348,109 was expended in the current fiscal year.
- New operating software for the Finance Department and City-wide timekeeping software totaling \$74,624 was purchased in the current fiscal year.

Capital assets for the years ended September 30, 2014 and 2013 consisted of the following:

	Capital Assets		
	<u>September 30, 2014</u>	<u>September 30, 2013</u>	<u>% Change</u>
Governmental activities:			
Capital assets:			
Land	\$ 12,680,489	\$ 12,680,489	0%
Buildings	8,431,507	8,431,507	0%
Improvements other than buildings	4,005,602	3,367,929	19%
Machinery and equipment	4,478,511	4,405,627	2%
Vehicles	1,994,586	1,994,586	0%
Infrastructure	32,335,001	31,464,918	3%
Construction in progress	2,996,031	1,322,788	126%
Total capital assets	<u>\$ 66,921,727</u>	<u>\$ 63,667,844</u>	<u>5%</u>

Further data on the City of Parkland's capital assets can be found in Note 5 on page 37.

DEBT ADMINISTRATION

Long-term debt. At the end of the fiscal year, the City had total long-term liabilities of \$15,865,762. 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 6 on page 38. All debt is related to governmental activities.

Changes in Long-Term Liabilities

	Balance October 1, 2013	Additions	Retirements	Balance September 30, 2014	Due within One Year
Notes Payable	\$ 6,878,021	\$ -	\$ (459,800)	\$ 6,418,221	\$ 477,694
Revenue bonds payable	2,025,000	-	(120,000)	1,905,000	125,000
Unamortized Bond premium	29,910	-	(2,492)	27,418	-
Loan payable	-	7,000,000	-	7,000,000	382,000
OPEB Compensated absences payable	18,518	1,974	-	20,492	-
	<u>465,932</u>	<u>397,962</u>	<u>(369,263)</u>	<u>494,631</u>	<u>10,000</u>
Governmental activity:					
Long-term debt	<u>\$ 9,417,381</u>	<u>\$ 7,399,936</u>	<u>\$ (951,555)</u>	<u>\$ 15,865,762</u>	<u>\$ 994,694</u>

LOCAL ECONOMY, ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The resurgent South Florida economy has the recession and real estate collapse of the late 2000s in its rear-view mirror. High-rise construction is on the rise and employment in South Florida is growing across multiple industries. Employment is growing faster in construction than in any other sector of the economy. The number of construction jobs in Miami-Dade, Broward and Palm Beach counties grew by 8.9 percent from November 2013 to November 2014 while total employment in the area grew 3.4 percent. University of Central Florida economists forecast that South Florida's job base in construction will grow 11.6 percent in 2015. This economic condition should be more sustainable than the late 2000s since there is more equity from the buyers, tougher credit standards and increased foreign investment.

Other companies also are contributing to employment growth in professional and business services — a large and diverse sector of the economy that includes executive recruitment, legal services, advertising services and consulting. South Florida employment in professional and business services will grow 3.4 percent in 2015, according to a forecast by University of Central Florida economist. Preliminary estimates show that professional and business services grew 5 percent during the year ended in November to 395,300 full-time employees. Retail sales growth in South Florida in 2014 may carry over into 2015 and create a welcoming business climate for sellers of consumer products and services to residents and visitors.

Data from the Florida Department of Revenue show that gross retail sales in Miami-Dade and Broward County totaled \$197 billion in the first nine months of 2014, up from \$180 billion during the same period in 2013, up 9.4 percent. Gasoline prices dropped as 2014 came to a close, leaving many consumers with more money to spend. Pricing below \$3 per gallon allows for more disposable income for consumers.

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 Fiscal Year 2014, the City had a 6.6% increase in taxable values. For Fiscal Year 2015, the City had another increase of 7.2% 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 Fiscal 2015 budget with a slight decrease in taxes. The current millage rate is \$3.9890 and the roll back rate is \$3.8279. It is evident that ad valorem is an important revenue source for the City. Property taxes generated approximately 41% of total Fiscal Year 2014 General Fund revenue.

The median home value in Parkland is \$552,000. Parkland home values have gone up 7.3% over the past year and Zillow predicts they will fall -0.7% within the next year. The median list price per square foot in Parkland is \$185, which is higher than the Miami-Fort Lauderdale Metro average of \$165. The median price of homes currently listed in Parkland is \$595,000 while the median price of homes that sold is \$544,075. The median rent price in Parkland is \$3,700, which is higher than the Miami-Fort Lauderdale Metro median of \$1,800.

The City continually evaluates 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 and reserves 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, 2014

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash and equity in pooled cash	\$ 33,157,251
Cash with fiscal agent	168,471
Investments	7,372,915
Receivables - net	
Accounts	235,786
Assessments	5,495
Interest	12,295
Due from other governments	482,357
Prepays	126,197
Net pension asset	437,822
Capital assets not being depreciated	15,676,520
Capital assets being depreciated, net	<u>31,152,648</u>
Total assets	<u>88,827,757</u>
<u>LIABILITIES</u>	
Accounts payable	1,407,631
Retainage payable	215,175
Accrued expenses	175,426
Accrued interest	167,681
Unearned revenue	41,540
Deposits	488,760
Other liabilities	30,759
Noncurrent liabilities:	
Due within one year	994,694
Due in more than one year	<u>14,871,236</u>
Total liabilities	<u>18,392,902</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Business license tax	<u>47,805</u>
<u>NET POSITION</u>	
Net investment in capital assets	31,478,364
Restricted for:	
Equestrian center	9,470
Liberty park	200
Library	554
Country point	4,575
Building department	4,379,523
Waste containers	3,817
Riverside Trail MUST grant	5,646
Public safety building	216,409
Western fire station	927,941
Administrative building	408,025
Library	618,379
Park improvements	1,243,055
Police forfeiture	32,239
Unrestricted	<u>31,058,853</u>
Total net position	<u>\$ 70,387,050</u>

See notes to basic financial statements

CITY OF PARKLAND, FLORIDA
STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED SEPTEMBER 30, 2014

	Program Revenues				Total Governmental Activities
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
<u>Functions/programs</u>					
Governmental activities:					
General government	\$ 2,711,262	\$ 1,027,458	\$ 233,777	\$ -	\$ (1,450,027)
Public safety	11,663,587	8,818,702	-	-	(2,844,885)
Development services	3,429,707	89,310	-	-	(3,340,397)
Physical environment	3,264,799	953,500	29,169	325,567	(1,956,563)
Culture and recreation	2,832,387	1,898,225	-	-	(934,162)
Interest on long-term debt	585,248	-	-	-	(585,248)
Total governmental activities	\$ 24,486,990	\$ 12,787,195	\$ 262,946	\$ 325,567	\$ (11,111,282)

General revenues:

Ad valorem taxes	\$ 12,224,931
Franchise and taxes	346,923
Utility taxes	3,010,550
Intergovernmental (unrestricted)	2,806,658
Interest income	34,928
Miscellaneous income	421,679
Total general revenues	18,845,669
Change in net position	7,734,387
Net position, Beginning	62,652,663
Net position, Ending	\$ 70,387,050

See notes to basic financial statements

CITY OF PARKLAND, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014

	<u>Major Funds</u>		<u>Total</u>	<u>Total</u>
	<u>General</u>	<u>Capital</u>	<u>Nonmajor</u>	<u>Governmental</u>
		<u>Projects</u>	<u>Funds</u>	<u>Funds</u>
<u>ASSETS</u>				
Cash and equity in pooled cash	\$ 22,131,980	\$ 6,267,659	\$ 3,879,616	\$ 32,279,255
Cash with fiscal agent	168,471	-	-	168,471
Investment	7,045,355	167,168	160,392	7,372,915
Receivables - net				
Accounts	235,786	-	-	235,786
Assessments	5,495	-	-	5,495
Interest	12,295	-	-	12,295
Due from other governments	414,161	68,196	-	482,357
Prepays	126,197	-	-	126,197
Total assets	<u>\$ 30,139,740</u>	<u>\$ 6,503,023</u>	<u>\$ 4,040,008</u>	<u>\$ 40,682,771</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 350,498	\$ 1,057,133	\$ -	\$ 1,407,631
Retainage payable	-	215,175	-	215,175
Accrued liabilities	175,426	-	-	175,426
Unearned revenue	41,540	-	-	41,540
Deposits	488,760	-	-	488,760
Other liabilities	30,759	-	-	30,759
Total liabilities	<u>1,086,983</u>	<u>1,272,308</u>	<u>-</u>	<u>2,359,291</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Business license tax	47,805	-	-	47,805
<u>FUND BALANCES</u>				
Non-spendable:				
Prepaid items	126,197	-	-	126,197
Assessment receivable	5,495	-	-	5,495
Interest receivable	12,295	-	-	12,295
Restricted for:				
Equestrian center	9,470	-	-	9,470
Liberty park	200	-	-	200
Library	554	-	-	554
Country point	4,575	-	-	4,575
Building department	4,379,523	-	-	4,379,523
Waste containers	-	3,817	-	3,817
Riverside Trail MUST grant	-	5,646	-	5,646
Public safety building	-	-	216,409	216,409
Western fire station	-	6,250	921,691	927,941
Administrative building	-	-	408,025	408,025
Library	-	-	618,379	618,379
Park improvements	-	-	1,243,055	1,243,055
Police forfeiture	-	-	32,239	32,239
Committed to:				
Stabilization agreement	5,112,499	-	-	5,112,499
Insurance deductible	607,500	-	-	607,500
Assigned to:				
Capital projects	-	5,215,002	600,210	5,815,212
Unassigned	18,746,644	-	-	18,746,644
Total fund balances	<u>29,004,952</u>	<u>5,230,715</u>	<u>4,040,008</u>	<u>38,275,675</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 30,139,740</u>	<u>\$ 6,503,023</u>	<u>\$ 4,040,008</u>	<u>\$ 40,682,771</u>

See notes to basic financial statements

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

Fund balances - total government funds (Page 14) \$ 38,275,675

Amounts reported for governmental activities in the statement of net position are different as a result of:

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

Governmental capital assets	66,921,727	
Less accumulated depreciation	<u>(20,092,559)</u>	46,829,168

Net pension assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. 437,822

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 877,996

Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.

OPEB Liability	(20,492)	
Long term debt	(15,350,639)	
Compensated absences	(494,799)	
Accrued interest payable	<u>(167,681)</u>	<u>(16,033,611)</u>

Net position of governmental activities (Page 13) \$ 70,387,050

CITY OF PARKLAND, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2014

	Major Funds		Total Nonmajor Funds	Total Governmental Funds
	General	Capital Projects		
Revenues:				
Ad valorem taxes	\$ 12,224,931	\$ -	\$ -	\$ 12,224,931
Franchise taxes	346,923	-	-	346,923
Utility service taxes	3,010,550	-	-	3,010,550
Local business tax	41,390	-	-	41,390
Permit and fees	7,620,543	-	-	7,620,543
Charges for services	2,577,948	-	2,204,866	4,782,814
Intergovernmental	2,835,827	325,567	-	3,161,394
Fines and forfeitures	275,590	-	-	275,590
Interest	26,618	5,062	2,582	34,262
Miscellaneous	415,935	94,841	-	510,776
Total revenues	29,376,255	425,470	2,207,448	32,009,173
Expenditures:				
Current:				
General government	2,310,565	-	-	2,310,565
Public safety	11,471,581	-	-	11,471,581
Physical environment	3,205,260	-	-	3,205,260
Development services	1,660,370	-	-	1,660,370
Culture and recreation	1,705,994	-	-	1,705,994
Debt service:				
Principal retirement	579,800	-	-	579,800
Interest	450,562	-	-	450,562
Capital outlay	123,820	3,589,476	6,400	3,719,696
Intergovernmental	-	-	875,000	875,000
Total expenditures	21,507,952	3,589,476	881,400	25,978,828
Excess (Deficiency) of revenues over expenditures	7,868,303	(3,164,006)	1,326,048	6,030,345
Other financing sources (uses) :				
Issuance of debt	-	7,000,000	-	7,000,000
Cost of issuance of debt	-	(5,000)	-	(5,000)
Insurance proceeds	211,538	-	-	211,538
Proceeds from sale of capital assets	2,023	-	-	2,023
Transfers in	532,950	-	300,000	832,950
Transfers out	(602,600)	-	(532,950)	(1,135,550)
Total other financing sources (uses)	143,911	6,995,000	(232,950)	6,905,961
Net change in fund balances	8,012,214	3,830,994	1,093,098	12,936,306
Fund balances - Beginning	20,992,738	1,399,721	2,946,910	25,339,369
Fund balances - Ending	\$ 29,004,952	\$ 5,230,715	\$ 4,040,008	\$ 38,275,675

See notes to basic financial statements

CITY OF PARKLAND, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED SEPTEMBER 30, 2014

Amounts reported for governmental activities in the statement of activities are different as a result of:

Net change in fund balances - total government funds (Page 16)		\$12,936,306
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.</p>		
Expenditures for capital outlays	3,560,017	
Less current year depreciation	<u>(2,304,289)</u>	1,255,728
<p>The net effect of various transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase (decrease) net position.</p>		
		(92,608)
<p>The issuance of long-term debt (e.g. bonds, leases) provided current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.</p>		
Proceeds from issuance of debt	(7,000,000)	
Principal payments on long term debt	579,800	
Amortization of bond premium	<u>2,492</u>	(6,417,708)
<p>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</p>		
		239,678
<p>Some expenses reported in the statement of activities do not require current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
OPEB liability	(1,974)	
Net pension asset	(25,649)	
Compensated absences	(29,700)	
Accrued interest payable	<u>(129,686)</u>	<u>(187,009)</u>
Change in net position of governmental activities (Page 13)		<u>\$ 7,734,387</u>

CITY OF PARKLAND, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUND - INTERNAL SERVICE FUND CAPITAL REPLACEMENT FUND
SEPTEMBER 30, 2014

ASSETS

Current assets:

Cash and equity in pooled cash	<u>\$ 877,996</u>
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NET POSITION

Net position:

Unrestricted	<u>\$ 877,996</u>
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CITY OF PARKLAND, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND - INTERNAL SERVICE FUND
CAPITAL REPLACEMENT FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2014

Operating expenses:	
Small tools and equipment	\$ 4,049
Total operating expenses	<u>4,049</u>
Operating loss	<u>(4,049)</u>
Non-operating revenues (expenses):	
Interest income	666
Loss on disposal of equipment	<u>(59,539)</u>
Total non-operating expenses	<u>(58,873)</u>
Transfers in	<u>302,600</u>
Changes in net position	239,678
Net position - Beginning	<u>638,318</u>
Net position - Ending	<u><u>\$ 877,996</u></u>

CITY OF PARKLAND, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND - INTERNAL SERVICE FUND CAPITAL REPLACEMENT FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2014

Cash Flows From Operating Activities:	
Cash paid to suppliers	\$ (4,049)
Net cash used in operating activities	<u>(4,049)</u>
Cash Flows From Capital and Related Financing Activities	
Transfer from other funds	302,600
Purchase of capital assets	<u>(59,539)</u>
Net cash provided by capital and related financing activities	<u>243,061</u>
Cash Flows From Investing Activities	
Interest income	<u>666</u>
Net cash provided by investing activities	<u>666</u>
Net Increase in Cash and Cash Equivalents	239,678
Cash and Cash Equivalents- Beginning	<u>638,318</u>
Cash and Cash Equivalents- Ending	<u>\$ 877,996</u>
Reconciliation Of Operating loss to Net Cash Used in Operating Activities:	
Operating loss	\$ (4,049)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Change in operating assets and liabilities:	
Changes in assets and liabilities	<u>-</u>
Net cash used in operating activities	<u>\$ (4,049)</u>

CITY OF PARKLAND, FLORIDA
STATEMENT OF FIDUCIARY PLAN NET POSITION
POLICE OFFICERS RETIREMENT PLAN
SEPTEMBER 30, 2014

ASSETS

Current assets:	
Cash and equity in pooled cash	\$ 2,197
Investment in external investment pool	1,988,476
Due from City	<u>77,279</u>
Total assets	<u>2,067,952</u>

LIABILITIES AND NET POSITION

Liabilities	
Accounts payable and accrued expenses	<u>3,251</u>
Net position held in trust for pension benefits	<u>\$2,064,701</u>

CITY OF PARKLAND, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY PLAN NET POSITION
POLICE OFFICERS RETIREMENT PLAN
FISCAL YEAR ENDED SEPTEMBER 30, 2014

ADDITIONS

Contributions	
Employer	\$ 77,179
State of Florida	<u>233,777</u>
Total contributions	<u>310,956</u>
Investment income	
Net appreciation in fair value of investments	<u>149,221</u>
Net investment income	<u>149,221</u>
Total additions	<u>460,177</u>

DEDUCTIONS

Benefits	145,124
Other distributions	164,771
Administrative expense	<u>39,816</u>
Total deductions	<u>349,711</u>
Net increase	110,466
Net position held in trust for pension benefits - Beginning	<u>1,954,235</u>
Net position held in trust for pension benefits - Ending	<u>\$ 2,064,701</u>

NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF PARKLAND, FLORIDA
Notes to Financial Statements
September 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

City of Parkland, Florida (the City) was incorporated in 1963 under the laws of the State of Florida Chapter 166 and is a political subdivision of the State of Florida located in Broward County. The City operates under a Commission-Manager form of government, with its legislative function being vested in a five-member Commission. The City Commission is governed by the City Charter and by state and local laws and regulations. The City Commission is responsible for the establishment and adoption of policy. The City provides a full range of municipal services as authorized by its charter.

As required by generally accepted accounting principles, these basic financial statements present the reporting entity of the City. Component units are legally separate entities for which the government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the City's combined financial statements to be misleading or incomplete. The primary government is considered financially accountable if it appoints a voting majority of an organization's governing body 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 benefit to or impose specific financial burden on the Board. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity financial statements to be misleading or incomplete. Based upon the application of these criteria, there were no organizations which met the criteria described above.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting. The more significant of the City's accounting policies are described below:

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, 2014, the City had no business-type activities.

CITY OF PARKLAND, FLORIDA
Notes to Financial Statements
September 30, 2014

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:

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, 2014

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 financial statements of the City have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard setting body for governmental accounting and financial reporting. The financial statements of the City follow the guidance of GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements for both the government wide and proprietary fund financial statements. Governments also have the option of following subsequent FASB pronouncements for their business-type activities and enterprise funds subject to this same limitation. The City has elected not to follow subsequent FASB guidance.

CITY OF PARKLAND, FLORIDA
Notes to Financial Statements
September 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

Fund Financial Statements (Continued)

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 (60) after year end. Other taxes, intergovernmental 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.

Implementation of Governmental Accounting Standards Board Statements

The City implemented the following GASB Statement during the fiscal year ended September 30, 2014, that had an impact on the financial statements:

GASB Statement No. 65, Items Previously Reported as Assets and Liabilities.

This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflow of resources or deferred in flows of resources, certain that were previously reported as assets and liabilities.

CITY OF PARKLAND, FLORIDA
Notes to Financial Statements
September 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts of assets, liabilities, disclosures of contingent liabilities, revenues and expenditures/expenses reported in the financial statements and accompanying notes. These estimates include assessing the collectibility of receivables, the realization of pension obligations and the useful lives of capital assets. Although these estimates as well as all estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

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. Resources of all funds have been combined into a pooled cash and investment system for the purpose of maximizing earnings. Interest earned on pooled cash and investments is allocated monthly based upon the month end equity of fund balances of the respective funds.

Investments

All City investments are reported at fair value based on quoted prices as of the financial statement date. 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, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital Assets whether tangible or intangible, 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 City 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. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the asset constructed. No such costs were capitalized during 2014.

Capital assets of the City are depreciated using the straight-line method over their estimated useful lives:

Assets	Years
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

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the City does not report any item that qualifies for reporting in this category.

In additions to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as inflows of resources (revenue) until that time.

CITY OF PARKLAND, FLORIDA
Notes to Financial Statements
September 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources (continued)

Currently, the only item in this category is unearned revenue. The source of this unearned revenue is local business license tax collected in advance of \$47,805 reported in both the governmental funds and the government-wide statement of net position. This amount is deferred and will be recognized as an inflow of resources in the period that the amounts become available.

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.

Net Pension Asset or Obligation

The net pension asset includes the contributions made in excess of the annual pension cost for all plans that have made contributions that exceed the annual pension cost as of fiscal year end. The net pension obligation includes all of the plans for which the annual pension cost exceeds the contributions at fiscal year end.

Unearned Revenues

Inflows that do not meet the criteria for revenue recognition, such as grants are classified as liabilities and recorded as unearned revenue in government-wide and the fund financial statements.

Unavailable Revenues

Unavailable revenue (deferred inflows of resources) is recorded for governmental fund receivables that are not both measurable and available. Currently, the City has no such revenues.

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 incurred. 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.

CITY OF PARKLAND, FLORIDA
Notes to Financial Statements
September 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Bonds payable are reported net of applicable bond premium or discount. Debt issue costs, even if withheld from net proceeds (if material) are recognized during the period in which the bonds are issued.

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 \$233,777 for the fiscal year ended September 30, 2014. 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.

Net Position/Fund Balance

Government-Wide Statements

Net Position is classified 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.”

CITY OF PARKLAND, FLORIDA
Notes to Financial Statements
September 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position/Fund Balance (Continued)

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. The General Fund is the only fund that reports a positive unassigned fund balance amount.

Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide financial statements, a flow assumption must be made about the order in which resources are considered to be applied.

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, 2014

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.

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 – PROPERTY TAXES

The City's property tax is levied, becomes a lien on real and personal property located in the City, and is recoded as a receivable on November 1 of each year based upon the assessed value established by Broward County Property Appraiser as of the prior January 1.

The City is permitted by Florida law to levy ad-valorem taxes for real and tangible personal property taxes up to \$10 per \$1,000 of assessed value, except for special benefits and debt service obligations which may be issued with the approval of those taxpayers subject to ad-valorem taxes. The assessed value as of January 1, 2013 upon which the 2014 fiscal year levy was based, was approximately \$3.4 billion. Taxes were levied at \$3.99 per \$1,000 for the fiscal year ended September 30, 2014.

Taxes become payable on November 1st each year and are discounted 1% for each month for payment prior to the following March 1st. All unpaid taxes become delinquent on April 1st and are subject to the issuance of Tax Sale Certificates on June 1st. Tax collections for the fiscal year ended September 30, 2014 were 96% of the tax levy, net of discounted allowed.

The City's tax revenue is first paid to the Broward County Tax Collector who remits to the City funds collected following a calendar prescribed by law. The City's taxes are billed along with all other taxes due to Broward County taxing entities. The Tax Collector pays the City interest on monies held from the day of collection to the day of distribution. The City has no control over the investment program of the Tax Collector as this program is governed by Florida Statutes.

CITY OF PARKLAND, FLORIDA
Notes to Financial Statements
September 30, 2014

NOTE 3 – DEPOSITS AND INVESTMENTS

1. City

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, 2014, the carrying amount of the City's deposits was \$33,157,251, and the bank balances totaled \$33,325,722. The City also had cash on hand of \$545 and cash with a fiscal agent of \$168,471.

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 divided 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, 2014, 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.

The weighted average days to maturity (WAM) of Florida PRIME at September 30, 2014, was 39 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.

As of September 30, 2014, the City of Parkland had \$7,372,915 invested in Florida PRIME. 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, 2014

NOTE 3 – 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 & Poor’s and Moody’s Investment Services). As of September 30, 2014, 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.

2. Pension Fund

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, 2014, the Plan’s investments were as follows:

	<u>Fair Value</u>
Local Government Investment Pool:	
Florida Municipal Pension Trust Fund	\$ <u>1,988,476</u>
Total investments	\$ <u><u>1,988,476</u></u>

CITY OF PARKLAND, FLORIDA
Notes to Financial Statements
September 30, 2014

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

2. Pension Fund (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. Parkland Police Share Plan assets were invested in error and subsequently liquidated to cash thereby accounting for the negative cash balance below.

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

	Fair Value	Percent
Cash	\$ (141,182)	-7.10%
Broad Market High Quality Bond Fund	429,511	21.60%
Core Plus Fixed Income Fund	660,174	33.20%
High Quality Growth Portfolio	117,320	5.90%
Large Cap Diversified Value Portfolio	133,228	6.70%
Russell 1000 Enhanced Index Portfolio	491,154	24.70%
Diversified Small Cap Equity Portfolio	163,055	8.20%
International Blend Portfolio	<u>135,216</u>	<u>6.80%</u>
	<u>\$ 1,988,476</u>	<u>100%</u>

Shares of the portfolios are neither insured nor guaranteed by any U.S. Government Agency, including the FDIC. At September 30, 2014, 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, 2014

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

2. Pension Fund (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 4 – INTERFUND TRANSACTIONS

Interfund transfers for the year ended September 30, 2014, were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>	
General Fund	\$ 532,950	\$ 602,600	
Non-major governmental Funds	300,000	532,950	
Capital Replacement Fund	302,600	-	
Totals	\$ 1,135,550	\$ 1,135,550	

Impact fees previously collected were transferred to the General Fund to make debt service payments on the new loan referenced in the long-term liabilities footnote. Transfers out of the General Fund were to formally set aside General Fund reserves for the City's capital replacement and infrastructure replacement programs.

CITY OF PARKLAND, FLORIDA
Notes to Financial Statements
September 30, 2014

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2014, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 12,680,489	\$ -	\$ -	\$ 12,680,489
Construction in Progress	<u>1,322,788</u>	<u>1,700,284</u>	<u>(27,041)</u>	<u>2,996,031</u>
Total capital assets, not being depreciated	<u>14,003,277</u>	<u>1,700,284</u>	<u>(27,041)</u>	<u>15,676,520</u>
Capitals assets, being depreciated:				
Buildings	8,431,507	-	-	8,431,507
Infrastructure	31,464,918	875,578	(5,495)	32,335,001
Machinery and equipment	4,405,627	373,523	(300,639)	4,478,511
Vehicles	1,994,586	-	-	1,994,586
Improvements other than buildings	<u>3,367,929</u>	<u>637,673</u>	<u>-</u>	<u>4,005,602</u>
Total capital assets, being depreciated	<u>49,664,567</u>	<u>1,886,774</u>	<u>(306,134)</u>	<u>51,245,207</u>
Less accumulated depreciation for:				
Buildings	1,971,578	238,153	-	2,209,731
Infrastructure	9,599,365	1,321,620	(5,495)	10,915,490
Machinery and equipment	3,213,897	407,549	(300,639)	3,320,807
Vehicles	1,892,287	62,249	-	1,954,536
Improvements other than buildings	<u>1,417,277</u>	<u>274,718</u>	<u>-</u>	<u>1,691,995</u>
Total accumulated depreciation	<u>18,094,404</u>	<u>2,304,289</u>	<u>(306,134)</u>	<u>20,092,559</u>
Total capital assets, being depreciated, net	<u>31,570,163</u>	<u>(417,515)</u>	<u>-</u>	<u>31,152,648</u>
Governmental activities, capital assets, net	<u>\$ 45,573,440</u>	<u>\$ 1,282,769</u>	<u>\$ (27,041)</u>	<u>\$ 46,829,168</u>

CITY OF PARKLAND, FLORIDA
Notes to Financial Statements
September 30, 2014

NOTE 5 – CAPITAL ASSETS (Continued)

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

General government	\$ 276,330
Public safety	155,228
Physical environment	824,832
Culture and recreation	<u>1,047,899</u>
Total depreciation expense - governmental activities	<u>\$ 2,304,289</u>

NOTE 6 – LONG-TERM LIABILITIES

The following is a summary of the changes in long-term liabilities of the City's governmental activities for the fiscal year ended September 30, 2014:

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	Ending <u>Balance</u>	Due Within <u>One Year</u>
Note payable	\$ 6,878,021	\$ -	\$ (459,800)	\$ 6,418,221	\$ 477,694
Revenue bonds payable	2,025,000	-	(120,000)	1,905,000	125,000
Unamortized bond premium	29,910	-	(2,492)	27,418	-
Loan payable	-	7,000,000	-	7,000,000	382,000
OPEB	18,518	1,974	-	20,492	-
Compensated absences	<u>465,932</u>	<u>397,962</u>	<u>(369,095)</u>	<u>494,799</u>	<u>10,000</u>
Governmental activity long-term liabilities	<u>\$ 9,417,381</u>	<u>\$ 7,399,936</u>	<u>\$ (951,387)</u>	<u>\$ 15,865,930</u>	<u>\$ 994,694</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, 2014

NOTE 6 – LONG-TERM LIABILITIES (Continued)

Note Payable (Continued)

year was \$719,425 and the pledged half-cent sales taxes, franchise taxes, and utility taxes totaled \$4,891,550 for the year. At September 30, 2014, principal and interest to maturity in 2025 to be paid from pledged future revenues totaled \$7,914,584.

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

Fiscal Year				
<u>Ending</u>	<u>Principal</u>		<u>Interest</u>	<u>Total</u>
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	557,299		162,126	719,425
2020-2024	3,132,166		464,958	3,597,123
2025	703,027		17,142	720,337
	<u>\$ 6,418,221</u>	<u>\$</u>	<u>1,496,196</u>	<u>\$ 7,914,584</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 \$216,543 and pledged non-ad valorem tax revenues totaled \$17,385,101 for the year. At September 30, 2014, principal and interest to maturity in 2026 to be paid from pledged future revenues totaled \$2,530,150.

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, 2014

NOTE 6 – LONG-TERM LIABILITIES(Continued)

Revenue Bonds Payable (Continued)

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

Fiscal Year <u>Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 125,000	\$ 84,238	\$ 209,238
2016	130,000	79,862	209,862
2017	135,000	75,150	210,150
2018	140,000	69,750	209,750
2019	145,000	64,150	209,150
2020-2024	840,000	222,500	1,062,500
2025-2026	390,000	29,500	419,500
	<u>\$ 1,905,000</u>	<u>\$ 625,150</u>	<u>\$ 2,530,150</u>

Loan Payable

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.

Payment for the Bonds is from a pledge of all non-ad valorem tax revenues. Interest paid for the current fiscal year was \$94,395 and pledged non-ad valorem tax revenues totaled \$17,385,101 for the year. At September 30, 2014, principal and interest to maturity in 2026 to be paid from pledged future revenues totaled \$8,564,570.

Future debt service requirements to amortize the loan are as follows:

Fiscal Year <u>Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 382,000	\$ 189,971	\$ 571,971
2016	393,000	179,070	572,070
2017	404,000	168,042	572,042
2018	415,000	156,617	571,617
2019	427,000	144,871	571,871
2020-2024	2,319,000	536,364	2,855,364
2025-2028	2,660,000	189,636	2,849,636
	<u>\$ 7,000,000</u>	<u>\$ 1,564,570</u>	<u>\$ 8,564,570</u>

CITY OF PARKLAND, FLORIDA
Notes to Financial Statements
September 30, 2014

NOTE 7 – SPECIAL ASSESSMENTS

Fire Assessments

In 2005, the City instituted a fire assessment in order to assist the City in paying for the fire contract. Starting in 2006, the assessments were on the tax roll with Broward County. During the fiscal year ended September 30, 2014, the City collected approximately \$2,000,613 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, 2014, the drainage improvements assessments had delinquent balances in the amount of \$5,495 and interest and penalties on these delinquent balances were \$12,295.

NOTE 8 – 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%.

CITY OF PARKLAND, FLORIDA
Notes to Financial Statements
September 30, 2014

NOTE 8 – DEFINED CONTRIBUTION PENSION PLAN (Continued)

The total payroll for all employees and payroll for employees covered by the Plan for the current year were \$4,175,976 and \$2,858,186, 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, 2014, was \$298,929 which is 100% of the required contribution. Total forfeitures of \$21,057 were processed for the defined contribution plan during 2014.

NOTE 9 – 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, 2014, the Plan had three participants receiving service retirement benefits and one participant receiving disability retirement benefits. There were no actively employed participants.

CITY OF PARKLAND, FLORIDA
Notes to Financial Statements
September 30, 2014

NOTE 9 – DEFINED BENEFIT PENSION PLAN (Continued)

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, 2014, the State of Florida contributed \$233,777 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.

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, 2014, was as follows:

Annual required contribution	\$ 142,606
Interest on net pension asset	(32,443)
Adjustment to annual required contribution	<u>61,671</u>
Annual pension cost	171,834
Contributions made	<u>(146,185)</u>
Decrease in net pension asset	25,649
Net pension asset, beginning of year	<u>(463,471)</u>
Net pension asset, end of year	<u><u>\$ (437,822)</u></u>

CITY OF PARKLAND, FLORIDA
Notes to Financial Statements
September 30, 2014

NOTE 9 – DEFINED BENEFIT PENSION PLAN (Continued)

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:

<u>Fiscal</u> <u>Year End</u>	Annual Pension <u>Cost (APC)</u>	Actual <u>Contribution</u>	Percentage of APC <u>Contributed</u>	Net Pension Obligation <u>(Asset)</u>
9/30/2012	\$ 314,792	\$ 290,659	92%	(516,929)
9/30/2013	267,056	213,598	80%	(463,471)
9/30/2014	171,834	146,185	85%	(437,822)

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, 2013	October 1, 2014
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level dollar, closed	Level dollar, closed
Remaining amortization period	10 years	9 years
Asset valuation method	Market value	Market value
Actuarial assumptions:		
Investment rate of return	7.00%	7.00%
Projected salary increases	N/A	N/A
Cost-of-living adjustments (COLA)	2.00%	2.00%

CITY OF PARKLAND, FLORIDA
Notes to Financial Statements
September 30, 2014

NOTE 9 – DEFINED BENEFIT PENSION PLAN (Continued)

Funded Status and Funding Progress

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

Actuarial valuation date	October 1, 2014
Actuarial value of assets	\$ 2,062,405
Actuarial accrued liability	\$ 2,216,561
Unfunded actuarial accrued liability (UAAL)	\$ 154,156
Funded ratio	93.05%
Covered Payroll	\$ -
UAAL as a percentage of covered payroll	N/A

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of Plan assets are increasing or decreasing over time relative to the AAL for benefits.

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

NOTE 10 – 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.

CITY OF PARKLAND, FLORIDA
Notes to Financial Statements
September 30, 2014

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS

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.

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) as defined by GASB Pronouncements.

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.

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 pronouncements 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.

CITY OF PARKLAND, FLORIDA
Notes to Financial Statements
September 30, 2014

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

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:

Employer	Pay-as-you-go
Plan members	N/A
Annual Required Contribution (ARC)	\$ 2,401
Interest on Net Unfunded OPEB Obligation	648
Adjustment to Annual Required Contribution	<u>(1,075)</u>
Annual OPEB cost	1,974
Contributions made	
Increase in net OPEB obligation	1,974
Net OPEB obligation, Beginning of year	<u>18,518</u>
Net OPEB obligation, End of year	<u>\$ 20,492</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.

Trend Information

<u>Fiscal</u> <u>Year</u>	Three -Year Trend Information			Net OPEB <u>Obligation</u>
	Annual OPEB <u>Cost</u>	Percentage of Annual OPEB Cost <u>Contributed</u>		
9/30/2012	\$ 5,411	0.00%	\$	16,546
9/30/2013	\$ 1,972	0.00%	\$	18,518
9/30/2014	\$ 1,974	0.00%	\$	20,492

CITY OF PARKLAND, FLORIDA
Notes to Financial Statements
September 30, 2014

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Funded Status and Funding Progress

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	-
Covered payroll	\$ 4,163,976
UAAL as a percentage of covered payroll	0.31%

Funded Status and Funding Progress

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 actuarial valuation dates are presented in the schedule at this time. The City has not contributed assets to the plan at this time and has updates performed during the years between valuations.

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.

CITY OF PARKLAND, FLORIDA
Notes to Financial Statements
September 30, 2014

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Significant methods and assumptions as of the latest actuarial valuation:

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 2014 decreasing to 8% in 2023

NOTE 12 – COMMITMENTS AND CONTINGENCIES

Litigation

Various suits and claims arising in the ordinary course of operations are pending against the City. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of legal counsel, the City has sufficient insurance coverage to cover any claims and/or liabilities, which may arise from such action. The effect of such losses would not materially affect the financial position of the City or the results of its operations.

Grants

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected may constitute a liability of the applicable funds. In the opinion of management, future disallowances of grant expenditures, if any, would not have a material adverse effect on the City's financial condition.

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 through September 30, 2014, which the City exercised. This agreement was extended for another year subsequent to year end. 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.

CITY OF PARKLAND, FLORIDA
Notes to Financial Statements
September 30, 2014

NOTE 12 – COMMITMENTS AND CONTINGENCIES (Continued)

Police Services Agreement (Continued)

BSO pays for all utility costs including, but not limited to, telephone, electric, and water services. For the year ended September 30, 2014, the City had expenditures of approximately \$5,644,000 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, 2014, the City paid costs of approximately \$5,401,000 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, 2014, the City had encumbrances of \$2,100,539 in the Capital Projects Fund which is primarily made up of construction commitments for the Western Fire Station construction project.

NOTE 13 – 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, 2014, 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.

CITY OF PARKLAND, FLORIDA
Notes to Financial Statements
September 30, 2014

NOTE 14 – 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, 2014, the General Fund reported fund balance committed to the stabilization agreement in the amount of \$5,112,499.

NOTE 15 – 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 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 January 2013, the GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*. GASB 69 improves financial reporting because until now, governments have accounted for mergers, acquisitions, and transfers of operations by analogizing to accounting and financial reporting guidance intended for the business environment. This Statement provides specific accounting and financial reporting guidance for combinations in the governmental environment. This Statement also improves the decision usefulness of financial reporting by requiring that disclosures be made by governments about combination arrangements in which they engage and for disposals of government operations. 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, 2014

NOTE 15 – RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS (Continued)

In February 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application*. GASB 72 will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value accepted valuation techniques. This Statement will also enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position. This Statement is effective for the fiscal year ending September 30, 2016. Management is currently evaluating the impact of the adoption of this statement on the City's financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PARKLAND, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes				
Ad valorem taxes	\$ 12,095,770	\$ 12,095,770	\$ 12,224,931	\$ 129,161
Franchise taxes	321,025	321,025	346,923	25,898
Utility service taxes	2,719,000	2,719,000	3,010,550	291,550
Local business tax	44,200	44,200	41,390	(2,810)
Total taxes	<u>15,179,995</u>	<u>15,179,995</u>	<u>15,623,794</u>	<u>443,799</u>
Permits and fees				
Building permits	3,020,500	3,020,500	4,941,539	1,921,039
Other permits and fees	104,978	104,978	678,391	573,413
Fire assessments	1,955,450	1,955,450	2,000,613	45,163
Total permits and fees	<u>5,080,928</u>	<u>5,080,928</u>	<u>7,620,543</u>	<u>2,539,615</u>
Intergovernmental revenues				
Half cent sales tax	1,300,000	1,300,000	1,534,077	234,077
State revenue sharing	398,744	398,744	564,977	166,233
Motor fuel tax	408,000	408,000	434,217	26,217
Alcoholic beverage license	2,000	2,000	5,273	3,273
Grants	28,330	28,330	29,169	839
Local shared revenues	449,260	449,260	268,115	(181,145)
Total intergovernmental revenues	<u>2,586,334</u>	<u>2,586,334</u>	<u>2,835,827</u>	<u>249,493</u>
Charges for services				
Ambulance transport fees	260,000	260,000	429,716	169,716
Summer camp fees	529,750	529,750	596,718	66,968
Other charges for services	487,455	487,455	1,551,514	1,064,059
Total charges for services	<u>1,277,205</u>	<u>1,277,205</u>	<u>2,577,948</u>	<u>1,300,743</u>
Fines and forfeitures				
Court fines	104,000	104,000	176,030	72,030
Violations of local ordinances	80,000	80,000	99,560	19,560
Total fines and forfeitures	<u>184,000</u>	<u>184,000</u>	<u>275,590</u>	<u>91,590</u>
Miscellaneous revenues				
Interest income	26,300	26,300	26,618	318
Rents	132,355	132,355	163,469	31,114
Contributions	59,750	59,750	63,862	4,112
Other income	124,300	124,300	188,604	64,304
Total miscellaneous revenues	<u>342,705</u>	<u>342,705</u>	<u>442,553</u>	<u>99,848</u>
Total revenues	<u>\$ 24,651,167</u>	<u>\$ 24,651,167</u>	<u>\$ 29,376,255</u>	<u>\$ 4,725,088</u>

(Continued)

CITY OF PARKLAND, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (Continued)
FISCAL YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
General government				
City Commission	\$ 137,258	\$ 137,258	\$ 130,631	\$ 6,627
City Manager	544,683	544,683	498,493	46,190
Finance	530,830	530,830	478,978	51,852
Legal services	375,000	375,000	280,046	94,954
City Clerk	280,564	280,564	217,911	62,653
Personnel	196,655	196,655	194,137	2,518
Computer support	296,535	296,535	259,269	37,266
Other general	629,937	607,629	251,100	356,529
Total general government	<u>2,991,462</u>	<u>2,969,154</u>	<u>2,310,565</u>	<u>658,589</u>
Public safety				
Police/crossings guards	6,468,544	6,468,544	5,899,613	568,931
Fire rescue	5,580,922	5,580,922	5,540,685	40,237
Code enforcement	225,320	225,320	31,283	194,037
Total public safety	<u>12,274,786</u>	<u>12,274,786</u>	<u>11,471,581</u>	<u>803,205</u>
Physical environment				
Public works	3,644,223	3,666,223	3,205,260	460,963
Development services				
Building	1,827,430	1,827,430	1,426,223	401,207
Planning and zoning	158,931	158,931	107,051	51,880
Environmental services	143,004	143,004	127,096	15,908
Total development services	<u>2,129,365</u>	<u>2,129,365</u>	<u>1,660,370</u>	<u>468,995</u>
Culture and recreation				
Parks and recreation	1,605,660	1,557,360	1,302,292	255,068
Library	517,693	514,176	403,702	110,474
Total culture and recreation	<u>2,123,353</u>	<u>2,071,536</u>	<u>1,705,994</u>	<u>365,542</u>
Debt Service				
Principal	972,165	972,165	579,800	392,365
Interest and fiscal charges	578,484	578,484	450,562	127,922
Total debt service	<u>1,550,649</u>	<u>1,550,649</u>	<u>1,030,362</u>	<u>520,287</u>
Capital outlay	106,162	158,287	123,820	34,467
Total expenditures	<u>24,820,000</u>	<u>24,820,000</u>	<u>21,507,952</u>	<u>3,312,048</u>
Excess (deficiency) of revenues over (under) expenditures				
	<u>(168,833)</u>	<u>(168,833)</u>	<u>7,868,303</u>	<u>8,270,913</u>
Other financing sources				
Insurance proceeds	-	-	211,538	211,538
Proceeds from sale of capital assets	-	-	2,023	2,023
Appropriation of prior year's fund balance	235,883	235,883	-	(235,883)
Transfers in	532,950	532,950	532,950	-
Transfers out	(600,000)	(600,000)	(602,600)	(2,600)
Total other financing sources (uses)	<u>168,833</u>	<u>168,833</u>	<u>143,911</u>	<u>(24,922)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>8,012,214</u>	<u>\$ 8,245,991</u>
Fund balance, beginning of year			<u>20,992,738</u>	
Fund balance, end of year			<u>\$ 29,004,952</u>	

CITY OF PARKLAND, FLORIDA
Required Supplementary Information
Notes to Budgetary Comparison Schedule
September 30, 2014

NOTE 1 – BUDGETS AND BUDGETARY ACCOUNTING

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.

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
Required Supplementary Information
Notes to Budgetary Comparison Schedule
September 30, 2014

NOTE 2 – BUDGET RECONCILIATION

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	\$ 29,376,255	\$ 21,507,952
On-behalf payments for pension benefits	<u>233,777</u>	<u>233,777</u>
GAAP Basis	<u>\$ 29,610,032</u>	<u>\$ 21,741,729</u>

CITY OF PARKLAND, FLORIDA
Required Supplementary Information
Schedules of Funding Progress – Other Post Employment Benefits
September 30, 2014

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 Percentage of Covered Payroll ((b-a)/c)
9/30/2010	\$ -	\$ 23,091	\$ 23,091	0.00%	\$ 3,632,459	0.64%
9/30/2013	\$ -	\$ 12,853	\$ 12,853	0.00%	\$ 4,163,976	0.31%

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 actuarial valuation dates 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 and obtains annual updates between valuation dates.

CITY OF PARKLAND, FLORIDA
Required Supplemental Information
Police Officers Retirement Plan
September 30, 2014

Schedule of Funding Progress – Police Officers Retirement Plan

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 Percentage of Covered Payroll ((b-a)/c)
10/1/2009	1,078,605	1,988,764	910,159	54.23%	78,552	1158.67%
10/1/2010	1,346,172	2,050,642	704,470	65.65%	85,816	820.91%
10/1/2011	1,416,392	2,159,194	742,802	65.60%	-	N/A
10/1/2012	1,756,197	2,155,927	399,730	81.46%	-	N/A
10/1/2013	1,952,986	2,187,103	234,117	89.30%	-	N/A
10/1/2014	2,062,405	2,216,561	154,156	93.05%	-	N/A

CITY OF PARKLAND, FLORIDA
Required Supplemental Information
Police Officers Retirement Plan
September 30, 2014

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
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%
2014	142,606	103%	171,834	85%

COMBINING FINANCIAL STATEMENTS

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 & Community 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
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014

	Capital Project Fund	Special Revenue Funds				Total Nonmajor Governmental Funds
	Infrastructure Improvement	Park & Community Improvements	Government Library Building	Public Safety Improvement	Law Enforcement	
<u>ASSETS</u>						
Cash and equity in pooled cash	\$ 600,210	\$ 1,082,663	\$ 1,026,404	\$ 1,138,100	\$ 32,239	\$ 3,879,616
Investments	-	160,392	-	-	-	160,392
Total assets	\$ 600,210	\$ 1,243,055	\$ 1,026,404	\$ 1,138,100	\$ 32,239	\$ 4,040,008
<u>FUND BALANCES</u>						
Restricted						
Park improvements	\$ -	\$ 1,243,055	\$ -	\$ -	\$ -	\$ 1,243,055
Public safety building	-	-	-	216,409	-	216,409
Western fire station	-	-	-	921,691	-	921,691
Administrative building	-	-	408,025	-	-	408,025
Library	-	-	618,379	-	-	618,379
Police forfeiture	-	-	-	-	32,239	32,239
Assigned						
Capital projects	600,210	-	-	-	-	600,210
Total fund balances	\$ 600,210	\$ 1,243,055	\$ 1,026,404	\$ 1,138,100	\$ 32,239	\$ 4,040,008

CITY OF PARKLAND, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2014

	Capital Project Fund	Special Revenue Funds				Total Nonmajor Governmental Funds
	Infrastructure Improvement	Park & Community Improvements	Government Library Building	Public Safety Improvement	Law Enforcement	
Revenues:						
Impact Fees	\$ -	\$ 1,116,137	\$ 593,917	\$ 492,851	\$ 1,961	\$ 2,204,866
Fines and forfeitures						
Interest income	210	1,113	476	762	21	2,582
Total revenues	<u>210</u>	<u>1,117,250</u>	<u>594,393</u>	<u>493,613</u>	<u>1,982</u>	<u>2,207,448</u>
Expenditures:						
Capital outlay	-	-	-	-	6,400	6,400
Contribution to other government	-	875,000	-	-	-	875,000
Total expenditures	<u>-</u>	<u>875,000</u>	<u>-</u>	<u>-</u>	<u>6,400</u>	<u>881,400</u>
Excess (Deficiency) of revenues over expenditures	<u>210</u>	<u>242,250</u>	<u>594,393</u>	<u>493,613</u>	<u>(4,418)</u>	<u>1,326,048</u>
Other financing sources (uses) :						
Transfers in	300,000	-	-	-	-	300,000
Transfers out	-	(285,000)	(11,400)	(236,550)	-	(532,950)
Total other financing sources (uses)	<u>300,000</u>	<u>(285,000)</u>	<u>(11,400)</u>	<u>(236,550)</u>	<u>-</u>	<u>(232,950)</u>
Net change in fund balance	300,210	(42,750)	582,993	257,063	(4,418)	1,093,098
Fund balances, Beginning	<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>
Fund balances, Ending	<u>\$ 600,210</u>	<u>\$ 1,243,055</u>	<u>\$ 1,026,404</u>	<u>\$ 1,138,100</u>	<u>\$ 32,239</u>	<u>\$ 4,040,008</u>

CITY OF PARKLAND, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET VS ACTUAL - CAPITAL PROJECTS FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 210,000	\$ 210,000	\$ 325,567	\$ 115,567
Interest	5,000	5,000	5,062	62
Miscellaneous income	<u>-</u>	<u>-</u>	<u>94,841</u>	<u>94,841</u>
Total revenues	<u>215,000</u>	<u>215,000</u>	<u>425,470</u>	<u>210,470</u>
Expenditures:				
Capital outlay	<u>7,565,000</u>	<u>11,198,054</u>	<u>3,589,476</u>	<u>7,608,578</u>
Total expenditures	<u>7,565,000</u>	<u>11,198,054</u>	<u>3,589,476</u>	<u>7,608,578</u>
Excess of revenues under expenditures	<u>(7,350,000)</u>	<u>(10,983,054)</u>	<u>(3,164,006)</u>	<u>(7,398,108)</u>
Other financing sources				
Issuance of debt	7,000,000	7,000,000	7,000,000	-
Cost of issuance of debt	<u>-</u>	<u>-</u>	<u>(5,000)</u>	<u>(5,000)</u>
Total other financing sources	<u>7,000,000</u>	<u>7,000,000</u>	<u>6,995,000</u>	<u>(5,000)</u>
Net change in fund balance	<u>\$ (350,000)</u>	<u>\$ (3,983,054)</u>	3,830,994	<u>\$ (7,403,108)</u>
Fund balances, Beginning			<u>1,399,721</u>	
Fund balances, Ending			<u>\$ 5,230,715</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.

Contents

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Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. These schedules include:

Net Position by Component	63
Changes in Net Position	64
Fund Balances, Governmental Funds	65
Changes in Fund Balances, Governmental Funds	66

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

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Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

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Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

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Operating Information

These schedules contain service and infrastructure data to help understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Net investment in										
capital assets,	\$ 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	\$ 31,478,364
Restricted										
Park Improvement	549,304	391,922	483,542	516,453	519,402	177,423	177,998	182,362	1,285,805	1,243,055
Law enforcement	12,331	26,363	32,982	5,421	5,573	22,204	25,632	26,943	36,657	32,239
Capital projects	50,000	50,000	50,000	50,000	50,000	287,596	711,944	1,881,886	3,432,366	6,574,539
Unrestricted	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	31,058,853
Total governmental activities										
net position	<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>	<u>\$ 70,387,050</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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
EXPENSES										
Governmental activities										
General government	\$ 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	\$ 2,716,262
Public safety	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	11,663,587
Physical environment	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	3,264,799
Culture and recreation	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	2,832,387
Development services (1)				1,916,518	1,305,912	1,158,007	1,113,484	1,217,932	1,297,404	3,429,707
Interest expense and other financing costs	232,741	494,212	480,424	464,255	440,030	424,712	404,442	385,701	363,632	580,248
Total governmental activities expenses	15,295,193	23,696,462	19,096,460	19,554,652	19,862,060	20,114,023	20,541,148	20,954,690	21,800,665	24,486,990
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	2,082,858	2,341,997	1,574,789	797,830	165,755	194,958	208,681	285,636	571,066	1,027,458
Public safety	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	8,818,702
Physical environment	166,800	531,285	506,877	207,071	107,814	106,128	82,806	460,788	831,893	953,500
Culture and recreation	759,729	2,366,757	672,078	622,101	651,868	720,571	630,167	590,292	1,817,767	1,898,225
Development Services					51,277	327,103	106,375	127,275	122,272	89,310
Operating grants and contributions	89,682	5,685,143	89,259		13,652	22,996	112,051	70,644	120,986	262,946
Capital grants and contributions	360,000	4,959,305	1,147,150	1,100,000	948,796	160,092	795,036	80,905	22,951	325,567
Total governmental activities program revenues	6,299,281	19,139,729	6,167,573	4,767,388	4,598,038	5,373,022	6,319,855	7,095,243	10,582,030	13,375,708
Net expense/revenue: Governmental activities	(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)	(11,111,282)
Total governmental activities net expense	\$ (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)	\$ (11,111,282)
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
Ad valorem taxes	\$ 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	\$ 12,224,931
Franchise taxes	174,478	187,652	189,927	250,427	285,559	263,796	347,935	344,222	336,151	346,923
Utility service taxes	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	3,010,550
Intergovernmental (Unrestricted)	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	2,806,658
Interest income	234,514	1,079,785	1,404,515	447,862	100,123	55,543	44,689	38,386	32,361	34,928
Net increase/(decrease) in the fair value of investments					(119,658)	129,671	44,649	71,559	32,669	-
Miscellaneous	282,261	189,940	204,313	470,557	302,363	114,979	276,552	138,927	116,282	421,679
Total governmental activities general revenues	13,402,740	16,117,449	18,042,500	18,387,654	17,798,805	17,586,952	16,469,714	16,758,807	17,316,185	18,845,669
Change in net position Governmental activities	4,406,828	11,560,716	5,113,613	3,600,390	2,534,783	2,845,951	2,248,421	2,899,360	6,097,550	7,734,387
Total primary government	\$ 4,406,828	\$ 11,560,716	\$ 5,113,613	\$ 3,600,390	\$ 2,534,783	\$ 2,845,951	\$ 2,248,421	\$ 2,899,360	\$ 6,097,550	\$ 7,734,387

(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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund:										
Nonspendable:										
Assessments Receivable	\$ 7,563	\$ 7,563	\$ 7,563	\$ 7,563	\$ 7,563	\$ 7,197	\$ 6,296	\$ 6,296	\$ 5,495	\$ 5,495
Interest Receivable	11,160	11,160	11,812	11,812	13,084	12,967	13,012	12,719	12,056	12,295
Prepays	72,740	60,287	5,509	149,993	44,706	14,848	47,203	55,584	25,069	126,197
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	9,470
Liberty Park				200	200	200	200	200	200	200
Library				554	554	554	554	554	554	554
Country Point				4,575	4,575	4,575	4,575	4,575	4,575	4,575
Building Department						57,973	433,615	1,314,789	2,077,406	4,379,523
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	5,112,499
Insurance Deductible										607,500
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	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	18,746,644
Total General Fund	\$ 3,613,386	\$ 5,375,593	\$ 7,032,202	\$ 6,221,384	\$ 8,416,139	\$ 12,426,255	\$ 15,389,321	\$ 18,649,126	\$ 20,992,738	\$ 29,004,952
All other governmental funds:										
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	5,646
Impact Fees					34,066	34,066	34,066	100,887	443,411	1,026,404
Public Safety					6,295	14,436	44,862	119,800	216,409	
Western Fire Station						165,000	205,565	397,086	767,487	927,941
Waste containers						3,817	3,817	3,817	3,817	3,817
Park improvements	549,304	391,922	483,542	516,453	519,402	177,423	177,998	182,362	1,285,805	1,243,055
Law enforcement	12,331	26,363	32,982	5,421	5,573	22,204	25,632	26,943	36,657	32,239
Assigned to:										
Subsequent year's budget					779,550					
Capital projects	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	5,815,212
Total other governmental funds	\$ 10,209,726	\$ 15,761,322	\$ 10,066,010	\$ 8,634,270	\$ 4,500,176	\$ 3,686,650	\$ 3,163,377	\$ 1,185,749	\$ 4,346,631	\$ 9,270,723

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
REVENUES:										
Ad valorem taxes	\$ 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	\$ 12,224,931
Franchise fees	174,478	187,652	189,927	250,427	285,559	263,796	347,935	344,222	336,151	346,923
Utility service taxes	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	3,010,550
Licenses and permits	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	7,661,933
Intergovernmental revenues	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	3,161,394
Charges for services	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	4,782,814
Fines and forfeitures	151,381	207,270	221,808	208,077	326,891	541,026	412,480	421,259	320,512	275,590
Interest income	234,514	1,079,785	1,404,515	436,700	98,739	53,676	43,989	37,860	31,840	34,262
Unrealized gain (loss) on investments					(119,658)	129,671	44,649	71,559	32,669	-
Miscellaneous revenues	282,261	189,940	204,313	458,104	377,708	453,902	703,036	344,666	476,628	510,776
Contributions	360,000	4,521,365	878,289			88,796				
Total revenues	19,702,021	35,257,177	24,210,072	23,131,427	22,459,514	22,923,090	22,695,410	24,050,124	28,166,597	32,009,173
EXPENDITURES:										
Current:										
General Government	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	2,310,565
Public safety	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	11,471,581
Physical environment	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	3,205,260
Development services				1,864,018	1,310,006	1,083,778	1,105,335	1,240,803	1,272,056	1,660,370
Culture and recreation	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	1,705,994
Contingency				41,651						
Capital outlay	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	3,719,696
Contribution to other government										875,000
Debt service:										
Principal retirement	5,554,708	452,658	450,943	468,737	484,084	498,930	519,429	539,654	562,544	579,800
Interest and fiscal charges	308,409	480,844	480,783	464,562	448,007	429,609	410,853	391,910	370,109	450,562
Total expenditures	20,641,795	28,289,210	28,311,070	24,986,437	24,452,139	19,756,967	20,298,423	22,839,394	22,372,029	25,978,828
Excess of revenues over (under) expenditures	(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	6,030,345
Other financing sources(uses):										
Insurance proceeds		345,836	62,295	7,452	71,556	17,701	42,556	65,083	6,801	211,538
Proceeds from sale of capital assets				5,000	31,611	12,766	250	6,364	3,125	2,023
Issuance of debt	12,824,849									6,995,000
Transfers in		3,269,649		2,070,000				1,000,000	3,334,066	832,950
Transfers out		(3,269,649)		(2,470,000)				(1,000,000)	(3,634,066)	(1,135,550)
Total other financing sources (uses)	12,824,849	345,836	62,295	(387,548)	103,167	30,467	42,806	71,447	(290,074)	6,905,961
Net change in fund balances	\$ 11,885,075	\$ 7,313,803	\$ (4,038,703)	\$ (2,242,558)	\$ (1,889,458)	\$ 3,196,590	\$ 2,439,793	\$ 1,282,177	\$ 5,504,494	\$ 12,936,306
Debt Service as a % of noncapital expenditures	2.68%	3.94%	4.98%	4.89%	4.94%	5.05%	4.92%	4.79%	4.64%	4.60%

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>
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%
2014	3,197,700,040	84,723,850	4,531,580	89,456,420	3,376,411,890	3.9900	3,376,411,890	100%

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

<u>Year</u>	<u>Overlapping Rates</u>							<u>Total</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 Management District</u>	<u>Florida Inland Navigation District</u>	<u>North Broward Hospital District</u>	
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
2014	3.9890	5.7230	7.4380	0.4882	0.3842	0.0345	1.5939	19.6508

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

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

TAXPAYER	2014			2004		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Florida Power & Light Co.	\$ 17,975,300	1	0.56%	\$ 6,420,550	8	0.34%
Toll Parkland GSC, LLC	12,583,810	2	0.39%			
Barclay Millennium, LLC	11,376,300	3	0.36%			
Lucky Star Holdings, LLC	8,384,960	4	0.26%			
BREM Parkland, LP	7,725,000	5	0.24%			
CSFB 2004-C3 Complex	6,160,000	6	0.19%			
WCI Communities	6,133,270	7	0.19%	78,634,680	1	4.18%
Toll FL V, LLC	5,296,380	8	0.17%			
Kelly Tractor Co.	4,242,433	9	0.13%			
Clublink Heron Bay, LLC	3,583,800	10	0.11%			
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%
Total	\$ 83,461,253		2.61%	\$ 197,543,632		10.48%

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
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%
2014	12,712,539	12,224,931	96.16%	312,047	12,536,978	98.62%

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>		
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
2014	13,418,389	1,905,000	15,323,389	1.3165%	599.13

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, 2014

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>		<u>Percentage Applicable to Parkland</u>	<u>Amount Applicable to Parkland</u>
Broward County	285,345,000	(1)	2.19%	\$ 6,252,273
Broward District Schools	<u>1,778,431,000</u>	(2)	<u>2.19%</u>	<u>38,967,693</u>
Total Overlapping Debt	2,063,776,000			45,219,966
City of Parkland	<u>15,323,389</u>		100%	<u>15,323,389</u>
Total Direct Debt	<u>15,323,389</u>			<u>15,323,389</u>
Total Direct and Overlapping Debt	<u>\$ 2,079,099,389</u>			<u>\$ 60,543,355</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	
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
2014	1,534,077	1,963,836	579,800	450,562	3.39

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)
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%
2014	25,576	1,163,972	45,521	39.0	4.7%

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
 CURRENT YEAR AND NINE YEARS AGO

Employer	2014			2005 (1)		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Broward County Public School	565	1	*			*
Aston Gardens	190	2	*			*
City of Parkland	123	3	*			*
BJ's Wholesale Club	120	4	*			*
Publix Supermarket	86	5	*			*
Total	<u>1,084</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

<u>Function/Program</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>	<u>2014</u>
General Government										
Mayor and Commission	5	5	5	5	5	5	5	5	5	5
City Manager	4	5	4.5	3	3	3	3	3	3	5
City Clerk	2	2	2	2	2	2	2	2	2	1
Finance	4.5	4	6	5	4.5	4.5	4.5	5.5	5	5
Human Resources	1.5	2	1.5	1.5	1.5	-	-	2	2	2
Planning	2	2	1.5	1.5	2	2	2	1	1	1
Engineering	1	1	1	1	1	-	-	1.5	3	4
Information Technology	-	-	-	-	1	1	1	2	2	2
Public Safety										
Police protection	33	31	31	34.5	35.5	35.5	36.5	36.5	38.5	38.5
Fire rescue and EMS	21	21	33 **	33	33	33	33	33	33	33
Protective inspections	23	23	24	20	5.4	6.4	6.5	6.5	10	13.5
Crossing Guards	14	16.5	16	16	8.7	5.9	7.5	7.5	7	7
Physical Environment										
Code Enforcement	2	2	1.5	-	-	-	-	-	-	-
Environmental Resources	-	-	1	1	1	1	1	1	1	-
Public Works	35	34	31	31	30	30	31.5	40.5	38	40
Culture and Receptions										
Parks and Recreation	13.5	9	20.5	19.5	18.8	18.4	17	10	5.5	5
Library	6	7	7	7	6.8	5.7	6	6.5	6.5	6
Total	167.5	164.5	186.5	181	159.2	153.4	156.5	163.5	162.5	168

** 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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General government										
Building permits issued	8,052	10,100	5,458	2,850	2,291	3,578	3,088	3,980	4,997	12,627
Building inspections conducted	44,231	54,933	41,931	15,950	10,345	16,980	12,273	17,545	24,764	43,277
Business licenses issued	236	283	371	340	340	343	326	362	409	299
Residential certificates of occupancy	264	332	367	85	51	120	85	138	259	380
Police										
Physical arrests	333	231	242	211	217	332	653	402	173	163
Parking violations	264	263	177	148	166	136	58	72	111	47
Traffic violations	3,996	3,574	3,160	4,474	4,349	4,616	5,122	6,781	6,339	6,720
Calls for service	N/A	9,752	9,232	16,339	10,046	8,322	9,376	9,287	8,378	9,460
Fire										
Emergency response	1,230	1,356	1,143	937	983	1,058	1,134	1,127	1,146	1,119
Fire calls	321	386	370	28	32	35	40	24	25	38
Response time < 8 min.	N/A	N/A	N/A	N/A	84.4%	86.8%	87.6%	90.0%	91.3%	93.0%
Other public works										
Street resurfacing (in miles)	-	-	2.02	0.88	1.75	-	-	1.00	1.00	-
Potholes repaired	N/A	250	250	1,846	1,044	961	660	1,064	1,007	1,140
Engineering permits issued	4	12	52	35	34	32	52	34	40	50
Inspections performed	172	450	607	628	172	292	306	459	362	3,200
Parks and recreation										
Pavilion reservations	215	230	242	330	357	283	246	266	188	184
Special events held	4	7	18	45	47	56	60	61	60	69
Camp participants	770	915	1,024	971	1,105	834	911	916	867	1,024
Library										
Number of books owned	29,000	34,500	38,017	39,982	41,950	41,487	41,756	41,823	39,681	38,419
Number of programs offered	330	390	443	420	423	483	487	476	532	381
Number of books checked out	44,000	56,200	68,146	75,027	79,257	89,939	88,382	86,678	88,223	100,925
City Clerk										
Research documents	160	140	217	211	232	136	112	107	132	72
Certification of notarization	162	156	262	267	59	157	178	177	260	162
Resolutions and ordinances	102	115	158	180	163	134	143	148	176	170
Passport services (1)	N/A	N/A	232	1,139	715	536	536	611	409	499
Finance										
Checks/direct deposits issued	5,832	5,861	5,689	5,385	4,929	5,109	5,017	4,789	5,290	5,399
Purchase orders issued	705	869	606	384	251	250	222	266	250	176
Computer support	328	400	496	780	893	769	1,132	1,042	1,357	1,379
Planning and zoning										
Number of planning petitions processed	30	94	39	94	33	50	51	79	68	45

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

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Fire Stations	2	2	3	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	18.05	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	3
Parks and recreation:										
Acreage	210	210	210	210	210	210	210	210	210	210
Playgrounds	5	6	6	7	7	7	7	7	7	7
Community centers	-	-	-	1	1	1	1	1	1	1
Soccer/football fields	11	11	11	11	11	11	11	11	11	11
Basketball courts	7	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	14	14	14	14	14	14
Dog park	-	-	-	-	-	-	-	1	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

COMPLIANCE SECTION



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

Honorable Mayor and Members of the City Commission
City of 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 the City of Parkland, Florida, (the 'City') as of and for the fiscal year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 26, 2015. Our report includes a reference to other auditors who audited the financial statements of the City's Police Officers Retirement Plan, as described in our report on the City'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's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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'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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Alberni Caballero & Fierman, LLP

Alberni, Caballero & Fierman, LLP
Coral Gables, Florida
March 26, 2015



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

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

Report on the Financial Statements

We have audited the financial statements of the City of Parkland, Florida (the "City") as of and for the fiscal year ended September 30, 2014, and have issued our report thereon dated March 26, 2015. Our report includes a reference to other auditors. Other auditors audited the financial statements of the City's Police Officers Retirement Plan.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.550, Rules of the Florida Auditor General.

Other Reports and Schedule

We have issued our Independent Auditors' 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* and Independent Accountant's Report on Compliance with the Requirements of Section 218.415 Florida Statutes in accordance with Chapter 10.550, Rules of the Auditor General of the State of Florida. Disclosures in those reports, which are dated March 26, 2015, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The City was incorporated on July 10, 1963 under chapter 166 of the Florida Statutes.

Financial Condition

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

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Annual Financial Report

Section 10.554(1)(i)5.b., Rules of the Auditor General, requires that we report the results of our determination as to whether the annual financial report for the City for the fiscal year ended September 30, 2014, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2014. In connection with our audit, we determined that these two reports were in agreement.

Other Matters

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

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

Purpose of this Letter

Our Management Letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and 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.

Alberni Caballero & Fierman, LLP

Alberni Caballero & Fierman, LLP
Coral Gables, Florida
March 26, 2015



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INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH THE REQUIREMENTS OF SECTION 218.415 FLORIDA STATUTES IN ACCORDANCE WITH CHAPTER 10.550, RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

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

We have examined the City of Parkland, Florida, (the "City") compliance with the requirements of Section 218.415 Florida Statutes during the fiscal year ended September 30, 2014. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

Alberni Caballero & Fierman, LLP

Alberni Caballero & Fierman, LLP
Coral Gables, Florida
March 26, 2015



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