

City of Lauderdale Florida



CAFR

Comprehensive Annual Financial Report
For Year Ended September 30, 2012



Comprehensive Annual Financial Report

City of Lauderdale, Florida



For the Fiscal Year Ended September 30, 2012

Prepared by

City of Lauderdale Finance Department

Kennie Hobbs, Jr.
Director of Finance and Support Services

Sean Henderson
Deputy Finance Director

Karen Pottinger
Comptroller

CITY OF LAUDERHILL, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2012

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February 25, 2013

To the Honorable Mayor
Members of the City Commission, and
Citizens of Lauderhill:

The Comprehensive Annual Financial Report (CAFR) of the City of Lauderhill, Florida (the City), for the fiscal year ended September 30, 2012, is hereby submitted as mandated by both local ordinances and state statutes. The financial statements included in this report conform with generally accepted accounting principles (GAAP) and are 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 by a firm of licensed certified public accountants.

Management Responsibility

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the data, as presented, is accurate in all material respects; that is, the presentation fairly shows the financial position and results of the City's operations as measured by the financial activity of its various funds; and that the included disclosures will provide the reader with an understanding of the City's financial affairs.

Internal Control

Management of the City of Lauderhill is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City is protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of the financial statements in conformity with generally accepted accounting principles in the United States (GAAP). In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal control. Internal controls are designed to provide reasonable but not absolute assurance regarding: (1) safeguarding of assets against loss from unauthorized use or disposition and (2) reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes: (1) the cost of control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgment by management. All internal control evaluations occur within the above

framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of the proper recording of financial transactions.

Audit

The City's financial statements have been audited by Harvey, Covington & Thomas of South Florida, LLC. The goal of the independent auditor was to provide reasonable assurance that the financial statements for fiscal year ended September 30, 2012 are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors, based on their audit, rendered an unqualified opinion that the financial statements for the fiscal year ended September 30, 2012, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

In addition to the standard independent audit of the City's financial statements, this audit was performed as part of a broader, federally mandated "Single Audit", which is designed to meet the special needs of the federal grantor agencies. The standards governing single audit engagements require the independent auditors to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in a separately issued single audit report.

Financial Reporting Format

The City has prepared its CAFR using the financial reporting requirements as prescribed by Government Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments (GASB 34). This GASB Statement requires that Management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of Lauderhill was incorporated in 1959 and is governed by an elected mayor and four-member City Commission. The Mayor and Commissioners are elected city-wide and serve four-year terms. The City is administered under a commission-manager form of government whereby the Mayor and Commission hire a City Manager for administrative duties. The Commission is responsible for passing resolutions, which generally confirm or direct specific actions; and ordinances, which generally amend the City's permanent Code of Ordinances, for approving the annual budget and setting tax and assessment rates, for approving capital expenditures and all debt issued by the City, for appointing citizen boards

that assist and advise the Commission, and other related legislative duties. The City Manager is responsible for enacting the policies and actions approved by the Commission, for overseeing the daily operations of the City, and for appointing Department Directors and approving their staffing selections.

The City provides a full range of municipal services, including police and fire protection, parks and recreational programs such as swimming, youth sports, and tennis, cultural events and art instruction, a senior citizen community center and sponsored trips, water distribution and sewer and storm water collection, street and bridge repair, maintenance and lighting, public record maintenance, building inspection, business licensing, zoning regulation, code enforcement and grant programs for housing purchase and repairs.

The annual budget is the cornerstone of the City's financial planning and control. The Commission holds public hearings between **February** and **April** of each year to gather resident input for new projects and initiatives for the upcoming budget. Given general direction from the Commission following these meetings, Department Directors submit proposed departmental budgets to the City Manager in **May**. The City Manager reviews each proposal with the Directors and assembles a proposed budget that is delivered to the Commission by **July 1**.

The Commission holds public workshops in July to discuss and amend the City Manager's proposed budget. The final version of the proposed budget, including the proposed millage rate, is voted on in two public Commission meetings in September. The budget goes into effect October 1 and covers the fiscal year, which ends the following September 30th. During the fiscal year, the City Manager may approve transfers of funds among line items within a department, with the exception of **reductions in capital outlay line items, which requires Commission approval**. The Commission must also approve transfers between departments or supplemental appropriations that increase expenditures and revenues.

Economic Conditions and Outlook

Lauderhill is a mature community of approximately 66,887 year-round residents. That number increases to over 70,000 in the winter season, from December through March, as "snowbirds," primarily retirees from the northeastern United States and Canada, flock to their second homes in Lauderhill. Lauderhill's year-round residents include approximately 14,000 retirees, who are located throughout the City.

Working residents hold a range of jobs typical of those in the South Florida economy. These include positions in retail sales and other services, especially in the medical and tourism sectors, communications, municipal and county government, construction, and financial services. The broad base of Lauderhill's economy is representative of western Broward County, which is less dependent on tourism than the beach areas to the east.

Lauderhill's property tax base is primarily residential. The City has an industrial park with many small businesses operating in warehouses under 10,000 square feet but no large firms that comprise a significant portion of the tax base. Lauderhill's residential tax base is

rather evenly divided between single-family homes and multi-family condominiums and apartments. As shown in the Statistical Section of this CAFR, majority of largest property taxpayers in Lauderhill are apartment complexes.

Like most cities in South Florida, Lauderhill is recovering from the economic downturn that has affected most municipalities throughout the country. In fact, because of proactive changes to increase efficiencies and reduce operating costs, the City was able to navigate through the tough economic times with minimal impact on Fund Balance. The number of vacant homes and apartments in Lauderhill started to decline during the past year, thus resulting in the stabilization of utility taxes and franchise fees for electricity, water, and telecommunication collections in the current year and in our projections for 2013. Lauderhill's assessed valuation has slightly increased, resulting in the first increase in property value in the last four years. Cumulatively, the City's property assessed valuation reduced to nearly half of what it was in 2008. However, our investment in our community through improvements funded by the Great Neighborhoods Bond, the implementation of four Safe Neighborhood Districts, and the use of neighborhood Stabilization Program funding have resulted in the increase of property values throughout the City.

Major Initiatives and Capital Projects

During fiscal year 2012, evidence of the City's commitment to the continual improvement of all communities is demonstrated by maintaining and acquiring capital assets despite the slow economy. Landscaping and roadway improvements continued throughout the City. The Cultural Museum and Community center and John Mullen Community Center and Pool have been completed. With the exception of the \$5 million allocated for the Performing Arts Center, all other General Obligation Bond projects will be fully completed during the 2013 budget year, additional projects, included in the 5 Year CIP, should funding become available, includes; the replacement of a fire-rescue vehicle, police patrol vehicles, and ADA restroom renovations at various public facilities. The major capital initiative in the 2013 budget is the construction of fire station 110 to service the southeastern part of the City. The proposed station will be an estimated 13,000 square feet. A Police Sub Station, fueling facility, and a large training tower for police and fire rescue crews will be incorporated into the design. The facility will include shared workout and meeting rooms as part of a cost savings design. In addition, the City obtained two transportation grants from the federal government and Broward County to expand operations with additional routes and hours.

The City's main offices are located at 5581 W Oakland Park Boulevard or on the NE corner of W Oakland Park and Inverrary Boulevard. Our City Hall facility is a four-story facility with approximately 40,000 square feet of office and meeting space, and it features "green" or energy efficient components and is Lead Certified. As we progress the renaissance of Lauderhill, the City has made an ongoing commitment to improve the quality of life of its residents. The Central Broward Regional Park, a 110-acre multipurpose facility, which features sporting events such as football, soccer, basketball and netball games, as well as cricket matches. Additional park amenities include a water park, a public-art feature, and a future branch of the Broward County Library on-site. In addition, this location is the future

site of the City's Performing Arts Center, which will host live plays, musical and dance performances, visual arts and various educational and enrichment events.

The Community Redevelopment Agency contribution is set by the relative tax bases of the Central and East areas compared to their base year of 2005. For the Central area the tax base has decreased below zero, as a result, no funding is allocated other than the rental income received from the commercial tenants at Renaissance Plaza. These funds are sufficient to maintain the plaza and make minimal interest payment on debt used to purchase the plaza. The majority of East area revenue will be utilized to offset operating costs. As the Redevelopment Capital Program is no longer funded by Broward County, there are no other direct revenue sources available to the Agency.

Resulting from a successful grant application for Neighborhood Stabilization Funds, the City was awarded \$4.2 million to purchase dilapidated properties. As of 2012, the City acquired approximately 37 residential properties through the NSP program. The sites are slated for renovation and resale by the Lauderhill Housing Authority over the next year. The primary goal is to stabilize neighborhoods in the City of Lauderhill and encourage homeownership in the community. A substantial priority of the NSP program is the use green building techniques. As such, these features are evident in the renovated properties through the use of energy efficient appliances, air condition units and water conservation mechanisms. This is the final year for the City to receive funding for the Neighborhood Stabilization Program (NSP). Fund balances still available at the end of the current year will be re-appropriated to fiscal year 2013.

Long-term financial planning

Management constantly examine the strategic goals and objectives of the City of Lauderhill and implements policies that will assist in taking advantage of the opportunities that will lead the City to it's mission. The City's mission is to make the City a secure, clean, and desirable place to live, work, and visit by providing for a continually improving wide range of services; to encourage a community that retains and promotes employment opportunities, economic growth and improved quality of life, where people of diverse cultural backgrounds and incomes peacefully interrelate. The City utilizes long-term financial planning to identify future financial challenges and opportunities through financial forecasting and analysis, then, devise strategies based on the information to achieve financial sustainability. The goal of the annual budget and the five - year plan is to outline an operating and financing plan, which will provide for sound fiscal management through the allocation of limited resources. The capital improvement fund is dedicated to the management of capital project expenditures such as equipment, renovations and vehicle purchases. Construction costs are effectively monitored to achieve saving opportunities and outstanding qualities.

The City issued bonds, including five Sales Tax Revenue Bonds, three Utility Tax Bonds, six Water and Sewer Revenue Bonds, two Stormwater Revenue Bonds, a General Obligation Bond and one Line of Credit, to continually improve capital assets to better serve

the residents of our City. All of our bond issues are rated AAA by Standard and Poor's and Moody's, and are insured by Financial Guaranty Insurance Company, the Municipal Bond Insurance Association, or by AMBAC Indemnity Corporation. The total outstanding principal as of September 30, 2012 is \$39,888 thousand for the Sales Tax Bonds, \$24,050 thousand for the Water and Sewer Revenue Bonds, \$9,540 thousand for the Stormwater Bonds, \$28,155 thousand for the General Obligation Bonds and \$8,926 thousand for the Bank Line of Credit. With the exception of the Line of Credit, all remaining bonds have been issued between 2003 and 2012 to pay for capital projects or to refund earlier bond issues in an effort to take advantage of reduced interest rates. The outstanding debt is further detailed in the Notes to the Financial Statements. The debt service coverage required by the bond covenants is displayed in the Statistical Section of these statements.

In the Water and Sewer fund, funding is maintained for an ongoing liftstation rehabilitation program, the upgrade will assist in reducing maintenance and electricity costs. Funding is also provided for a water conservation plan and for a valve replacement program to improve system reliability and reduce water loss. In the Stormwater fund, the major capital initiative for 2012 is the debris removal and canal stabilization project. Rip raps will be installed to prevent erosion on several canals throughout the City.

Relevant financial policies

The City implemented an investment policy to provide framework for the management of investments and guidelines for prudent investment of the City's funds. The goals of the City's investment policy and investment management function are to enhance the economic status of the City and protect its funds.

The City established a fund balance/net asset policy to insure against unanticipated events that would adversely affect the financial condition of the City and jeopardize the continuation of necessary public service. This policy ensures that the City provides sufficient cash flow for daily financial needs, secures and maintains investment grade bond ratings, offsets significant economic downturns and revenue shortfalls, and provides funds for unforeseen expenditures related to emergencies.

Awards and Acknowledgements

The Government Finance Officers' Association (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lauderhill for its Comprehensive Annual Financial Report (CAFR) for fiscal year ended September 30, 2011. This is the twenty-fourth consecutive year (fiscal year ended September 30, 1988-2011) that the City has achieved this prestigious national award. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized Comprehensive Annual Financial Report. These reports satisfied both generally accepted accounting principles in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and the City is submitting it to GFOA to determine its eligibility for another Certificate.

The preparation of this report could not have been accomplished without the efficient and dedicated services of Karen Pottinger, Comptroller, Sean Henderson, Deputy Finance Director, and C. Borders–Byrd, CPA, Contracted Internal Auditor, as well as the entire staff of the Finance and Support Services Department. Karen Pottinger has the primary responsibility for maintaining the integrity of the accounting records during the year and overseeing the preparation of this Annual Report. The Finance staff also recognizes the City Commission and the City Manager for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Kennie Hobbs, Jr.
Director of Finance and Support Services

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Lauderhill
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2011

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



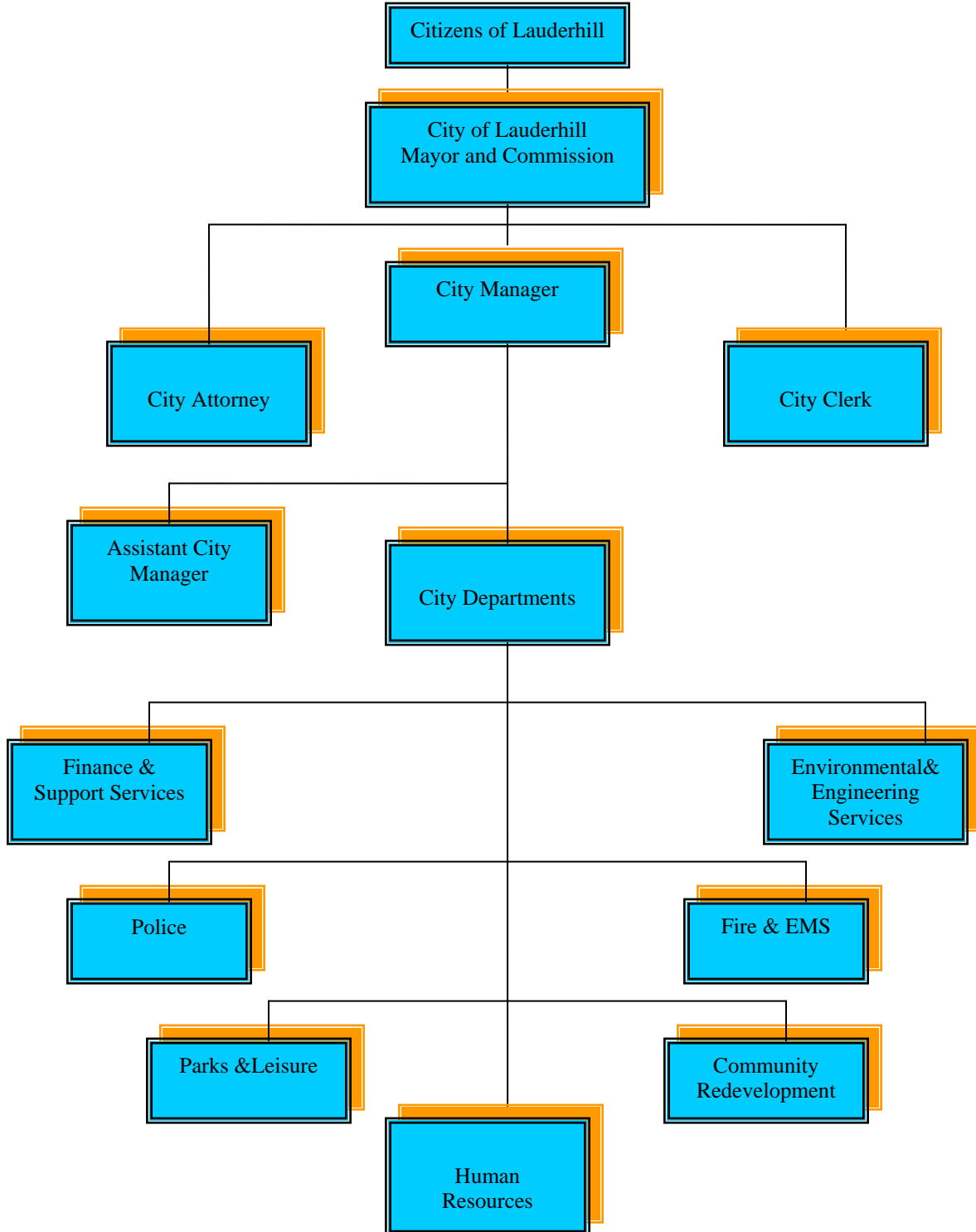
Christopher P. Masnick

President

Jeffrey R. Egan

Executive Director

City of Lauderhill, Florida



City of Lauderhill, Florida

Commission/Manager Form of Government



Mayor
Richard J. Kaplan

Vice Mayor – Ken Thurston
Commissioner – M. Margaret Bates
Commissioner – Hayward J. Benson, Jr.
Commissioner – Howard Berger

City of Lauderdale, Florida

Appointed City Officials

City Manager	<i>Charles Faranda</i>
Assistant City Manager	<i>Desorae Giles-Smith</i>
City Attorney	<i>W. Earl Hall</i>
City Clerk	<i>Andrea Anderson</i>
Community Redevelopment Director	<i>Donald Giancoli</i>
Department of Environmental & Engineering Services Director	<i>Charlie Cuyler</i>
Finance & Support Services Director	<i>Kennie Hobbs, Jr.</i>
Fire Chief	<i>Edward Curran</i>
Human Resources Director	<i>Reylon Fennel</i>
Parks & Leisure Services Director	<i>Irvin Kiffin</i>
Police Chief	<i>Andrew Smalling</i>

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members of
The City Commission
City of Lauderhill, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and aggregate remaining fund information of the City of Lauderhill, Florida as of and for the year ended September 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City of Lauderhill Firefighter retirement System, the City of Lauderhill Police Retirement System, and the City of Lauderhill Confidential Managerial Retirement System. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for the City of Lauderhill Firefighter retirement System, the City of Lauderhill Police Retirement System, and the City of Lauderhill Confidential Managerial Retirement System, are based solely on the reports of the other auditors.

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

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and aggregate remaining fund information of the City of Lauderhill, Florida as of September 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 1, 2013, on our consideration of the City of Lauderhill, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 14 through 24, the Budgetary Comparison Schedules on pages 74 through 74, and the Schedule of Funding Progress - Employee Retirement Systems on page 75, be presented to supplement the basic financial statements. Such information, although not required parts 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, and the other auditors, 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Lauderhill, Florida's basic financial statements as a whole. The introductory section, combining nonmajor fund financial statements and budgetary comparison schedules and the statistical section listed in the table of contents are presented for purposes of additional analysis and are not required parts of the basic financial statements. The combining 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 financial statements. The information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the reports of the other auditors, the information is fairly stated in all material respects in relation to the basic financial statements taken 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 it.



Hollywood, Florida
February 1, 2013

CITY OF LAUDERHILL, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED SEPTEMBER 30, 2012

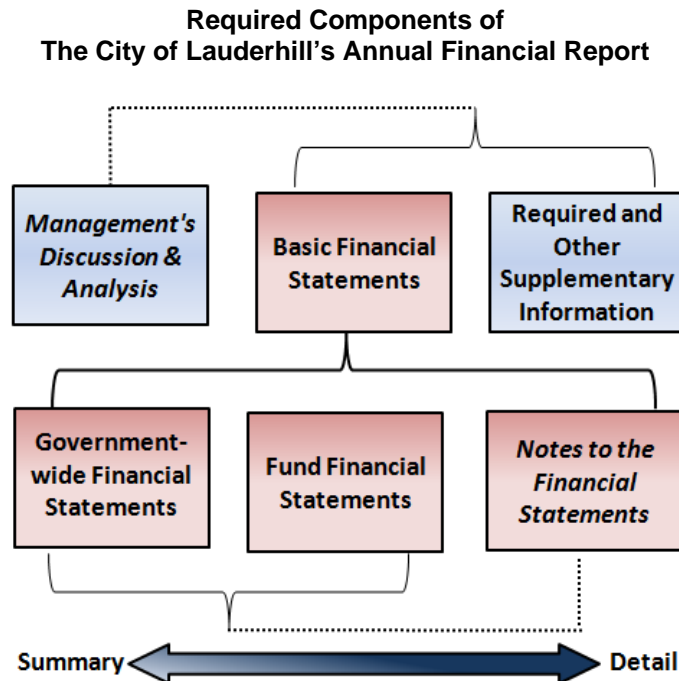
We, the management of the City of Lauderhill (the "City"), offer readers of the City's financial statement a narrative representation of the City's financial performance for fiscal year ended September 30, 2012. This discussion and analysis will provide an overview of the City's financial activities when read in conjunction with the transmittal letter on pages 1 through 7 and the City's financial statements, which begin on page 25.

FINANCIAL HIGHLIGHTS (in thousands)

- The assets of the City of Lauderhill exceeded its liabilities at the close of the most recent fiscal year by \$64,613 (net assets). Of this amount, \$29,815 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- During fiscal year 2012, the government's total net assets increased by \$3,358 to \$64,613. Governmental net assets decreased by \$4,162 (16.19 percent), while business-type activity net assets increased by \$7,520 (21.15 percent).
- During fiscal year 2012, revenues of all Governmental Funds totaled \$61,256 while expenditures (before other financing sources and uses) totaled \$67,156. As a result, Governmental Revenues were \$5,900 less than Governmental Fund Expenditures. Also, the City realized a decrease in total Governmental Funds Fund Balance (net of other financing sources and uses) of \$5,900 during fiscal year 2012.
- Business-type activities yielded a net operating income of \$3,650 and a gain in non-operating activities of \$3,869. During fiscal year 2012, operating revenues decreased by \$960 from fiscal year 2011, totaled \$21,680 compared to \$22,640 during 2011. The decrease in operating revenues is a result of lower utility consumption due to water conservation. The City continues to demonstrate strong revenues and earnings potential, which should allow for the issuance of additional debt to maintain and improve the current utility system while still maintaining sufficient funds for continued operations.
- The total operating cost for general government and enterprise fund services amounted to \$85,186 or \$3,361 (4.11 percent) more than fiscal year 2011. The General Government costs increased by more than \$3,966 and Enterprise costs decrease by \$615 during fiscal year 2012.
- As of the close of the current fiscal year, the General Fund reported an income of \$2,145 before other financing sources (uses) of \$(3,410). Comparing 2011 income to 2012, there is a decrease of \$335.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: (1) government-wide financial statements (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.



Government-wide Financial Statements The government-wide financial statements are designed to provide information about the activities of the City as a whole, in a manner similar to a private-sector business. Both long-term and short-term information regarding the City's finances are presented.

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as useful indicators of whether the financial position of the City is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities)

from other functions that are intended to recover all or a significant portion of their cost through user fees and charges (business activities). The governmental activities of the City include general government, public safety, public works, culture and recreation, and economic and community development. The business-type activities of the City include Water and Sewer, Stormwater and Performing Arts operations.

The government-wide financial statements can be found on pages 25-26 of this report.

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

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

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

The City maintains twelve (12) 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, community redevelopment agency fund and capital projects fund, which are considered to be major funds. Data from the other nine (9) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The basic governmental fund financial statements can be found on pages 27-30 of this report.

Proprietary funds. The City maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Water and Sewer, Stormwater, and Performing Arts operations.

Proprietary funds provide the same type of information as the government-wide

financial statements, only in more detail. The proprietary funds financial statements provide separate information for the Water and Sewer, Stormwater and Performing Arts operations, which are considered to be major funds of the City.

The basic proprietary fund financial statements can be found on pages 31-33 of this report.

Fiduciary funds. 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 statement because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 34-35 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 36 of this report.

Other Information In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension benefits to its employees and budgetary comparison schedules.

Required supplementary information can be found on pages 72-76 of this report.

The combining financial statements referred to previously in connection with nonmajor governmental funds, are presented immediately following the required supplementary information. Combining fund statements and schedules can be found beginning on page 77 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Our analysis of the financial statements of the City begins below. The Statement of Net Assets and the Statement of Activities report information about the City's activities that will help answer questions about the financial position and result of operations of the City. Information for both fiscal years ended 2011 and 2012 are presented for comparison purposes.

Statement of Net Assets

As noted previously, net assets, over time, serve as a useful indicator of a government's financial position. The schedule below summarizes the City of Lauderhill's net assets for fiscal years ended 2012 and 2011:

**City of Lauderdale
Net Assets
(In Thousands)**

	Governmental Activities		Business-type Activities		Total Government	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$24,790	\$31,834	\$28,428	\$20,309	\$53,218	\$52,143
Capital assets	81,225	81,698	57,856	55,449	139,081	137,147
Total assets	<u>106,015</u>	<u>113,532</u>	<u>86,284</u>	<u>75,758</u>	<u>192,299</u>	<u>189,290</u>
Long-term debt outstanding	80,208	83,576	41,272	38,285	121,480	121,861
Other liabilities	4,271	4,258	1,935	1,916	6,206	6,174
Total liabilities	<u>84,479</u>	<u>87,834</u>	<u>43,207</u>	<u>40,201</u>	<u>127,686</u>	<u>128,035</u>
Net assets:	<u>\$21,536</u>	<u>\$25,698</u>	<u>\$43,077</u>	<u>\$35,557</u>	<u>\$64,613</u>	<u>\$61,255</u>
Invested in capital assets, net of debt	\$13,182	\$22,183	\$16,583	\$17,164	\$29,765	\$39,347
Restricted	3,033	2,036	2,000	11,317	5,033	13,353
Unrestricted	5,321	1,479	24,494	7,076	29,815	8,555
Total net assets	<u>\$21,536</u>	<u>\$25,698</u>	<u>\$43,077</u>	<u>\$35,557</u>	<u>\$64,613</u>	<u>\$61,255</u>

The City's combined net assets were \$64,613 at the 2012 fiscal year end: \$21,536 for governmental activities and \$43,077 for business-type activities. This represents an increase of \$3,358 from fiscal year 2011 net assets, with the majority of the increase derived from significant canal stabilization improvements. For governmental activities, capital assets decreased by \$473 and restricted assets increased by \$997, while current and other assets decreased by \$7,044 from fiscal year 2011. The decrease in current and other assets is a result of resources utilized to decrease long - term debt outstanding and other obligations. Total assets for business-type activities increased by \$10,526 as compared to 2011.

The use of a portion of net assets is restricted and can not be used to meet the ongoing obligations of the City. For fiscal year 2012, restricted net assets equaled \$3,033 for governmental activities and \$2,000 for business-type activities. Unrestricted net assets of governmental activities represent \$5,321 or 24.71 percent of total net assets; while business-type activities unrestricted net assets are \$24,494 or 56.86 percent of total net assets; which can be used to meet the City's ongoing obligations to citizens and creditors.

Investment in capital assets (such as land, buildings, and equipment) is a significant portion of the restricted assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

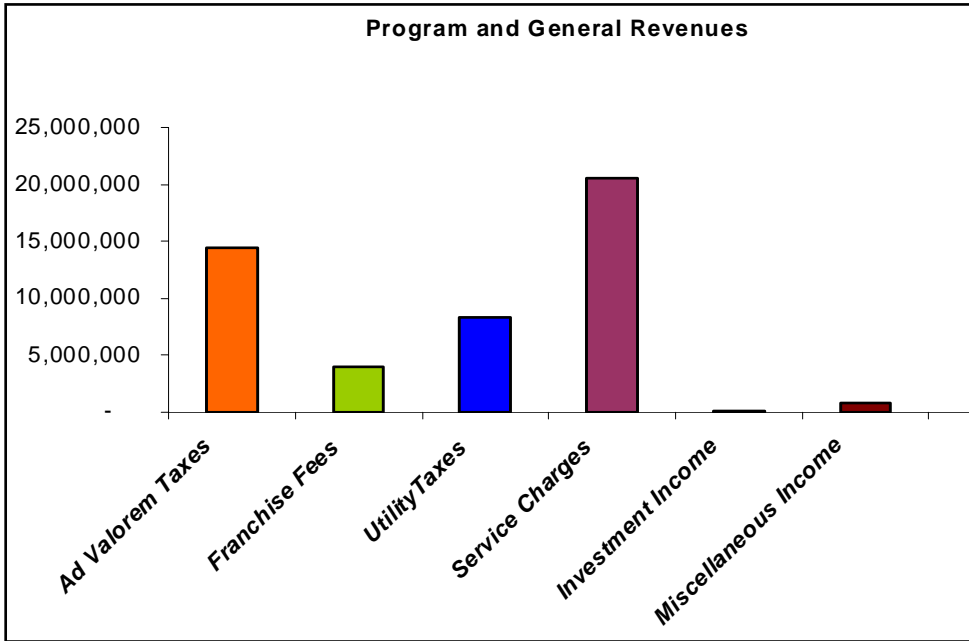
Long-term debt outstanding has increased in the business activities as a result of the City issuing debt to continue to finance capital improvements. At the end of the current fiscal year, the City is able to report positive balances of net assets as it relates to the government as a whole and business-type activities.

Statement of Activities

Governmental activities for the current fiscal year decreased net assets by \$4,162, primarily due to decrease in operating revenues relative to the overall operating expenses. The increase in charges for services is to provide efficient and adequate public safety to the residents of Lauderhill. Key elements of the changes in net assets are presented in the schedule below and described in the following section:

City of Lauderhill						
Change in Net Assets						
(In Thousands)						
	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>		<u>Government</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Revenues:						
Program revenues:						
Charges for services	\$20,565	\$14,555	\$21,680	\$22,201	\$42,245	\$36,756
Operating grants	3,233	4,055	-	-	3,233	4,055
Capital grants and contributions	-	655	2,622	-	2,622	655
General revenues:						
Property taxes	14,379	12,933	-	-	14,379	12,933
Other taxes	12,181	12,538	-	-	12,181	12,538
Other	10,898	11,916	2,462	473	13,360	12,389
Total revenues	<u>61,256</u>	<u>56,652</u>	<u>26,764</u>	<u>22,674</u>	<u>88,020</u>	<u>79,326</u>
Expenses:						
General government	12,627	12,419	-	-	12,627	12,419
Public safety	36,483	31,674	-	-	36,483	31,674
Public works	-	-	-	-	-	-
Physical environment	4,557	4,524	-	-	4,557	4,524
Transportation	2,549	1,203	-	-	2,549	1,203
Recreation and social services	6,415	8,605	-	-	6,415	8,605
Interest on long-term debt	2,787	2,476	-	-	2,787	2,476
Water and sewer	-	-	15,002	15,917	15,002	15,917
Stormwater	-	-	4,242	4,267	4,242	4,267
Performing arts	-	-	-	39	-	39
Total expenses	<u>65,418</u>	<u>60,901</u>	<u>19,244</u>	<u>20,223</u>	<u>84,662</u>	<u>81,124</u>
Increase (decrease) in net assets	(4,162)	(4,249)	7,520	2,451	3,358	(1,798)
Net assets, October 1	<u>25,698</u>	<u>29,947</u>	<u>35,557</u>	<u>33,106</u>	<u>61,255</u>	<u>63,053</u>
Net assets, September 30	<u>\$21,536</u>	<u>\$25,698</u>	<u>\$43,077</u>	<u>\$35,557</u>	<u>\$64,613</u>	<u>\$61,255</u>

Governmental Activities



- Property taxes revenue increased in the governmental activities by \$1,446 thousand (11.18 percent) during fiscal year 2012 compared to fiscal year 2011. The millage rate increased from 5.96 to 6.82 in 2012.
- The increase in capital grant and contribution of \$2,622 in the Business-type activities is a federal grant to the City for

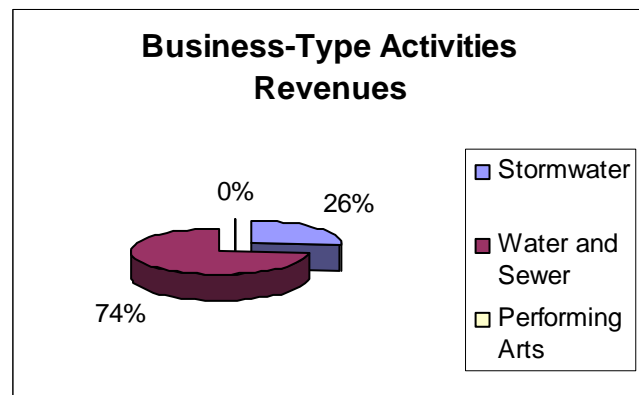
the removal of debris and stabilization of canal banks .

- Public safety expenses increased by \$4,809 when compared to fiscal year 2011.

Business-type Activities

Business-type activities for the year resulted in an increase in net assets of \$7,520. Key elements of this change are as follows:

- The Stormwater Utility revenues exceeded total expenses by \$3,583.
- The Water and Sewer Utility increased net assets by \$1,531.
- The Performing Arts change in net assets was \$2,406.



FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

The City of Lauderhill uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The table below summarizes the significant changes in the fund balances of the City’s governmental funds:

Governmental Funds				
(In Thousands)				
	<u>General</u>	<u>Capital Projects</u>	<u>Other Funds</u>	<u>Total Governmental</u>
Fund balance, September 30, 2011	\$10,256	\$9,995	\$785	\$21,036
Revenues	55,927	2,186	3,142	61,255
Expenditures	(53,782)	(4,406)	(8,968)	(67,156)
Other financing sources(uses)	(3,410)	(3,022)	6,432	0
Fund balance, September 30, 2012	<u>\$8,991</u>	<u>\$4,753</u>	<u>\$1,391</u>	<u>\$15,135</u>

Governmental Funds

As discussed previously, the purpose of the City’s governmental funds is to provide information on near-term inflows, outflows, and balances of available resources relative to the City’s funding requirements. Unassigned fund balances serve as the most useful measure of the City’s net resources available for spending at the end of the fiscal year.

As the City completed the year, its governmental funds reported a combined fund balance of \$15,135 with general fund representing \$8,991. Of the \$8,991 general fund balance \$932 is assigned, leaving a \$7,297 unassigned fund balance at year-end.

The capital projects fund had a fund balance of \$4,753 at year-end, down by \$5,241 in fiscal year 2012. The primary reason for the decrease is the utilization of funds to complete various capital projects throughout the City. Fund balance in the capital projects fund is directly affected by the pace at which capital projects are completed. Funding comes from the issuance of debt and is budgeted, sometimes over multiple fiscal years, for the construction of specific projects.

General Fund Budgetary Highlights

The City Commission approves the original budget (Adopted Budget) in September prior to the beginning of the fiscal year. The final budget (Amended Budget) reflects divisional changes made administratively and approved by the City Manager and departmental changes and supplemental appropriations approved by the City Commission during the year.

Actual General Fund revenues for fiscal year 2012 were above final budget by \$957 thousand. This is due to an overall increase in revenue than anticipated. Actual expenditures for the year were approximately \$1,337 thousand less than the final budget or 2.43% below. The major expenditure variance between the final budget and actual budget in the general fund is reflected in General government, which is due to a decrease in insurance expenditures.

Capital Assets

The City’s investment in capital assets for its governmental and business-type activities as of September 30, 2012, amounts to \$139,083 (net of accumulated depreciation). This investment in capital assets includes land, buildings, water distribution and sewer collection, storm drainage systems, park improvements, equipment, and street improvements, which are detailed (net of accumulated depreciation) as follows:

City of Lauderhill						
Capital Assets (net of depreciation)						
(In Thousands)						
	Governmental		Business-type		Total	
	Activities		Activities		Government	
	2012	2011	2012	2011	2012	2011
Land	\$ 26,732	\$ 27,099	\$ 349	\$ 349	\$ 27,081	\$ 27,448
Building	18,893	15,524	18,934	18,888	37,827	34,412
Machinery and equipment	2,626	2,833	180	123	2,806	2,956
Improvements(other than buildings)	28,192	27,426	19,915	15,327	48,107	42,753
Infrastructure	4,496	4,744	16,416	17,007	20,912	21,751
Construction-in-progress	287	4,072	2,063	3,755	2,350	7,827
	<u>\$ 81,226</u>	<u>\$ 81,698</u>	<u>\$ 57,857</u>	<u>\$ 55,449</u>	<u>\$ 139,083</u>	<u>\$ 137,147</u>

The City has developed various capital improvement programs to improve the quality of life of its residents. Major projects included wastewater and storm water improvements, street repaving and landscaping renovations, improvements to parks, the construction of two new community centers, and expansion and renovations to existing fire

departments and community centers.

Additional information on the City's capital assets can be found in the notes to the financial statements on pages 55-57 of this report.

DEBT ADMINISTRATION

At the end of the current fiscal year, the City has total long-term debt outstanding of \$118,830. Business-type Activities debt increased net by \$2,987 as a result of bond issued to finance capital investments.

City of Lauderdale Outstanding Debt (In Thousands)						
	Governmental Activities		Business-type Activities		Total Government	
	2012	2011	2012	2011	2012	2011
General Obligation Bonds	\$ 28,155	\$ 29,205	\$ -	\$ -	\$ 28,155	\$ 29,205
Revenue Bonds	39,888	41,505	33,590	30,085	73,478	71,590
State Revolving Fund	-	-	7,682	8,200	7,682	8,200
Capital Leases	576	736	-	-	576	736
Insurance claim payable	13	5	-	-	13	5
Bank Lines of Credit	8,926	8,926	-	-	8,926	8,926
	<u>\$ 77,558</u>	<u>\$ 80,377</u>	<u>\$ 41,272</u>	<u>\$ 38,285</u>	<u>\$ 118,830</u>	<u>\$ 118,662</u>

Additional information on the City's long-term debt can be found in the notes to the financial statements on pages 59-62.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

In the fiscal year 2013 budget, general fund revenues are budgeted to increase by \$1,620 thousand, or 2.83% when compared to fiscal year 2012. General fund property taxes make up approximately 21.62% of general fund budgeted revenues and are projected to increase by \$500 thousand or 4.28% from fiscal year 2012. This is due to increase in the millage rate from 6.3198 to 7.4198 mills per \$1,000 of taxable value. There is no significant increase to General fund expenditures for fiscal year 2013 when compared to 2012.

Budgeted revenues for the Water and Sewer and Stormwater funds are expected to increase by at least 4.20% as a result of rate structuring. This increase is necessary to ensure that sufficient revenues are available to meet current and future debt obligation payments and to cover capital assets renovation expenses.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Lauderhill's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City of Lauderhill, Finance Department, 5581 W. Oakland Park Boulevard, Suite 241 Lauderhill, Florida, 33313. Information may also be found at our website at www.lauderhill-fl.gov.

CITY OF LAUDERHILL, FLORIDA
STATEMENT OF NET ASSETS
September 30, 2012

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Cash and equity in pooled cash and investments	\$ 6,049,416	\$ 7,923,409	\$ 13,972,825
Accounts receivable - net	4,721,050	5,253,801	9,974,851
Due from other governments	5,633,096	1,802,429	7,435,525
Internal balances	(3,621,130)	3,621,130	-
Inventories	219,609	59,480	279,089
Restricted assets:			
Equity in pooled cash and investments	1,058,019	2,904,963	3,962,982
Land held for investment	2,888,575	-	2,888,575
Other assets	1,374,562	-	1,374,562
Deferred charges, net	1,208,330	495,994	1,704,324
Due from related entity	5,258,806	6,366,972	11,625,778
Non-depreciable assets-			
Land	26,731,807	349,010	27,080,817
Construction in progress	286,544	2,063,067	2,349,611
Depreciable assets-net	<u>54,206,441</u>	<u>55,443,752</u>	<u>109,650,193</u>
Total assets	<u>106,015,125</u>	<u>86,284,007</u>	<u>192,299,132</u>
 LIABILITIES			
Accounts payable and accrued expenses	572,053	1,092,882	1,664,935
Accrued interest payable	1,082,533	691,429	1,773,962
Accrued payroll	817,015	98,526	915,541
Customer deposits	27,845	51,985	79,830
Unearned revenue	1,758,157	-	1,758,157
Noncurrent liabilities:			
Net OPEB obligation	824,000	-	824,000
The amount due in one year	3,451,835	2,062,824	5,514,659
The amount due in more than one year	<u>75,945,174</u>	<u>39,209,613</u>	<u>115,154,787</u>
Total Liabilities	<u>84,478,612</u>	<u>43,207,259</u>	<u>127,685,871</u>
 NET ASSETS			
Invested in capital assets, net of related debt	13,181,792	16,583,392	29,765,184
Restricted for:			
Renewal and replacement	-	2,000,000	2,000,000
Social services	460,540	-	460,540
Debt service	2,572,800	-	2,572,800
Unrestricted	<u>5,321,381</u>	<u>24,493,356</u>	<u>29,814,737</u>
Total Net Assets	<u>\$ 21,536,513</u>	<u>\$ 43,076,748</u>	<u>\$ 64,613,261</u>

The notes to the financial statements are an integral part of this statement.

CITY OF LAUDERHILL, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS		
	Expenses	Charges for services	Operating grants and contributions	Capital grants and contributions	Governmental activities	Business-type activities	Total
Functions/programs							
Primary Government:							
Governmental activities:							
General government	\$ 12,627,083	\$ 2,676,589	\$ 381,477	\$ -	\$ (9,569,017)	\$ -	\$ (9,569,017)
Public safety	36,483,202	17,713,085	629,386	-	(18,140,731)	-	(18,140,731)
Physical environment	4,556,731	-	140,500	-	(4,416,231)	-	(4,416,231)
Transportation	2,548,863	80,771	310,032	-	(2,158,060)	-	(2,158,060)
Recreation and social services	6,415,018	94,961	1,772,287	-	(4,547,770)	-	(4,547,770)
Interest on long-term debt	2,786,822	-	-	-	(2,786,822)	-	(2,786,822)
Total governmental activities	65,417,719	20,565,406	3,233,682	-	(41,618,631)	-	(41,618,631)
Business-type activities:							
Water & Sewer	15,002,150	15,978,038	-	517,116	-	1,493,004	1,493,004
Stormwater	4,242,358	5,701,690	-	2,105,072	-	3,564,404	3,564,404
Performing Arts	-	-	-	-	-	-	-
Total business-type activities	19,244,508	21,679,728	-	2,622,188	-	5,057,408	5,057,408
Total primary government	\$ 84,662,227	\$ 42,245,134	\$ 3,233,682	\$ 2,622,188	(41,618,631)	5,057,408	(36,561,223)
General revenues:							
Property taxes, levied for general purpose					14,379,270	-	14,379,270
Franchise taxes					3,912,249	-	3,912,249
Public service taxes					8,268,066	-	8,268,066
Unrestricted intergovernmental					10,073,112	-	10,073,112
Investment income					117,479	56,318	173,797
Miscellaneous					706,718	2,406,056	3,112,774
Total general revenues					37,456,894	2,462,374	39,919,268
Change in net assets					(4,161,737)	7,519,782	3,358,045
Net assets, October 1,					25,698,250	35,556,966	61,255,216
Net assets, September 30,					\$ 21,536,513	\$ 43,076,748	\$ 64,613,261

The notes to the financial statements are an integral part of this statement.

CITY OF LAUDERHILL, FLORIDA
Balance Sheet
Governmental Funds
September 30, 2012

	MAJOR FUNDS				TOTAL GOVERNMENTAL FUNDS
	General	Community Redevelopment Agency	Capital Projects	Other Nonmajor Governmental Funds	
ASSETS					
Cash and equity in pooled cash and investments	\$ 2,699,147	\$ 217,715	\$ 1,684,525	\$ 1,448,029	\$ 6,049,416
Accounts receivable - net	4,717,650	3,400	-	-	4,721,050
Due from other funds	-	-	3,022,448	-	3,022,448
Due from other governments	3,117,770	-	46,400	2,468,926	5,633,096
Inventories	219,609	-	-	-	219,609
Restricted assets:					
Equity in pooled cash and investments	-	-	-	1,058,019	1,058,019
Land held for investment	-	2,888,575	-	-	2,888,575
Other assets	1,368,049	-	-	6,513	1,374,562
Total assets	<u>\$ 12,122,225</u>	<u>\$ 3,109,690</u>	<u>\$ 4,753,373</u>	<u>\$ 4,981,487</u>	<u>\$ 24,966,775</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued expenses	\$ 523,508	\$ -	\$ -	\$ 48,545	\$ 572,053
Accrued payroll	808,618	1,810	-	6,587	817,015
Notes payable	-	3,621,130	-	-	3,621,130
Due to other funds	-	148,828	-	2,873,620	3,022,448
Customer deposits	27,845	-	-	-	27,845
Unearned revenue	1,758,157	-	-	-	1,758,157
Insurance claims payable	12,835	-	-	-	12,835
Total liabilities	<u>3,130,963</u>	<u>3,771,768</u>	<u>-</u>	<u>2,928,752</u>	<u>9,831,483</u>
Fund balances:					
Nonspendable:					
Inventories	219,609	2,888,575	-	-	3,108,184
Restricted for:					
Social services	542,471	565	-	-	543,036
Committed for:					
Capital projects	-	-	4,753,373	-	4,753,373
Assigned:					
Natural disaster	500,000	-	-	-	500,000
Debt reserve	432,248	-	-	2,052,735	2,484,983
Unassigned:					
General fund	7,296,934	-	-	-	7,296,934
Community redevelopment agency	-	(3,551,218)	-	-	(3,551,218)
Total fund balances (deficit)	<u>8,991,262</u>	<u>(662,078)</u>	<u>4,753,373</u>	<u>2,052,735</u>	<u>15,135,292</u>
Total liabilities and fund balances	<u>\$ 12,122,225</u>	<u>\$ 3,109,690</u>	<u>\$ 4,753,373</u>	<u>\$ 4,981,487</u>	<u>\$ 24,966,775</u>

The notes to the financial statements are an integral part of this statement.

CITY OF LAUDERHILL, FLORIDA
 Reconciliation of the Balance Sheet of Governmental Funds
 To the Statement of Net Assets
 September 30, 2012

Fund balances - total government funds \$ 15,135,292

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

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

Governmental capital assets, net 81,224,792

Funds due from related entity 5,258,806

Deferred charges for issuance cost, net 1,208,330

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

2003 Sales Tax Bonds	(4,110,000)	
2005 Sales Tax Bonds	(2,425,000)	
2010 Sales Tax Bonds	(6,390,000)	
2011-A Sales BB&T	(2,595,000)	
2011-B Sales BB&T	(3,700,000)	
Water Utility Tax Bonds	(9,473,000)	
2005 General Obligation Bonds	(28,155,000)	
Communication Service Tax Bonds	(11,195,000)	
Bank Line of Credit	(8,926,039)	
Net OPEB obligation	(824,000)	
Capital Lease	(576,224)	
Accrued interest	(1,082,533)	
Compensated absences	(1,838,911)	
	(81,290,707)	(81,290,707)

Net assets of governmental activities \$ 21,536,513

The notes to the financial statements are an integral part of this statement.

CITY OF LAUDERHILL, FLORIDA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2012

	MAJOR FUNDS				TOTAL GOVERNMENTAL FUNDS
	General	Community Redevelopment Agency	Capital Projects	Other Nonmajor Governmental Funds	
REVENUES					
Taxes:					
Property taxes	\$ 11,667,254	\$ -	\$ 2,160,878	\$ 551,138	\$ 14,379,270
Franchise taxes	3,912,249	-	-	-	3,912,249
Public service taxes	8,268,066	-	-	-	8,268,066
Charges for services	16,963,862	-	-	-	16,963,862
Administrative charges	5,073,029	-	-	-	5,073,029
Intergovernmental	6,594,679	-	16,799	1,622,288	8,233,766
Licenses and permits	2,222,920	-	-	-	2,222,920
Fines and forfeitures	572,893	-	-	805,730	1,378,623
Investment income	45,802	25	8,746	62,906	117,479
Rental income	269,668	99,647	-	-	369,315
Miscellaneous	336,930	-	473	-	337,403
Total revenues	55,927,352	99,672	2,186,896	3,042,062	61,255,982
EXPENDITURES					
Current:					
General government	9,663,191	189,856	2,407,181	10,535	12,270,763
Public safety	35,110,128	-	-	314,717	35,424,845
Physical environment	4,339,131	-	-	-	4,339,131
Transportation	2,078,314	-	-	-	2,078,314
Recreation and social services	2,591,515	-	-	2,509,493	5,101,008
Debt service:					
Principal retirement	-	-	-	2,824,579	2,824,579
Interest and issuance cost	-	-	-	1,704,290	1,704,290
Capital Outlay:					
Buildings	-	-	1,137,438	-	1,137,438
Improvements	-	-	353,617	1,059,932	1,413,549
Machinery & equipment	-	-	507,784	354,752	862,536
Total Expenditures	53,782,279	189,856	4,406,020	8,778,298	67,156,453
Excess (deficiency) of revenues over (under) expenditures	2,145,073	(90,184)	(2,219,124)	(5,736,236)	(5,900,471)
OTHER FINANCING SOURCES (USES)					
Transfers in	157,230	169,694	504,036	6,407,095	7,238,055
Transfers out	(3,566,961)	(98,109)	(3,526,164)	(46,821)	(7,238,055)
Total Other Financing Sources (Uses)	(3,409,731)	71,585	(3,022,128)	6,360,274	-
Net change in fund balances	(1,264,658)	(18,599)	(5,241,252)	624,038	(5,900,471)
Fund balances (deficit) - beginning	10,255,920	(643,479)	9,994,625	1,428,697	21,035,763
Fund balances (deficit) - ending	\$ 8,991,262	\$ (662,078)	\$ 4,753,373	\$ 2,052,735	\$ 15,135,292

The notes to the financial statements are an integral part of this statement.

CITY OF LAUDERHILL, FLORIDA
 Reconciliation of the Statement of Revenues
 Expenditures, and Changes in Fund Balances of Governmental Funds
 To the Statement of Activities
 For the Year Ended September 30, 2012

Changes in fund balances - total government funds (5,900,471)

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

Net change in fund balances

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 and reported as depreciation expense.

Expenditures for capital outlays	3,413,523	
Less current year depreciation	<u>(3,519,612)</u>	(106,089)

The issuance of long-term debt (e.g. bonds) provides current financial
resources to governmental funds, while the repayment of the principal of
long-term debt consumes the current financial resources of governmental funds.
Neither transaction, however, has any effect on net assets. Also, governmental
funds report the effect of issuance costs, premiums, discounts, and similar
items when debt is first issued, whereas these amounts are deferred and amortized
in the statement of activities. This amount is the net effect of these differences
in the treatment of long-term debt and related items.

Amortization of issuance costs	(73,743)	
Principal repayments	<u>2,824,579</u>	2,750,836

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

(906,013)

Change in net assets of governmental activities \$ (4,161,737)

The notes to the financial statements are an integral part of this statement.

CITY OF LAUDERHILL, FLORIDA
Statement of Net Assets
Proprietary Funds
September 30, 2012

ASSETS	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS-MAJOR FUNDS			
	Water & Sewer	Stormwater	Performing Arts	Total
Current assets:				
Cash and equity in pooled cash and investments	\$ 5,064,529	\$ 1,950,579	\$ 908,301	\$ 7,923,409
Accounts receivable - net	5,253,801	-	-	5,253,801
Notes receivable	3,621,130	-	-	3,621,130
Due from related entity	6,366,972	-	-	6,366,972
Due from other government	-	1,802,429	-	1,802,429
Inventories	59,480	-	-	59,480
Total current assets	20,365,912	3,753,008	908,301	25,027,221
Non-current assets:				
Restricted Assets:				
Equity in pooled cash and investments	1,983,529	921,434	-	2,904,963
Deferred charges	495,994	-	-	495,994
Capital assets:				
Land	349,010	-	-	349,010
Buildings	30,409,190	2,081,643	-	32,490,833
Improvements other than building	7,925,399	21,611,553	-	29,536,952
Machinery and equipment	4,610,447	1,067,258	-	5,677,705
Infrastructure	18,876,918	8,425,782	-	27,302,700
Construction in progress	155,978	8,584	1,898,505	2,063,067
Less accumulated depreciation	(29,030,014)	(10,534,424)	-	(39,564,438)
Total capital assets (net of accumulated depreciation)	<u>33,296,928</u>	<u>22,660,396</u>	<u>1,898,505</u>	<u>57,855,829</u>
Total non-current assets	35,776,451	23,581,830	1,898,505	61,256,786
Total Assets	56,142,363	27,334,838	2,806,806	86,284,007
LIABILITIES				
Current Liabilities:				
Accounts payable and accrued expenses	657,740	435,142	-	1,092,882
Accrued payroll	78,033	20,493	-	98,526
Accrued interest payable	396,056	295,373	-	691,429
Bonds payable - current portion	1,100,000	435,000	-	1,535,000
Loans payable-current portion	13,747	514,077	-	527,824
Customer deposits	51,985	-	-	51,985
Total current liabilities	2,297,561	1,700,085	-	3,997,646
Non-current liabilities:				
Bonds payable - noncurrent	22,950,000	9,105,000	-	32,055,000
Loans payable-noncurrent	312,066	6,842,547	-	7,154,613
Total noncurrent liabilities	23,262,066	15,947,547	-	39,209,613
Total Liabilities	25,559,627	17,647,632	-	43,207,259
NET ASSETS				
Invested in capital assets, net of related debt	8,921,115	5,763,772	1,898,505	16,583,392
Restricted for:				
Renewal and replacement	2,000,000	-	-	2,000,000
Unrestricted	<u>19,661,621</u>	<u>3,923,434</u>	<u>908,301</u>	<u>24,493,356</u>
Total Net Assets	\$ 30,582,736	\$ 9,687,206	\$ 2,806,806	\$ 43,076,748

The notes to the financial statements are an integral part of this statement.

CITY OF LAUDERHILL, FLORIDA
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended September 30, 2012

	BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS-MAJOR FUNDS			
	Water & Sewer	Stormwater	Performing Arts	Total
OPERATING REVENUES				
Charges for services	\$ 15,974,413	\$ 5,701,690	\$ -	\$ 21,676,103
Connection fees	3,625	-	-	3,625
Total Operating Revenues	<u>15,978,038</u>	<u>5,701,690</u>	<u>-</u>	<u>21,679,728</u>
OPERATING EXPENSES				
Personal services	3,104,992	1,244,862	-	4,349,854
Administrative expenses	3,972,231	858,318	-	4,830,549
Contractual services	4,690,251	54,904	-	4,745,155
Utilities	426,909	53,147	-	480,056
Repairs and maintenance	146,409	149,179	-	295,588
Materials and supplies	463,677	318,934	-	782,611
Insurance claims and expenses	-	885	-	885
Depreciation and amortization	1,353,637	1,191,072	-	2,544,709
Total Operating Expenses	<u>14,158,106</u>	<u>3,871,301</u>	<u>-</u>	<u>18,029,407</u>
Operating income	<u>1,819,932</u>	<u>1,830,389</u>	<u>-</u>	<u>3,650,321</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	38,348	17,949	21	56,318
Interest expense and fees	(844,044)	(371,057)	-	(1,215,101)
Other income	517,116	2,105,072	2,406,056	5,028,244
Total Nonoperating Revenues (Expenses)	<u>(288,580)</u>	<u>1,751,964</u>	<u>2,406,077</u>	<u>3,869,461</u>
Change in net assets	1,531,352	3,582,353	2,406,077	7,519,782
NET ASSETS, OCTOBER 1	<u>29,051,384</u>	<u>6,104,853</u>	<u>400,729</u>	<u>35,556,966</u>
NET ASSETS, SEPTEMBER 30	<u>\$ 30,582,736</u>	<u>\$ 9,687,206</u>	<u>\$ 2,806,806</u>	<u>\$ 43,076,748</u>

The notes to the financial statements are an integral part of this statement.

CITY OF LAUDERHILL, FLORIDA
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2012

	BUSINESS TYPE ACTIVITIES ENTERPRISE FUNDS			
	<u>Water & Sewer</u>	<u>Stormwater</u>	<u>Performing Arts</u>	<u>TOTAL</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers, other government and users	\$ 16,845,748	\$ 3,915,628	\$ -	\$ 20,761,376
Payments for interfund activities	(3,972,231)	(858,318)	-	(4,830,549)
Cash paid to suppliers	(6,169,249)	(141,022)	-	(6,310,271)
Cash paid to employees	(3,076,771)	(1,246,684)	-	(4,323,455)
Net Cash Provided by Operating Activities	<u>3,627,497</u>	<u>1,669,604</u>	<u>-</u>	<u>5,297,101</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Advances from other funds	-	-	2,406,056	2,406,056
Transfer to other funds	(868,839)	-	(1,403,449)	(2,272,288)
Net Cash Provided by noncapital and related financing activities	<u>(868,839)</u>	<u>-</u>	<u>1,002,607</u>	<u>133,768</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from capital debt	5,000,000	-	-	5,000,000
Cash from other governmental grants	517,116	2,105,072	-	2,622,188
Acquisition and construction of capital assets	(1,452,988)	(3,372,646)	(125,857)	(4,951,491)
Principal retirements of long-term debt	(1,093,209)	(919,690)	-	(2,012,899)
Interest paid on long-term debt	(877,199)	(375,816)	-	(1,253,015)
Net Cash Provided (used) by Capital and Related Financing Activities	<u>2,093,720</u>	<u>(2,563,080)</u>	<u>(125,857)</u>	<u>(595,217)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on investments	38,348	17,949	21	56,318
Net Cash Provided by Investing Activities	<u>38,348</u>	<u>17,949</u>	<u>21</u>	<u>56,318</u>
NET INCREASE(DECREASE) IN POOLED CASH AND CASH EQUIVALENTS	4,890,726	(875,527)	876,771	4,891,970
POOLED CASH AND CASH EQUIVALENTS, OCTOBER 1	<u>2,157,332</u>	<u>3,747,540</u>	<u>31,530</u>	<u>5,936,402</u>
POOLED CASH AND CASH EQUIVALENTS, SEPTEMBER 30	<u>\$ 7,048,058</u>	<u>\$ 2,872,013</u>	<u>\$ 908,301</u>	<u>\$ 10,828,372</u>
POOLED CASH AND CASH EQUIVALENTS PER STATEMENT OF NET ASSETS				
Unrestricted	\$ 5,064,529	\$ 1,950,579	\$ 908,301	\$ 7,923,409
Restricted	1,983,529	921,434	-	2,904,963
TOTAL, SEPTEMBER 30	<u>\$ 7,048,058</u>	<u>\$ 2,872,013</u>	<u>\$ 908,301</u>	<u>\$ 10,828,372</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating Income	\$ 1,819,932	\$ 1,830,389	\$ -	\$ 3,650,321
Adjustments to reconcile operating income to net Cash provided by Operating Activities:				
Depreciation and amortization	1,353,637	1,191,072	-	2,544,709
Change in Assets and Liabilities:				
(Increase) decrease in accounts receivable-net	848,014	13,322	-	861,336
(Increase) decrease due from other governments	2,101	(1,799,384)	-	(1,797,283)
(Increase) decrease in inventories	(6,549)	-	-	(6,549)
Increase (decrease) in accounts payable and accrued expenses	(435,454)	435,142	-	(312)
Increase (decrease) in accrued payroll	28,221	(937)	-	27,284
Increase (decrease) in customer deposit	17,595	-	-	17,595
Total adjustments	<u>1,807,565</u>	<u>(160,785)</u>	<u>-</u>	<u>1,646,780</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 3,627,497</u>	<u>\$ 1,669,604</u>	<u>\$ -</u>	<u>\$ 5,297,101</u>

The notes to the financial statements are an integral part of this statement.

CITY OF LAUDERHILL, FLORIDA
Statement of Fiduciary Net Assets
Fiduciary Funds
September 30, 2012

	Pension Trust Funds
ASSETS	
Cash and short-term investments	\$ 4,117,217
Receivables:	
Due from broker	25,506
Interest and dividends	219,820
Receivable for securities sold	149,083
Contributions	<u>432,559</u>
Total Receivables	<u>826,968</u>
Prepays	2,596
Investments, at fair value	
Corporate bonds and notes	23,429,291
Mutual funds	13,008,317
Common stocks	50,242,727
International equity funds	13,751,771
Note receivable	2,400,000
Real estate funds	<u>4,575,103</u>
Investments, at fair value	<u>107,407,209</u>
Total Assets	<u>112,353,990</u>
LIABILITIES	
Accounts payable and accrued expenses	146,744
Deferred revenues/future benefits	2,210,525
Payable for securities purchased	69,674
Prepaid note receivable interest	17,500
Prepaid city contributions	<u>5,194</u>
Total Liabilities	<u>2,449,637</u>
NET ASSETS	
Held in trust for pension benefits	<u>\$ 109,904,353</u>

The notes to the financial statements are an integral part of this statement.

CITY OF LAUDERHILL, FLORIDA
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended September 30, 2012

	Pension Trust Funds
ADDITIONS	
Contributions:	
City	\$ 8,424,690
Plan members	3,411,700
State revenue	744,287
Total contributions	12,580,677
Investment income:	
Net appreciation in fair value of investments	14,749,675
Interest and dividend income	2,812,863
Total investment income	17,562,538
Less: Investment expenses	527,979
Deferred retirement option plan	107,348
Net investment income	16,927,211
Total additions	29,507,888
DEDUCTIONS	
Benefits paid	7,520,543
Administrative expenses	462,412
Refunds of contributions	189,936
Total deductions	8,172,891
CHANGE IN NET ASSETS	21,334,997
NET ASSETS, OCTOBER 1	88,569,356
NET ASSETS, SEPTEMBER 30	\$ 109,904,353

The notes to the financial statements are an integral part of this statement.

City of Lauderdale, Florida
Notes to the Financial Statements
For the Fiscal Year Ended September 30, 2012

NOTE 1 –SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

A. Financial reporting entity

The City of Lauderdale, Florida (the “City”) is located in Broward County, Florida and is a municipal corporation that was incorporated in 1959 pursuant to the Laws of Florida 59-1487. The City is governed by a five-member commission with an elected Mayor. The City Commission is responsible for the appointment of the City Manager, who is charged with overseeing the operations of the City. The City provides the following services pursuant to the City Charter: general government, public safety, public works, parks and recreation, social services, and community development.

The financial statements of the City have been prepared in accordance with accounting principles generally accepted accounting principles in the United States of America (“GAAP”) applicable to state and local governments. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance. The significant accounting and reporting policies and practices used by the City are described below.

The definition of the financial reporting entity is based upon the concept that elected officials are accountable to their constituents for their actions. One of the objectives of financial reporting is to provide users of financial statements with a basis for assessing the accountability of the elected officials. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

The City is financially accountable for a component unit if it appoints a voting majority of the organization’s board and it is able to impose its will on that organization, or there is a potential for the organization to provide specific financial benefits, or impose specific financial burdens on the City. Blended component units, although legally separate entities, are, in substance, part of the government’s operations.

City of Lauderdale, Florida
Notes to the Financial Statements
For the Fiscal Year Ended September 30, 2012

As of September 30, 2012, the City had two entities, Community Redevelopment Agency and Windermere/Tree Gardens Safe Neighborhood Improvement District, which met these requirements. In addition, the City has a related entity, the Lauderdale Housing Authority.

Blended component units

Lauderdale Community Redevelopment Agency – In 2005, the Lauderdale Community Redevelopment Agency (CRA) was created for the purpose of revitalizing and enhancing the City of Lauderdale, through infrastructure improvements and targeted acquisition and rehabilitation of deteriorated properties. The Mayor and City Commissioners are all members of the CRA Board and responsible for approving the budget. Therefore, the City is financially accountable for the CRA. The financial activities of the CRA are reported in the City's financial statements as a *Special Revenue Fund*.

Habitat II, Isle of Inverrary and Manor of Inverrary Safe Neighborhood Improvement Districts - In 2011. *Windermere/Tree Gardens Safe Neighborhood Improvement District* - In 2009. These Safe Neighborhood Improvement Special Districts were created to promote the health, safety and general welfare of its residents, visitors, property owners and workers. The Mayor and City Commissioners are members of the board of directors and responsible for overseeing the Special Districts. The financial statements of all four Safe Neighborhood Improvement Districts have been included within the City's reporting entity as the Safe Neighborhoods Special Revenue Fund.

Related organizations

The Lauderdale Housing Authority – was created under the provisions of Chapter 421 of the Florida State Statutes to operate housing projects for the benefit of lower income families. In addition, the City's Mayor appoints and the Commission confirms the governing board of the Housing Authority but it is not financially accountable for the organization. The City does not have any administrative functions or oversight nor do they benefit, positively or negatively, from the Authority's activities.

B. Government-wide and Fund Financial Statements

The basic financial statements include both government-wide statements and fund financial statements. The government-wide statements focus on the City as a whole, while the fund financial statements focus on major funds. Each presentation provides valuable information that can be analyzed and compared between years and between governments to enhance the usefulness of the information.

City of Lauderdale, Florida
Notes to the Financial Statements
For the Fiscal Year Ended September 30, 2012

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which are normally supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and, grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. *General revenues* consist of taxes and other items, not included among program revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The proprietary fund and fiduciary fund financial statements are reported in the same manner. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash-flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the funding agency have been met.

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

City of Lauderdale, Florida
Notes to the Financial Statements
For the Fiscal Year Ended September 30, 2012

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual, and therefore, have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and are available only when the City receives cash.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Community Redevelopment Agency (CRA)*, which is reported as a Special Revenue Fund, is a component unit blended in the City financial statements. It accounts for the resources accumulated for infrastructure improvement and rehabilitation of deteriorated properties within the City's boundary. The Agency is funded by tax increment Financing (TIF) since base year 2005 and property rental income.

The *Capital Projects Fund* accounts for the resources accumulated for the completion of the five-year capital budget.

The City reports the following major proprietary funds:

The *Water and Sewer Fund* accounts for the provision of potable water to residents and the corresponding sewage disposal, which is processed by Broward County. The City operates the water treatment facility, water distribution system, sewage transportation pipelines, and sewage pumping stations.

The *Stormwater Fund* accounts for the infrastructure and operations of stormwater transportation, which is funded through user charges.

The *Performing Arts Center Fund* accounts for revenues and expenses of the cultural center, which will provide a wide variety of entertainment, including visual arts and enrichment events, for which a significant portion will be financed through user charges. At the completion of the facility, the City of Lauderdale will operate and budget for the Performing Arts and Broward County will be fiscally responsible for the Library.

Additionally, the City reports the *Pension Trust Funds* account for the activities of the General Employee Retirement System, the Firefighter Retirement System, the Police Retirement System, and the Confidential and Managerial Retirement System. These funds accumulate resources for pension benefit payments to qualified employees. The Pension Trust Funds are classified as Fiduciary Funds in the City's Financial Statements.

City of Lauderdale, Florida
Notes to the Financial Statements
For the Fiscal Year Ended September 30, 2012

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Sewer fund, of the Stormwater enterprise fund, and of the Performing Arts Center fund are charges to customers for sales and services.

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

D. Accountability and compliance

The City of Lauderdale utilized fund balance as a source of funds for the General Fund budget for the year ended September 30, 2012. The City budgeted and utilized the following amounts:

	Original Budget	Additional Appropriations	Final Budget
Restricted fund balance:			
General government	\$ 9,002,971	\$ 1,560,491	\$ 10,563,462
Public safety	29,196,299	5,992,888	35,189,187
Physical environment	4,180,374	2,222	4,182,596
Transportation	2,101,201	406,353	2,507,554
Recreation and social services	2,419,710	256,943	2,676,653
Total	<u>\$ 46,900,555</u>	<u>\$ 8,218,897</u>	<u>\$ 55,119,452</u>

City of Lauderdale, Florida
Notes to the Financial Statements
For the Fiscal Year Ended September 30, 2012

On September 28, 2012 The City Commission passed a resolution authorizing transfer of funds between departments to balance the General Fund expenditures for fiscal year 2012.

The Community Redevelopment Agency, Federal Forfeitures funds, and Neighborhood Stabilization Program funds had deficit fund balances of \$662,078, \$94,901 and \$670,890 respectively as of September 30, 2012. The funds increased expenditures to acquire real property for sale or redevelopment and other operating expenditures. The City plans to use the proceeds of the sales tax revenue to eliminate the deficits.

The City adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which is effective for financial statements for periods beginning after June 15, 2010. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of GASB Statement No. 54 did not have material impact on the financial statements of the City.

The definition of each classification is as follows:

Non-spendable - Amounts not in spendable form or legally or contractually required to be maintained intact. This includes inventories, long term loans and notes receivables, property acquired for sales and prepaid amounts.

Restricted - Amounts restricted for specific purposes by external parties such as creditors, laws or regulator of other governments or by law through constitutional provisions or enabling legislation.

Committed – Amounts can be used for specific purposes pursuant to constraints imposed by the City’s code of Ordinances which can only be established, modified or rescind through the passage of ordinances by the City Commission, the City’s highest level of decision making authority.

Assigned – Amounts that are neither restricted nor committed; however, funds are constrained for specific purposes. Either the City Manager or his designee has the authority to assign amounts to specific purpose. Assigned funds cannot cause a deficit in unassigned fund balance.

Unassigned - Fund balance that are not restricted, committed or assigned to specific purposes. All funds in this category provide the resources necessary to meet unexpected expenditures and revenue shortfall.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance are available, the City uses restricted amounts first. Additionally, the City

City of Lauderdale, Florida
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For the Fiscal Year Ended September 30, 2012

would first use committed funds, then assigned funds and finally unassigned funds when an expenditure is incurred for which committed, assigned or unassigned fund balance available.

E. Assets, liabilities and net assets or equity

1. Cash and investments

The City's equity in pooled cash and cash equivalents includes cash on hand, demand deposits, investments with the State Board of Administration (SBA) and short-term investments with original maturities of three months or less from the date of acquisition.

Resources of all funds, with the exception of the pension trust funds, and certain other cash and investment accounts, 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 equity of the respective funds.

For the purpose of the statement of cash flows for the proprietary fund types, cash and cash equivalent mean short term, highly liquid investments with an original maturity of three months or less.

State statutes authorize the City to establish its own investment policy by ordinance. The investment ordinance allows up to 100% investment in the following instruments, subject to maturity limitations: local government surplus trust fund (SBA), Securities and Exchange Commission (S.E.C.) registered money market funds with the highest quality rating from a nationally recognized rating company, savings accounts and certificates of deposit in state-certified qualified public depositories, direct obligations of the U.S. Treasury, and securities issued by federal agencies and instrumentalities. Up to 10% may be invested in common stocks, subject to quality restrictions.

All investments are reported at fair value. Fair value is determined by quoted market prices. SBA operates in accordance with appropriate state laws and regulations. The reported value of SBA is the fair value of the pool shares.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual

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balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown net of an allowance for uncollectibles. Accounts receivable allowances are based on historical trends.

3. Property taxes

Property values are assessed as of January 1, of each year, at which time taxes becomes an enforceable lien on property. Tax bills are mailed for the City, by Broward County, on or about October 1 of each year, and are payable with discounts of up to 4% offered for early payment. Taxes become delinquent on April 1 of the year following the year of assessment and State law provides for enforcement of collection of property taxes by seizure of the personal property or by the sale of interest-bearing tax certificates to satisfy unpaid property taxes.

Assessed values are established by the Broward County Property Appraiser. In November 1992, a Florida constitutional amendment was approved by the voters which provides for limiting the increases in homestead property valuation for Ad Valorem Tax purposes to a maximum of 3% annually and also provides for reassessment of market values upon changes in ownership. The County bills and collects all property taxes and remits them to the City. Procedures for the collection of delinquent taxes by Broward County are provided for in the Laws of Florida. There were no material delinquent property taxes at September 30, 2012.

State statutes permit municipalities to levy property taxes at a rate up to 10 mills (\$10 per \$1,000 of assessed taxable valuation). The tax levy of the City is established by the City Commission and the Broward County Property Appraiser incorporated the City's millage into the total tax levy, which includes the County and the County School Board tax requirements. The millage rate assessed by the City for the year ended September 30, 2012 as 6.8198 mills (\$6.8198 per \$1,000 of taxable assessed valuation).

4. Inventories and prepaid items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed.

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

City of Lauderdale, Florida
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5. Restricted assets

Certain proceeds from revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in a separate investment accounts and their use is limited by applicable bond covenants. The “bond reserve account” is a separate brokerage account where securities have been purchased in lieu of surety bonds to subsidize potential deficiencies of revenues pledged for debt service. The “revenue bond renewal and replacement” account is used to report resources set aside to meet unexpected contingencies or to fund asset renewals and replacements. The various reserve accounts have been recorded on the balance sheets of the applicable funds. When both restricted and unrestricted resources are available for use, it is City policy to use unrestricted resources first, and then restricted resources as needed.

6. Capital assets

Capital assets - property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than \$750 and an estimated useful life in excess of one year. Purchased or constructed assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add value to the asset or materially extend its useful life are not capitalized.

Property, plant, and equipment are depreciated using the straight line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Building	40
Improvements	20
Public domain infrastructure	40
System infrastructure	40
Vehicles	5
Office equipment	5
Computer equipment	5

7. Unearned revenue

City of Lauderdale, Florida
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Unearned revenues are recorded for government-wide and governmental funds receivables that are not both measurable and available. In addition, inflows that do not meet the criteria for revenue recognition, such as occupational licenses collected in advance, are recorded as unearned revenue in the government-wide and the fund statements.

8. Compensated absences

It is City policy to permit employees to accumulate earned but unused vacation and sick pay benefits. An employee may, on an annual basis, or upon termination, cash in a portion of these unused benefits at a discount. Vacation and sick pay benefits are accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts as a result of employee resignation or retirement is reported in governmental funds.

9. Long-term obligations

In the government-wide financial statements, and proprietary fund types financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

10. Fund equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. To ensure that the City has the financial means to address any unforeseen natural disasters, the City has created an account to designate part of fund balance for the accumulation of funds overtime. The City will make periodic transfers to this account when financial possible. Designations of fund balance represent tentative management plans that are subject to change.

11. Net assets

City of Lauderdale, Florida
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Net assets of the government-wide and proprietary funds are categorized as invested in capital assets net of related debt, restricted or unrestricted. The first category represents net assets related to capital assets net of any outstanding debt associated with the capital assets.

In the government-wide and proprietary fund financial statements, restricted net assets are used to indicate the segregation of a portion of net assets equal to certain assets that are restricted by requirements of revenue bonds and other externally imposed constraints or by legislation in excess of the related liabilities payable from restricted assets.

12. Unamortized Bond Issuance Costs/Bond Premium

On government-wide financial statements, bond issuance costs are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. The unamortized portion is recorded as deferred charges, net on the statement of net assets.

13. Use of estimates

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

NOTE 2 – DEPOSITS AND INVESTMENTS

The City, for accounting and investment purposes, maintains a cash and investment pool for use by all City funds. This gives the City the ability to invest large amount of idle cash for short periods of time and to maximize earning potential. Each fund type's portion of this pool is displayed on the combined balance sheet as cash and equity in pooled cash and investments. Income earned on pooled cash and investments is allocated to the respective funds based on average daily balances.

Cash Deposits

The carrying amounts of the City's cash deposits were \$13,808,514 including petty cash on hand of \$ 3,860 as of September 30, 2012; the total of which is collateralized or

City of Lauderdale, Florida
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insured with securities held by the City or by its agent in the name of the City as discussed below.

Custodial Credit Risk. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. All of the City's deposits are entirely insured by federal depository insurance or collateralized by the multiple financial institution collateral pool pursuant to Florida Statutes, Chapter 280, and "Florida Security for Public Deposits Act". Under this Act, all qualified public depositories are required to pledge eligible collateral. Public deposits are protected by deposit insurance, sale of securities pledged as collateral, and assessments made to other public depositories when needed to guarantee no loss will be incurred by the public depositor.

Investments

Under the provisions of the City's investment policy, and in accordance with Florida Statutes, the following investments were authorized:

	Maximum % Portfolio
State Board of Administration	100%
Money Market Funds	100%
Certificate of Deposits	100%
U.S. Treasury Securities	100%
U.S. Government Obligations and Instrumentalities	100%
Lauderhill Loan Consortium	\$60,000
Commercial Papers by any U.S. Corporation	10%
Option Contracts	10%

As of September 30, 2012, the City had the following investments and maturities:

	<u>Credit Quality</u> <u>Ratings</u>	<u>Fair Value</u>	<u>Weighted Avg.</u> <u>Maturity (Years)</u>
Money Market Funds	Not Rated	\$ 885,563	-
SBA	Not Rated	42,586	-
US Government Securities	Aaa/AA+	<u>1,598,788</u>	<u>5.38</u>
		<u>\$ 2,526,937</u>	<u>5.38</u>

Interest Rate Risk In accordance with its investment policy, the City manages its exposure to decline in fair value by limiting its investment portfolio to less than four (4) years.

Credit Risk Generally, credit risk is the risk that 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. State limits investments in commercial papers and corporate bonds to the highest credit rating from a nationally recognized rating agency. It is the City's policy to keep ninety (90) percent of the total portfolio in low risk investments such as US Treasury obligations that are diversified by

City of Lauderdale, Florida
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purchase date and maturity dates while remaining ten (10) percent may be invested to high risk investments such as common stocks rated in one (1) of the top three (3) investment categories by major rating service.

Concentration of Credit Risk. The investment policy of the City contains no limitation on the amount that can be invested in any one issuer beyond that stated above. Investments in any one issuer that represents 5% or more of the total City investments are as follows:

<u>Issuer</u>	<u>Type</u>	<u>Amount</u>	<u>%</u>
FNMA	Governmental Agencies	\$ 1,325,920	7.64

Custodial Credit Risk. Custodial credit risk for investment is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The City's investment policy provided that securities may be held in street name in an account under the name of the City at the primary dealer where the securities was purchased provided that the total value of the account is insured and a monthly account statement evidencing all holdings is sent to the City by the dealer.

The Employee Pension Plan investments are held separately from those of other City funds. As described by the plan documents, the plan administrator is authorized to invest plan assets in obligations of the U.S. Government and various mutual and money market funds, which are held by the plan administrators and not in the City's name. The plan investments are held by Fifth Third Bank, Regions Bank and Fiduciary Trust which consisted of the following:

<u>Investment type</u>	Amounts in Thousands			
	<u>General Employees Retirement System</u>	<u>Firefighter Retirement System</u>	<u>Police Officer Retirement System</u>	<u>Confidential and Managerial Retirement Plan</u>
US Government securities	\$ -	\$ -	\$ -	\$ -
Corporate bonds and notes	-	9,507	9,534	4,388
Mutual funds	7,821	-	5,187	-
International equities	207	6,481	4,427	2,638
Common stocks	6,934	24,240	13,146	5,922
Notes receivable	-	1,000	1,000	400
Real estate funds	850	3,725	-	-
	<u>\$ 15,812</u>	<u>\$ 44,953</u>	<u>\$ 33,294</u>	<u>\$ 13,348</u>

General Employee Retirement System (GERS)

The Board of Trustees has developed certain investment guidelines and has retained investment managers. The investment managers are expected to maximize return on

City of Lauderdale, Florida
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For the Fiscal Year Ended September 30, 2012

the investment portfolio and may make transactions consistent with that expectation within the Board's guidelines. The investment managers are compensated based on a percentage of their portfolio's market value.

<u>Investment type</u>	Amounts in Thousands				
	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
		<u>Less than 1 Year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>	<u>More than 10 Years</u>
Money market	\$ 446				
Mutual bond funds	5,290	\$ 353	3,106	1,394	437
Total	\$ 5,736	\$ 353	\$ 3,106	\$ 1,394	\$ 437

Interest rate risk. As a mean of limiting its exposure to fair value losses arising from rising interest rates, the plan's investment policy limits the duration of its fixed income portfolio to less than 135% of the duration of the market index. The market index is defined as the Lehman Aggregate Bond Index. As of September 30, 2012, the fixed income portfolio's weighted average maturity was 5.93 years.

Credit risk. The plan limits its credit risk by establishing the following investment guidelines:

Credit Risk Rating

Fixed income securities

Aa3/A

As of September 30, 2012, the plan was in compliance with the established guidelines.

Concentration of credit risk. The plan's investment policy places investment limitations and provides target allocations to its investment managers to limit credit risk due to concentration. The following are the established target allocations for the plan:

	<u>Target Allocation</u>
Domestic equity securities	50%
Foreign equity securities	15%
Fixed income securities	35%

Equity and fixed income securities are also limited to no more than 5% in one single issuer. There were no single investments greater than 5% of net assets as of September 30, 2012.

Firefighter Retirement System (FRS)

The plan's investment as determined by the Board of Trustees provided for the following

City of Lauderdale, Florida
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guidelines: (a) investment in all equity securities shall be limited to those listed on a major U.S. stock exchange and limited to no more than 65% of the Plan's total asset value, (b) no more than 5% of the portfolio may be invested in the shares of a single corporate issuer at cost, (c) the target allocation for investment in stocks of foreign companies is 15% of the value of the portfolio, (d) fixed income portfolio shall be comprised of securities rated not less than "A" rating by a major rating service and limited to no more than 25% of the Plan's total asset value, and (e) in the event that there is a downgrade in the quality below the "BAA" rating, the security must be liquidated immediately or in a manner not to be detrimental to the performance of the plan. As of September 30, 2012 International Equity Funds amounted to \$5,649,672.

Interest rate risk. As a mean of limiting its exposure to interest rate risk, the plan diversifies its investment with any one issuer with various durations of maturities.

Information about the sensitivity of the fair value of the Plan's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the plan's investment by maturity as of September 30, 2012.

<u>Investment type</u>	Amounts in Thousands				
	<u>Fair Value</u>	<u>Less than 1 Year</u>	<u>Investment Maturities (in Years)</u>		
			<u>1-5 Years</u>	<u>6-10 Years</u>	
U.S. Treasuries	\$ 1,427	\$ -	\$ -	\$ 1,205	\$ 222
U.S. Agencies	3,363	-	417	338	2,608
Corporate Bonds	4,717	98	1,693	1,629	1,297
Total	<u>\$ 9,507</u>	<u>\$ 98</u>	<u>\$ 2,110</u>	<u>\$ 3,172</u>	<u>\$ 4,127</u>

Credit risk. The plan's investment policy utilizes portfolio diversification in order to control this risk. This risk is generally measured by the assignment of a rating by a nationally recognized statistical rating organization.

The following table discloses credit ratings by investment type, at September 30, 2012 as applicable:

City of Lauderdale, Florida
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	<u>Fair Value In Thousands</u>	<u>Percentage of Portfolio</u>
US Government guaranteed*	\$ 4,790	50.38%
Quality rating of credit risk debt securities		
AAA	385	4.05%
AA+	156	1.64%
AA	249	2.62%
AA-	99	1.04%
A+	768	8.08%
A	1,307	13.75%
A-	1,395	14.67%
BBB+	262	2.75%
BBB	63	0.66%
BBB-	33	0.36%
BB	-	0.00%
B	-	0.00%
B-	-	0.00%
Total credit risk debt securities	<u>4,717</u>	<u>49.62%</u>
Total fixed income securities	<u>\$ 9,507</u>	<u>100.00%</u>

*Obligation of the US government or obligations explicitly guaranteed by the US government are not considered to have credit risk and do not have purchase limitations.

Concentration of credit risk. The investment policy of the plan contains limitation on the amount that can be invested in any one issuer as well as maximum portfolio allocation percentages. There were no individual investments that represent 5% or more of combined plan net assets at September 30, 2012.

Custodial credit risk. Consistent with the plan's investment policy, the investments are held by plan's custodial bank and registered in the plan's name.

Police Retirement System (PRS)

The Plan's investment policy is determined by the Board of Trustees. The investment policy provided for the following guidelines: (a) investment in all equity securities shall be limited to those listed on a major US stock exchange and limited to no more than 75% (at market) of the Plan's total asset value. No more than 5% of the portfolio may be invested in the shares of a single corporate issuer at cost. Investment in stocks of foreign companies shall be limited to 25% of the value of the portfolio at cost; (b) the corporate fixed income portfolio shall be comprised of securities rated not less than "BBB" by a major rating service with no more than 15% of the Plan's total asset value. In the event that there is a downgrade in the quality below the "BBB" rating, the security must be sold at the earliest beneficial opportunity; (c) investment in collateralized mortgage obligation should be limited to 15% of the market value of the portfolio and limited to rating of "BBB".

City of Lauderdale, Florida
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Interest rate risk. As a mean of limiting its exposure to interest rate risk, the Plan diversifies its investment by security type and institution, and limits holdings in anyone type of investment with any one issuer with various durations of maturities.

Information about the sensitivity of the fair values of the Plan's investment to market interest rate fluctuations is provided by the following table that shows the distribution of the plan's investment by maturity at September 30, 2012:

<u>Investment type</u>	Amounts in Thousands				
	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
		<u>Less than 1 Year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>	<u>More than 10 Years</u>
Bond funds	\$ 9,534	\$ -	\$ -	\$ 5,066	\$ 4,468
Total	\$ 9,534	\$ -	\$ -	\$ 5,066	\$ 4,468

Credit risk. The Plan's investment policy utilizes diversification in order to control this risk. The following table discloses credit ratings by investment type at September 30, 2012 as applicable:

	<u>In Thousands Fair Value</u>	<u>Percentage of Portfolio</u>
Quality rating of credit risk debt securities		
AAA	2,888	30.20%
AA	786	8.30%
A	1,305	13.70%
BBB	3,524	37.00%
BB	605	6.30%
B	101	1.10%
Below B	325	3.40%
Total credit risk debt securities	\$ 9,534	100%

Concentration of credit risk. The investment policy of the plan contains limitations on the amount that can be invested in any one issuer as well as maximum portfolio allocation percentages. There were no individual investments that represent 5% or more of combined plan net assts at September 30, 2012.

Custodial credit risk. Consistent with the plan's investment policy, the investment are held by plan's custodial bank and registered in the plan's name.

Confidential and Managerial Employee Retirement Plan

The Plan maintains a Master Custodial Agreement, whereby the investment securities are held in the Plan's name by a financial institution acting as the Plan's agent.

City of Lauderdale, Florida
Notes to the Financial Statements
For the Fiscal Year Ended September 30, 2012

Included in investments are money market mutual funds, which are classified as short-term investments.

As of September 30, 2012, the Plan had the following investment and maturities in its portfolio:

Investment type	Amounts in Thousands				
	Fair Value	Less than 1 Year	Investment Maturities (in Years)		
			1-5 Years	6-10 Years	More than 10 Years
Corporate bonds and notes	\$ 4,388	\$ -	\$ -	\$ 3,378	\$ 1,010
Total	\$ 4,388	\$ -	\$ -	\$ 3,378	\$ 1,010

Interest rate risk. The Plan diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer with various durations of maturities.

Credit risk. State law and Plan's investment policy limits investments in bonds, stocks, or other evidence of indebtedness issued or guaranteed by a corporation organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia, provided the corporation is listed on any one or more of the recognized national stock exchange or on the National Market System of the NASDAQ Stock Market and in the case of bonds only, holds a rating in one of the three highest classifications by a major rating service. The fixed income portfolio shall be comprised of securities rated "A" or higher by Moody's or Standard & Poor's rating services with no more than 10% of an investment manager's total fixed income portfolio invested in the securities of any single corporate issuer.

Concentration of credit risk. The Plan's investment policy stipulates various investment restrictions for equity and fixed income securities of any one issuing company or agency. As of September 30, 2012, the value of each position held by the Plan portfolio comprised less than 5% of the Plan assets.

NOTE 3 – RECEIVABLES AND PAYABLES

Receivables as of year-end for the City's individual major funds and non-major funds, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

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	Accounts Receivable, net	Due from other Governments	Total
Governmental Activities			
General	\$ 14,592,787	\$ 3,117,770	\$ 17,710,557
Community Redevelopment Agency	3,400	-	3,400
Capital Projects	-	46,400	46,400
Other Non-Major Government	-	2,468,926	2,468,926
	<u>14,596,187</u>	<u>5,633,096</u>	<u>20,229,283</u>
Allowance for uncollectibles	(9,875,136)	-	(9,875,136)
	<u>4,721,050</u>	<u>5,633,096</u>	<u>10,354,146</u>
Business-type Activities			
Water and Sewer	5,298,214	-	5,298,214
Stormwater	-	1,802,429	1,802,429
	<u>5,298,214</u>	<u>1,802,429</u>	<u>7,100,643</u>
Allowance for uncollectibles	(44,413)	-	(44,413)
	<u>5,253,801</u>	<u>1,802,429</u>	<u>7,056,230</u>
Pension trust funds	826,968	-	826,968
TOTAL	<u>\$ 10,801,820</u>	<u>\$ 7,435,525</u>	<u>\$ 18,237,345</u>

Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition on revenues received but not yet earned. On September 30, 2012, unearned revenue in the governmental funds and government-wide statements amounted to \$1,758,157.

Payables at September 30, 2012 were as follows:

Governmental Activities:	
General	\$ 523,508
Nonmajor Governmental funds	48,545
	<u>572,053</u>
Business-type Activities:	
Water and sewer	657,740
Stormwater	435,142
	<u>1,092,882</u>
Fiduciary Funds:	
Pension trust funds	146,744
Total	<u>\$ 1,811,679</u>

City of Lauderdale, Florida
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NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2012 was as follows (in thousands):

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 27,099	\$ -	\$ 367	\$ 26,732
Construction in progress	<u>4,072</u>	<u>129</u>	<u>3,914</u>	<u>287</u>
Total capital assets not being depreciated	<u>31,171</u>	<u>129</u>	<u>4,281</u>	<u>27,019</u>
Capital assets being depreciated:				
Building	22,197	3,932	-	26,129
Improvements (other than building)	40,604	2,403	-	43,007
Machinery and equipment	18,906	863	23	19,746
Infrastructure	<u>15,798</u>	<u>-</u>	<u>-</u>	<u>15,798</u>
Total capital assets being depreciated	<u>97,505</u>	<u>7,198</u>	<u>23</u>	<u>104,680</u>
Less: accumulated depreciation for:				
Building	(6,673)	(564)	-	(7,237)
Improvements (other than building)	(13,178)	(1,637)	-	(14,815)
Machinery and equipment	(16,073)	(1,070)	23	(17,120)
Infrastructure	<u>(11,054)</u>	<u>(248)</u>	<u>-</u>	<u>(11,302)</u>
Total accumulated depreciation	<u>(46,978)</u>	<u>(3,519)</u>	<u>23</u>	<u>(50,474)</u>
Total capital assets, being depreciated, net	<u>50,527</u>	<u>3,679</u>	<u>-</u>	<u>54,206</u>
Governmental activities capital assets, net, as restated	<u>\$ 81,698</u>	<u>\$ 3,808</u>	<u>\$ 4,281</u>	<u>\$ 81,225</u>

City of Lauderdale, Florida
Notes to the Financial Statements
For the Fiscal Year Ended September 30, 2012

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 349	\$ -	\$ -	\$ 349
Construction in progress	<u>3,755</u>	<u>291</u>	<u>1,983</u>	<u>2,063</u>
Total capital assets not being depreciated	<u>4,104</u>	<u>291</u>	<u>1,983</u>	<u>2,412</u>
Capital assets being depreciated:				
Building	31,668	823	-	32,491
Improvements (other than building)	23,847	5,689	-	29,536
Machinery and equipment	5,547	131	-	5,678
Infrastructure	<u>27,303</u>	<u>-</u>	<u>-</u>	<u>27,303</u>
Total capital assets being depreciated	<u>88,365</u>	<u>6,643</u>	<u>-</u>	<u>95,008</u>
Less: accumulated depreciation for:				
Building	(12,780)	(777)	-	(13,557)
Improvements (other than building)	(8,520)	(1,102)	-	(9,622)
Machinery and equipment	(5,424)	(74)	-	(5,498)
Infrastructure	<u>(10,296)</u>	<u>(591)</u>	<u>-</u>	<u>(10,887)</u>
Total accumulated depreciation	<u>(37,020)</u>	<u>(2,544)</u>	<u>-</u>	<u>(39,564)</u>
Total capital assets, being depreciated, net	<u>51,345</u>	<u>4,099</u>	<u>-</u>	<u>55,444</u>
Business-type activities capital assets, net	<u>\$ 55,449</u>	<u>\$ 4,390</u>	<u>\$ 1,983</u>	<u>\$ 57,856</u>

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

<u>Governmental activities</u>	
General government	\$ 453
Public safety	972
Physical environment	252
Transportation	489
Recreation and social services	<u>1,353</u>
Total depreciation expense - governmental activities	<u>\$ 3,519</u>
 <u>Business-type activities</u>	
Water and sewer	\$ 1,354
Stormwater	<u>1,190</u>
Total depreciation expense - business-type activities	<u>\$ 2,544</u>

City of Lauderdale, Florida
Notes to the Financial Statements
For the Fiscal Year Ended September 30, 2012

Construction commitments

The City of Lauderdale has active construction projects as of September 30, 2012:

<u>Project Title</u>	In Thousands	
	Construction Cost-to-Date	Remaining Commitment
Performing Arts Center	\$ 1,899	\$ 13,924
Sunrise Blvd.	205	20
Recreational Improvement	81	466
Water and Sewer Projects	156	150
Storm Water Projects	9	50
Total	\$ 2,350	\$ 14,610

The commitment for sewer line and inflow mitigation and stormwater projects are being financed by water and sewer revenue and stormwater bonds. The commitment for gateway, recreational improvement, and City building are being financed by the resources from the proceeds of general obligation bonds.

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund Receivables and Payables

The composition of inter-fund balances as of September 30, 2012, is as follows:

Due to / from other funds

<u>Receivable Fund</u>	<u>Amount</u>	<u>Payable Fund</u>	<u>Amount</u>
Capital Project Funds	\$ 3,022,448	Nonmajor Governmental Funds	\$ 2,873,620
		Community Redevelopment Agency	148,828
Total	\$ 3,022,448	Total	\$ 3,022,448

The outstanding balances between Governmental Funds mainly resulted from time lag between the dates that (a) inter-fund goods and services are provided or reimbursable expenditures occur, (b) transactions are recorded in the accounting system, and (c) payments between funds are made.

City of Lauderdale, Florida
Notes to the Financial Statements
For the Fiscal Year Ended September 30, 2012

Inter-fund transfers

<u>Fund</u>	<u>Transfer in</u>	<u>Transfer out</u>
General	\$ 157,230	\$ 3,566,961
Community Redevelopment Agency	169,694	98,109
Capital Projects	504,036	3,526,164
Nonmajor Governmental Funds	6,407,095	46,821
	<u>\$ 7,238,055</u>	<u>\$ 7,238,055</u>

Transfers were used to move revenues from the fund with collection authorization, to the debt service fund, as debt service principal and interest payment became due and to cover contractual expenses in other funds.

NOTE 6 – LEASES

In 2007, the Lauderdale Finance Corporation "a not for profit" was created under the provisions of Chapter 617 of the Florida State Statutes with The Mayor and City Commissioners as members of the board of trustees and are responsible for overseeing the Corporation. The City does not administer any functions or oversight nor receive benefit from the Corporation.

Operating Leases

On September 2007, the City of Lauderdale entered into a Operating Lease agreement with the Lauderdale Finance Corporation, "a not for profit", whereby the City leases the City of Lauderdale Municipal Building at 5581 W. Oakland Park Blvd, Florida, 33313 from the Corporation, which was completed on October 1, 2010. Total rental expenditure for this operating lease for the fiscal year ended September 30, 2012, was \$1,118,594. The lease renewal term is annually and the agreement is cancelable.

On September 2007, the City entered into a Ground Lease Agreement with Lauderdale Finance Corporation, "a non for profit", whereby the Corporation leases land from the City. The lease is for 20 years at \$1.00 payment per year with an automatic ten years renewal period upon mutual consent.

Capital Leases

The City entered into lease purchase agreements with Old National Bank and Suntrust Bank as lessees for financing the acquisition of equipment. The agreements were initiated 2009 and 2011 and expired in 2014 and 2016 respectively. The lease

City of Lauderdale, Florida
Notes to the Financial Statements
For the Fiscal Year Ended September 30, 2012

agreements qualify as capital leases for accounting purposes and, therefore have been recorded at the present value of future lease payments as of the inception dates. The leases carry interest rates of 4.79% and 3.33% with annual payments of \$45,932, \$47,710 and \$85,306.

The future (minimum) lease obligations and the net present value of capital lease payments as of September 30, 2012 are as follows:

Year Ending September 30	
2013	178,948
2014	178,948
2015	133,016
2016	<u>133,016</u>
Total Lease Payment	623,929
Less: Amount of Interest	<u>(47,705)</u>
Present Value of Lease Payment	<u>\$ 576,224</u>

NOTE 7 – LONG-TERM DEBT

A. Revenue Bonds

The City issues bonds where it pledges income derived from the acquired or constructed assets to pay debt service. Revenue bonds have been issued for both the governmental and business-type activities. The original amount of revenue bonds issued in prior years was \$81,405,000 and during the year, revenue bond totaling \$5,000,000 was issued to finance various enterprise capital projects.

City of Lauderdale, Florida
Notes to the Financial Statements
For the Fiscal Year Ended September 30, 2012

Revenue bonds outstanding as at September 30, 2012 were as follows:

	<u>Amounts in Thousands</u>				
			<u>Average</u>		
	<u>Interest Rates</u>	<u>Maturity</u>	<u>Semi-annual</u>	<u>Original</u>	<u>Outstanding</u>
			<u>Payment</u>	<u>Amount</u>	<u>Balance</u>
Governmental activities:					
2003 Half-cent sales tax	4.00% - 4.45%	2025	\$268	\$5,000	\$4,110
2005 Half-cent sales tax - refunding	2.38% - 4.15%	2017	382	4,645	2,425
2010 Half-cent sales tax	2.86%	2024	433	6,565	6,390
2010 Water utility tax	3.23%	2025	333	10,000	9,473
2011 A Sales tax	2.11%	2018	371	2,595	2,595
2011 B Sales tax	2.71%	2023	308	3,700	3,700
2011-Communication BOA	3.52%	2026	407	6,100	6,100
2011-Communication Chase	2.68%	2031	255	5,095	<u>5,095</u>
					<u>39,888</u>
Business-type activities:					
Water and Sewer					
2005A Water and sewer	3.00% - 4.50%	2026	278	5,000	4,700
2005B Water and sewer - refunding	2.75% - 4.13%	2016	364	3,850	2,105
2006 Water and sewer	4.13% - 4.25%	2031	556	5,000	5,000
2007 Water and sewer	3.40% - 4.25%	2022	579	8,165	7,245
2012 Water and sewer	2.85%	2027	207	5,000	5,000
Stormwater					
2004 Stormwater	4.00% - 5.00%	2028	239	5,000	4,430
2010 Stormwater	4.92%	2024	400	5,690	<u>5,110</u>
					<u>33,590</u>
Total Revenue Bonds					<u>\$73,478</u>

City of Lauderdale, Florida
Notes to the Financial Statements
For the Fiscal Year Ended September 30, 2012

B. General obligation

In 2005, the City issued \$35 million general obligation bond to provide funds for the acquisition and construction of major capital projects within a five-year period. General obligation bonds are direct obligations and pledge of full faith and credit of the government. General obligation bonds outstanding at year-end are as follows:

	<u>Interest Rates</u>	<u>Maturity</u>	<u>Payment</u>	<u>Amount</u>
2005 General Obligation	3% - 4.50%	2030	\$1,050	\$28,155

C. State revolving fund loan

The City entered into State Revolving Loan Funding Agreement with the Florida Department of Environmental Protection (DEP) to finance various projects for stormwater and water and sewer improvements. The loans were made available on a reimbursement basis at below market interest rates. The total funding from these agreements aggregated to \$11,198,148 and approximately \$7,682,438 is outstanding in the Stormwater and Water and Sewer Funds as of September 30, 2012. These loans require annual payment of approximately \$492,378 and interest rate ranging from 2.71% to 3.52%.

D. Bank Loans

The City has established a bank revolving loan line of credit. These funds were used to fund capital purchase needs of the Community Redevelopment Agency and a related organization. As of September 30, 2012 the outstanding balance is \$8,926,039 and is reflected in the Governmental Activities.

E. Debt service requirements

Debt service requirements (in thousands) for these revenue and general obligations and state revolving fund loan are listed below:

City of Lauderdale, Florida
Notes to the Financial Statements
For the Fiscal Year Ended September 30, 2012

Government Activities

Year Ending	Revenue		General Obligation		Economic Development		Total		
	30-Sep	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2013		\$ 2,196	\$ 1,227	\$ 1,085	\$ 1,162	\$ -	\$ 286	\$ 3,281	\$ 2,675
2014		2,304	1,157	1,125	1,122	516	277	3,945	2,556
2015		2,377	1,084	1,170	1,079	532	261	4,079	2,424
2016		2,446	1,009	1,215	1,033	549	244	4,210	2,286
2017		2,525	930	1,265	983	567	226	4,357	2,139
2018-2022		13,993	3,378	7,155	4,088	3,115	841	24,263	8,307
2023-2027		12,499	1,051	8,830	2,411	3,647	301	24,976	3,763
2028-2032		1,550	106	6,310	434	-	-	7,860	540
2033-2037		-	-	-	-	-	-	-	-
		\$ 39,888	\$ 9,942	\$ 28,155	\$ 12,312	\$ 8,926	\$ 2,436	\$ 76,969	\$ 24,690

Business-Type Activities

Year Ending	Water & Sewer		Stormwater		Total		
	30-Sep	Principal	Interest	Principal	Interest	Interest	
2013		\$ 1,114	\$ 853	\$ 949	\$ 642	\$ 2,063	\$ 1,495
2014		1,434	876	989	607	2,423	1,483
2015		1,484	822	1,024	570	2,508	1,392
2016		1,535	767	1,060	532	2,595	1,299
2017		1,595	704	1,101	492	2,696	1,196
2018-2022		7,183	2,657	6,081	1,808	13,264	4,465
2023-2027		4,679	1,509	4,460	642	9,139	2,151
2028-2032		5,352	582	1,232	54	6,584	636
		\$ 24,376	\$ 8,770	\$ 16,896	\$ 5,347	\$ 41,272	\$ 14,117

City of Lauderdale, Florida
Notes to the Financial Statements
For the Fiscal Year Ended September 30, 2012

G. Changes in long-term liabilities

Long-term liability activity for the year ended September 30, 2012 is listed below (in thousands):

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable					
Revenue bonds	\$ 41,505	\$ -	\$ 1,617	\$ 39,888	\$ 2,196
General obligation bonds	29,205	-	1,050	28,155	1,085
Bank Lines of Credit	8,926	-	-	8,926	-
Total bonds payable	<u>79,636</u>	<u>-</u>	<u>2,667</u>	<u>76,969</u>	<u>3,281</u>
Capital lease	736	-	160	576	158
Insurance claims payable	-	13	-	13	13
Compensated absences	<u>2,380</u>	<u>-</u>	<u>541</u>	<u>1,839</u>	<u>-</u>
Governmental activity Long-term liabilities	<u>\$ 82,752</u>	<u>\$ 13</u>	<u>\$ 3,368</u>	<u>\$ 79,397</u>	<u>\$ 3,452</u>
Business-type activities					
Bonds payable					
Revenue bonds	\$ 30,085	\$ 5,000	\$ 1,495	\$ 33,590	\$ 1,535
State revolving fund loan	<u>8,200</u>	<u>-</u>	<u>518</u>	<u>7,682</u>	<u>528</u>
Business-type activity Long-term liabilities	<u>\$ 38,285</u>	<u>\$ 5,000</u>	<u>\$ 2,013</u>	<u>\$ 41,272</u>	<u>\$ 2,063</u>

For the governmental activities, compensated absences are generally liquidated by the general fund.

NOTE 8 – OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to tort, theft, and destruction of assets, error and omission, injury to employees, and disasters. The Self-Insurance Program is accounted for in the General Fund. Under this Program, individual claims up to \$75,000 are paid. Commercial insurance has been purchased for individual claims in excess of \$75,000, and for total claims that exceed \$1,000,000 in a single year. Specialized insurance is purchased for boiler and machinery, sports accident, and fidelity bonds. Claims did not exceed the excess coverage of \$1,500,000 per claim for property and liability, or \$1,000,000 per claim for workers compensation in any of the past three years.

City of Lauderdale, Florida
Notes to the Financial Statements
For the Fiscal Year Ended September 30, 2012

The City reviews and submits all claims to a claims administration firm. The firm reviews the claims and investigates as needed. A recommendation is then made for the City to pay the claim or to negotiate or litigate. The General and Proprietary Funds participate in the Program and pay their fair share based on submitted claims.

The estimated claims payable as of September 30, 2012 amounted to \$923,445, of which \$12,835 is currently due and payable. A liability for claims should be reported if information prior to the issuance of the financial statements indicates probability that a liability that was incurred at the date of the financial statements can be reasonably estimated. Current year claims are based on estimates from a third party administrator. Changes to claims liability balances during the past two years are:

	Year ended	
	09/30/2012	09/30/2011
Unpaid claims, beginning	\$736,187	\$916,400
New claims	1,311,441	1,061,511
Claim payments	(1,124,183)	(1,241,724)
Unpaid claims, ending	\$923,445	\$736,187

B. Contingent liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

The City is a defendant in various lawsuits. The outcome of these lawsuits cannot presently be determined. In the opinion of the City Attorney, the resolution of these matters will not have a material adverse impact to the financial condition of the City.

C. On behalf payment of fringe benefits and salaries

In 2012, the City's financial statements include revenue and expenditures from contributions received from State Department of Revenues and Division of Retirement on behalf of its Firefighter and Police Officers Retirement Systems amounting to \$440,960 and \$303,327 respectively. The monies were deposited within 5 days from their receipt in accordance with the provisions of the law.

City of Lauderdale, Florida
Notes to the Financial Statements
For the Fiscal Year Ended September 30, 2012

D. Restricted assets

The balance of the restricted asset accounts in the governmental and enterprise funds are as follows:

Equity in pool cash and investments	\$3,041,549
Revenue bond reserve	921,433

NOTE 9 – EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

The City maintains four separate single-employer, defined benefit pension plans – The General Employee Retirement System, The Firefighter Retirement System, The Police Retirement System, and the Confidential and Managerial Retirement System. All employees are eligible to make voluntary contributions to a 457 defined benefit plan (457 plan). Some managerial employees participate in a previously available 401- (A) money purchase plan. With the exception of the City Manager and Department Directors, all other full-time employees hired after September 30, 2002 are required to participate in one of the defined benefit pension plans based on their job classification.

Summary of significant accounting policies

Basis of accounting

All four defined benefit plans present their financial statements using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due, and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Valuation of investments

All plan investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price on the balance sheet date. Securities without an established market are reported at estimated fair value.

Plan descriptions

A separate five-member board of trustees administers each plan. All full-time employees are covered by one of the aforementioned plans. The plans provide

City of Lauderhill, Florida
Notes to the Financial Statements
For the Fiscal Year Ended September 30, 2012

retirement, disability, and death benefits to plan members and their beneficiaries. Plan provisions are amended through the collective bargaining process and must be approved by the City of Lauderhill, City Commission. A separately issued financial report that includes the applicable financial statements and required supplementary information for each plan, may be obtained from the Plan Administrator in City Hall.

Plans' Membership Information

At October 1, 2011, the date of the latest actuarial valuation, the Plans' membership consisted of:

	General Employees Retirement System	Firefighter Retirement System	Police Retirement System	Confidential and Managerial Retirement System
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits, but not yet receiving them	127	64	25	51
Current employees:				
Fully-Vested	35	26	79	34
Non-Vested	56	53	31	33
	<u>218</u>	<u>143</u>	<u>135</u>	<u>118</u>

A. General Employees Retirement System (GERS)

Annual Pension Cost. For 2012, the City's annual pension cost of \$1,204,000 equaled its required and actual contribution. The required contribution was determined by the October 1, 2011 actuarial valuation using the entry age normal actuarial cost method. Actuarial assumptions are 8% investment return, 3.5 inflation and 7% projected salary increases. Chapter 112, Part VII, Florida Statutes requires amortization for unfunded liabilities being amortized over 20 years. A one-time 3% cost of living increase was granted to current retirees as of November 25, 2002. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a four-year period. GERS unfunded actuarial accrued liability is being amortized on an open level dollar basis. Thirty years remained in the amortization period at September 30, 2012.

Three-Year Trend Information for GERS

City of Lauderdale, Florida
Notes to the Financial Statements
For the Fiscal Year Ended September 30, 2012

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
September 30, 2012	\$1,204,000	100%	N/A
September 30, 2011	993,731	100%	N/A
September 30, 2010	920,970	100%	N/A

B. Firefighter Retirement System (FRS)

Annual Pension Cost. For 2012, the City's annual pension cost of \$3,691,300 equaled its required and actual contribution. The required contribution was determined by the October 1, 2011 actuarial valuation using the entry age normal actuarial cost method. Actuarial assumptions are 8% investment return, 4% inflation and 7% projected salary increases. Cost-of-Living adjustment is 1.5% after three years in retirement. In addition, contributions in the amount of \$167,361 were received from the State of Florida from fire and casualty insurance premium taxes. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a four-year period. FRS unfunded actuarial accrued liability is being amortized on a closed level dollar basis. Thirty years remained in the amortization period at September 30, 2012.

Three-Year Trend Information for FRS

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
September 30, 2012	\$3,691,300	100%	N/A
September 30, 2011	3,187,039	100%	N/A
September 30, 2010	2,952,870	100%	N/A

C. Police Retirement System (PRS)

Annual Pension Cost. For 2012, the City's annual pension cost of \$2,276,450 equaled its required and actual contribution. The required contribution of 10% was determined by the October 1, 2011 actuarial valuation, using the entry age normal actuarial cost method. Actuarial assumptions are 7.75% investment return, 3.5% inflation and 6% projected salary increases. The post retirement benefit is \$10 per month per year of credited service for all members employed by the City on or after April 25, 2011, provided that such members have at least 20 years of Credited Service with the City or provided such members left the City at age 55 or older with more than five years of Credit Service with the City. In addition, contributions in the amount of \$303,327 were received from the State of Florida from fire and casualty insurance premium taxes. The actuarial value of assets was determined using the market value of investments. PRS unfunded actuarial accrued liability is being amortized on a closed level dollar basis. Thirty years remained in the amortization period at September 30, 2012.

City of Lauderdale, Florida
Notes to the Financial Statements
For the Fiscal Year Ended September 30, 2012

Three-Year Trend Information for PRS

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
September 30, 2012	\$2,276,450	100%	N/A
September 30, 2011	1,974,232	100%	N/A
September 30, 2010	1,969,869	100%	N/A

D. Confidential and Managerial Retirement System (CMRS)

Annual Pension Cost. For 2012, the City's annual pension cost of \$1,442,701 equaled its required and actual contribution. The required contribution of 8% was determined by the October 1, 2011 actuarial valuation, using the entry age normal actuarial cost method. Actuarial assumptions are 7.75% investment return, 3.5% inflation and 6% projected salary increases. Cost-of-Living adjustment is 3% in the third year after retirement if the plan has a positive actuarial experience for the prior fiscal year. The actuarial value of assets was determined using the market value of investments. CMRS unfunded actuarial accrued liability is being amortized on a layered amortization. Seventeen years remained in the amortization period as of September 30, 2012.

Three-Year Trend Information for CMRS

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
September 30, 2012	\$1,422,701	100%	N/A
September 30, 2011	1,566,677	100%	N/A
September 30, 2010	1,464,812	100%	N/A

Funded Status and Funding Progress

The funded status of the Pension as of October 1, 2011, and OPEB as of October 1, 2010, the date of the most recent actuarial valuation date is as follows:

	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Entry Age</u>	<u>Unfunded Actuarial Accrued Liability (UAAL) (3)-(2)</u>	<u>Funded Ratio (2)/(3)</u>	<u>Covered Payroll</u>	<u>UAAL as % of Covered Payroll (4)/(6)</u>
GERs	10/1/2011	\$ 15,336,711	\$ 22,250,932	\$ 6,914,221	68.9%	\$ 3,616,860	191.2%
FRS	10/1/2011	39,620,622	62,438,797	22,818,175	63.5%	6,128,065	372.4%
PRS	10/1/2011	30,071,000	42,473,000	12,402,000	76.5%	9,149,000	91.2%
CMRS	10/1/2011	14,009,000	22,211,000	8,202,000	63.1%	3,995,000	205.3%
OPEB	10/1/2010	-	2,857,000	2,857,000	0.0%	25,166,000	11.4%

The schedule of funding progress, presented as Required Supplemental Information (RSI) following the Notes to the Basic Financial Statements presents multi-year trend information about whether the actuarial value of plan assets are increasing or

City of Lauderhill, Florida
Notes to the Financial Statements
For the Fiscal Year Ended September 30, 2012

decreasing over time relative to the AAL for benefits. The projection for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

NOTE 10 – OTHER POST EMPLOYMENT BENEFITS

The City of Lauderhill Other Postemployment Employment Benefits (OPEB) is presented in accordance with GASB Statement 45, “Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions”. The provisions of this pronouncement were implemented prospectively with the actuarially determined liability of \$454,000 at the October 1, 2007 date of transition being amortized over 10 years. For financial statement purposes, this liability was not reported at the transition date. In addition, pursuant to Florida Statutes Section 112.0801, employees who retired from the City may continue their participation in a City sponsored health and /or dental insurance plan at the same premiums applicable to active employees.

Benefit Description and Funding Policy

The City provides a single employer optional post-employment healthcare insurance coverage to eligible individuals, as well as dental and vision insurance coverage. Eligible individuals include all regular employees of the City of Lauderhill who retired from active service and are eligible for retirement or disability benefits under the general, managerial and confidential, police or firefighter pension plan sponsored by the City. Under certain conditions, eligible individuals for healthcare coverage also include spouses and dependent children. Eligible individuals may choose healthcare coverage under a health maintenance organization (HMO) plan or under a preferred provider organization (PPO) plan. The benefit continues until retiree dies or terminates the benefit and is funded as a pay-as-you-go basis. Retirees contribute an amount equal to the actual premium for health insurance that is charged by the carrier. The premium varies depending on whether the retiree elects coverage under the HMO or PPO plan and whether the retiree elects single or family coverage. With respect to dental and vision coverage, we have assumed that the premium charged for retirees is not influenced by the fact that there are active employees who covered by the same insurance, since the cost of dental and vision is not presumed to increase with age. However, 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.

Benefit provisions and City contribution requirements are established and may be amended by the City Commission through collective bargaining. As of September 30, 2012, there were twenty-five employees participating in the OPEB retirement benefit with a total of 414 employees eligible for participation in the future. Employer

City of Lauderdale, Florida
Notes to the Financial Statements
For the Fiscal Year Ended September 30, 2012

contribution totaled \$109,000 for the year and retiree implicit subsidies amounted to \$109,000. The plan does not issue a stand-alone financial report.

Annual OPEB Cost and Net OPEB Obligation.

The City's annual other post employment benefit (OPEB) cost is calculated based in annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed ten years. The general fund accounts for net pension and postemployment benefit obligations.

The following table shows the components of the City's annual OPEB cost for the year ended September 30, 2012, the amount actually contributed and the changes in the City's net OPEB obligation:

Annual required contributions	\$	482,000
Interest on Net OPEB Obligation		20,000
Adjustment to the ARC		(58,000)
Annual OPEB Cost (AOC)		<u>444,000</u>
Employer Contributions		(109,000)
Interest on Employer Contributions		(2,000)
Increase in Net OPEB obligation		<u>333,000</u>
Net OPEB obligation at beginning of the year		491,000
Net OPEB obligation at end of the year	\$	<u><u>824,000</u></u>

Funded Status and Funding Progress

As of October 1, 2011, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$2,971,000, and actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of \$2,971,000. The covered payroll (annual payroll of active employees) was \$25,166,000 and the ratio of the unfunded actuarial liability to the covered payroll was 11.4%.

The City's annual OPEB cost, the percentage of annual OPEB cost contributed and the net OPEB obligation as of September 30, 2012 follow:

Fiscal year Ended In:	<u>AOC</u>	<u>Contribution</u>	<u>Percent Contributed</u>	<u>Net OPEB Obligation</u>
2012	\$444,000	\$109,000	25%	\$824,000

City of Lauderdale, Florida
Notes to the Financial Statements
For the Fiscal Year Ended September 30, 2012

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amount and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about the future employment, mortality, and the healthcare cost trend. 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 compared 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, presents the current year information about whether the actuarial value of plan asset is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Methods and Assumptions. Projection of benefits for financial reporting purposes are based on the substantive plan(the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan member to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Following are the actuarial methods and significant actuarial assumptions used to determine annual required contributions for the current year:

Valuation date	October 1, 2010
Actuarial cost method	Projected unit credit
Amortization method	Open period level dollar payment
Remaining amortization period	10 years
Investment rate of return	4%
Projected salary increases	4%
Medical Trend Rate of inflation	5%

Two year historical trend information is presented in a supplementary schedule following these notes (see page 76)

NOTE 11 – SUBSEQUENT EVENTS

In preparing the accompanying financial statements, the City has evaluated events and transactions for potential recognition or disclosure February 01, 2013, the date the financial statements were available to be issued. There were no significant events that Management believes require disclosure.

CITY OF LAUDERHILL, FLORIDA
 Required Supplementary Information
 General Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended September 30, 2012

	<u>Budgeted Amounts</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>Original</u>	<u>Final</u>		<u>FINAL BUDGET</u>
				<u>Positive (Negative)</u>
REVENUES				
Taxes:				
Property taxes	\$ 10,816,073	\$ 11,887,054	\$ 11,667,254	\$ (219,800)
Franchise taxes	3,989,200	3,681,046	3,912,249	231,203
Public service taxes	7,387,800	8,108,299	8,268,066	159,767
Charges for services	13,857,372	15,774,835	16,963,862	1,189,027
Administrative charges	1,072,497	5,073,029	5,073,029	-
Intergovernmental	6,361,875	7,101,109	6,594,679	(506,430)
Licenses and permits	2,028,700	2,140,844	2,222,920	82,076
Fines and forfeitures	522,000	520,172	572,893	52,721
Investment income	48,000	48,000	45,802	(2,198)
Rental income	278,500	305,900	269,668	(36,232)
Miscellaneous	420,083	330,347	336,930	6,583
Total revenues	<u>46,782,100</u>	<u>54,970,635</u>	<u>55,927,352</u>	<u>956,717</u>
EXPENDITURES				
Current:				
General government:				
City Clerk	488,891	529,689	521,776	7,913
City Commission	532,034	647,667	590,945	56,722
Administration	2,462,845	2,941,520	2,753,487	188,033
Finance	3,227,663	3,920,295	3,779,135	141,160
Legal	460,000	565,000	571,351	(6,351)
Human resources	1,831,538	1,959,291	1,446,496	512,795
Total general government	<u>9,002,971</u>	<u>10,563,462</u>	<u>9,663,191</u>	<u>900,271</u>
Public safety:				
Police	14,625,252	19,801,156	20,164,288	(363,132)
Fire and Rescue	14,571,047	15,388,031	14,945,840	442,191
Total public safety	<u>29,196,299</u>	<u>35,189,187</u>	<u>35,110,128</u>	<u>79,059</u>
Physical environment:				
Building maintenance	2,392,805	2,323,948	2,314,785	9,163
Grounds maintenance	1,787,569	1,858,648	2,024,346	(165,698)
Total Physical environment	<u>4,180,374</u>	<u>4,182,596</u>	<u>4,339,131</u>	<u>(156,535)</u>
Transportation:				
Street maintenance	2,101,201	2,507,554	2,078,314	429,240
Total transportation	<u>2,101,201</u>	<u>2,507,554</u>	<u>2,078,314</u>	<u>429,240</u>
Recreation and social services:				
Recreation and social services	2,419,710	2,676,653	2,591,515	85,138
Total recreation and social services:	<u>2,419,710</u>	<u>2,676,653</u>	<u>2,591,515</u>	<u>85,138</u>
Total Expenditures	<u>46,900,555</u>	<u>55,119,452</u>	<u>53,782,279</u>	<u>1,337,173</u>
Excess (Deficiency) of Revenue over Expenditures	(118,455)	(148,817)	2,145,073	2,293,890
OTHER FINANCING SOURCES (USES)				
Transfer in	4,739,577	139,577	157,230	17,653
Transfers out	(4,621,122)	(3,983,430)	(3,566,961)	416,469
Total other financing sources (uses)	<u>118,455</u>	<u>(3,843,853)</u>	<u>(3,409,731)</u>	<u>434,122</u>
Net change in fund balances	-	(3,992,670)	(1,264,658)	2,728,012
Fund balances - beginning	7,563,845	7,563,845	10,255,920	2,692,075
Fund balances - ending	<u>\$ 7,563,845</u>	<u>\$ 3,571,175</u>	<u>\$ 8,991,262</u>	<u>\$ 5,420,087</u>

The notes to the budgetary comparison schedule are an integral part of this schedule.

CITY OF LAUDERHILL, FLORIDA
 Required Supplementary Information
 Community Redevelopment Agency
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended September 30, 2012

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNT</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>Positive (Negative)</u>
REVENUES				
Investment Income	\$ -	\$ -	\$ 25	\$ 25
Miscellaneous	72,000	72,000	99,647	27,647
Total revenues	<u>72,000</u>	<u>72,000</u>	<u>99,672</u>	<u>27,672</u>
EXPENDITURES				
General government:				
Administrative expense	241,697	210,547	189,856	20,691
Total expenditures	<u>241,697</u>	<u>210,547</u>	<u>189,856</u>	<u>20,691</u>
Excess (Deficiency) of Revenue over Expenditures	(169,697)	(138,547)	(90,184)	48,363
Other Financing Sources (Uses)				
Operating transfers in	169,697	169,697	169,694	(3)
Operating transfers out	-	(31,150)	(98,109)	(66,959)
Total Other Financing Sources (Uses)	<u>169,697</u>	<u>138,547</u>	<u>71,585</u>	<u>(66,962)</u>
Net change in fund balances	-	-	(18,599)	(18,599)
Fund balances - beginning	(644,168)	(644,168)	(643,479)	689
Fund balances - ending	<u>\$ (644,168)</u>	<u>\$ (644,168)</u>	<u>\$ (662,078)</u>	<u>\$ (17,910)</u>

The notes to the budgetary comparison schedule are an integral part of this schedule.

CITY OF LAUDERHILL, FLORIDA
Required Supplementary Information
Notes to the Budgetary Comparison Schedules
For the Year Ended September 30, 2012

Budgetary information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. Annual appropriations lapse at fiscal year end. The City follows Chapter 80-274 of the state of Florida Statutes and its charter in establishing the budgetary data reflected in the financial statements. The budget process is as follows:

1. Prior to August 1, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally enacted through passage of an appropriation ordinance.
4. The appropriated budget is prepared and adopted by fund, function, and department. Budgets are monitored within each department at the account level by the respective department head and the Finance Director. The City's department heads may make transfers of appropriations within a department with approval of the City Manager and Finance Director. Transfers of appropriations between departments require the additional approval of the Commission. The legal level of budgetary control (i.e. the level at which expenditures may not exceed appropriations) is the department level. The Commission made several supplemental budgetary appropriations throughout the year.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g. purchase orders, contracts) outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

Excess of expenditures over appropriations

For the year ended September 30, 2012 expenditures exceeded appropriations in the following departments:

<u>Department</u>	<u>Excess Expenditures over Budget</u>
Legal	\$6,351
Police	363,132
Grounds maintenance	165,698

These over expenditures were funded by a combination of greater than anticipated revenues and available fund balance.

**Required Supplementary Information
Lauderhill Retirement Systems
Schedule of Funding Progress**

GERS

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded Actuarial Accrued Liability (UAAL) (3)-(2)	Funded Ratio (2)/(3)	Covered Payroll	UAAL as % of Covered Payroll (4)/(6)
10/1/2011	\$ 15,336,711	\$ 22,250,932	\$ 6,914,221	68.9%	\$ 3,616,860	191.2%
10/1/2010	15,597,828	21,784,980	6,187,152	71.6%	3,756,141	164.7%
10/1/2009	15,522,330	20,873,030	5,350,700	74.4%	4,357,100	122.8%

FRS

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded Actuarial Accrued Liability (UAAL) (3)-(2)	Funded Ratio (2)/(3)	Covered Payroll	UAAL as % of Covered Payroll (4)/(6)
10/1/2011	\$ 39,620,622	\$ 62,438,797	\$ 22,818,175	63.5%	\$ 6,128,065	372.4%
10/1/2010	39,963,208	59,032,701	19,069,493	67.7%	5,975,394	319.1%
10/1/2009	38,262,703	56,695,688	18,432,985	67.5%	6,133,486	300.5%

PRS

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded Actuarial Accrued Liability (UAAL) (3)-(2)	Funded Ratio (2)/(3)	Covered Payroll	UAAL as % of Covered Payroll (4)/(6)
10/1/2011	\$ 30,071,000	\$ 42,473,000	\$ 12,402,000	70.8%	\$ 8,819,000	140.6%
10/1/2010	27,137,000	35,483,000	8,346,000	76.5%	9,149,000	91.2%
10/1/2009	23,088,000	30,634,000	7,546,000	75.4%	8,751,000	86.2%

CMRS

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded Actuarial Accrued Liability (UAAL) (3)-(2)	Funded Ratio (2)/(3)	Covered Payroll	UAAL as % of Covered Payroll (4)/(6)
10/1/2011	\$ 14,009,000	\$ 22,211,000	\$ 8,202,000	63.1%	\$ 3,995,000	205.3%
10/1/2010	13,284,000	20,806,000	7,522,000	63.8%	4,415,000	170.4%
10/1/2009	12,313,000	19,185,000	6,871,000	64.2%	3,917,000	175.4%

**Required Supplementary Information
Lauderhill Retirement Systems
Schedule of Funding Progress**

OPEB

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded Actuarial Accrued Liability (UAAL) (3)-(2)	Funded Ratio (2)/(3)	Covered Payroll	UAAL as % of Covered Payroll (4)/(6)
10/1/2010	\$ -	\$ 2,857,000	\$ 2,857,000	0.00%	\$ 25,166,000	11.4%
10/1/2007	-	454,000	45,400	0.00%	17,420,000	2.5%

CITY OF LAUDERHILL, FLORIDA
 Combining Balance Sheet
 Nonmajor Governmental Funds
 September 30, 2012

	Special Revenue							Total
	SHIP	Law Enforcement	Federal Forfeiture	Safe Neighborhood	N.S.P Fund	CDBG	Home Grant	
ASSETS								
Debt Service	\$ 1,082,533	\$ 89,580	\$ 2,349	\$ 232,440	\$ 10,738	\$ 8,925	\$ 4,219	\$ 1,448,029
Equity in pooled cash and investments	-	-	-	-	554,347	1,676,329	238,250	2,468,926
Due from other governments	-	-	-	-	-	-	-	-
Restricted assets:								
Equity in pooled cash and investments	1,058,019	-	-	-	-	-	-	1,058,019
Other assets	-	-	-	-	6,513	-	-	6,513
Total assets	\$ 2,140,552	\$ 89,580	\$ 2,349	\$ 232,440	\$ 571,598	\$ 1,685,254	\$ 242,469	\$ 4,981,487
LIABILITIES								
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ 48,545	\$ -	\$ -	\$ -	\$ 48,545
Accrued payroll	-	-	-	-	-	6,587	-	6,587
Due to other funds	-	-	97,250	-	1,242,488	1,291,413	242,469	2,873,620
Total liabilities	-	-	97,250	48,545	1,242,488	1,298,000	242,469	2,928,752
FUND BALANCES								
Assigned:								
Debt reserve	2,140,552	-	-	-	-	-	-	2,140,552.00
Unassigned:								
Social services	-	17,245	-	183,895	(670,890)	387,254	-	(82,496)
Public safety	-	-	(94,901)	-	-	-	-	(5,321)
Total fund balances (deficits)	2,140,552	17,245	(94,901)	183,895	(670,890)	387,254	-	2,052,735
Total liabilities and fund balances	\$ 2,140,552	\$ 89,580	\$ 2,349	\$ 232,440	\$ 571,598	\$ 1,685,254	\$ 242,469	\$ 4,981,487

CITY OF LAUDERHILL, FLORIDA
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended September 30, 2012

	Debt Service	SHIP	Law Enforcement	Federal Forfeitures	Special Revenue			CDBG	Home Grant	Total
					Safe Neighborhoods	N.S.P Fund				
REVENUES										
Intergovernmental	\$ -	\$ 4,000	\$ -	\$ -	\$ -	\$ 323,466	\$ 764,477	\$ 530,345	\$ 1,622,288	
Property taxes	-	-	-	-	551,138	-	-	-	551,138	
Fines and forfeitures	-	-	68,485	737,245	-	-	-	-	805,730	
Investment income	60,224	30	-	-	2,652	-	-	-	62,906	
Total revenues	60,224	4,030	68,485	737,245	553,790	323,466	764,477	530,345	3,042,062	
EXPENDITURES										
Current:										
General government	10,535	-	-	-	-	-	-	-	10,535	
Public safety	-	-	12,920	301,797	-	-	-	-	314,717	
Recreation and social services	-	178,800	-	-	284,063	758,789	991,859	285,982	2,509,493	
Debt Service:										
Principal retirement	2,824,579	-	-	-	-	-	-	-	2,824,579	
Interest	1,704,290	-	-	-	-	-	-	-	1,704,290	
Capital Outlay:										
Improvement	-	-	-	-	1,059,932	-	-	-	1,059,932	
Machinery and equipment	-	-	-	334,953	19,799	-	-	-	354,752	
Total Expenditures	4,539,404	178,800	12,920	636,750	1,363,794	758,789	991,859	285,982	8,778,298	
Excess (deficiency) of revenue over (under) expenditures	(4,479,180)	(174,770)	55,565	100,495	(810,004)	(435,323)	(227,382)	234,363	(5,736,236)	
OTHER FINANCING SOURCES (USES)										
Transfers in	5,136,936	-	-	-	1,270,159	-	-	-	6,407,095	
Transfer out	-	-	-	-	(46,821)	-	-	-	(46,821)	
Total other financing sources and (uses)	5,136,936	-	-	-	1,223,338	-	-	-	6,360,274	
Net change in fund balances	657,756	(174,770)	55,565	100,495	413,334	(435,323)	(227,382)	234,363	624,038	
Fund balances (deficits) - beginning	1,482,796	192,015	34,015	(195,396)	(229,439)	(235,567)	614,636	(234,363)	1,428,697	
Fund balances (deficits) - ending	\$ 2,140,552	\$ 17,245	\$ 89,580	\$ (94,901)	\$ 183,895	\$ (670,890)	\$ 387,254	\$ -	\$ 2,052,735	

CITY OF LAUDERHILL, FLORIDA
 Capital Projects Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended September 30, 2012

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNT</u>	<u>FINAL BUDGET</u>
				<u>Positive (Negative)</u>
REVENUES				
Property taxes	\$ 2,240,180	\$ 2,240,180	\$ 2,160,878	\$ (79,302)
Intergovernmental	1,073,474	1,073,474	16,799	(1,056,675)
Investment income	-	-	8,746	8,746
Miscellaneous	-	19,500	473	(19,028)
Total revenues	<u>3,313,654</u>	<u>3,333,154</u>	<u>2,186,896</u>	<u>(1,146,258)</u>
EXPENDITURES				
General government:				
Administrative expense	-	508,676	2,407,181	(1,898,506)
Capital Outlay:				
Buildings	1,609,125	1,015,190	1,137,438	(122,248)
Improvements	1,566,523	1,594,761	353,617	1,241,144
Infrastructure	-	-	-	-
Machinery & equipment	-	586,556	507,784	78,772
Total expenditures	<u>3,175,648</u>	<u>3,705,183</u>	<u>4,406,020</u>	<u>(700,837)</u>
Excess (Deficiency) of Revenue over Expenditures	138,006	(372,029)	(2,219,124)	(1,847,095)
OTHER FINANCING SOURCES (USES)				
Transfer in	2,102,174	510,035	504,036	(5,999)
Transfers out	(2,240,180)	(2,240,180)	(3,526,164)	(1,285,984)
Total other financing sources and uses	<u>(138,006)</u>	<u>(1,730,145)</u>	<u>(3,022,128)</u>	<u>(1,291,983)</u>
Net change in fund balances	-	-	(5,241,252)	(5,241,252)
Fund balances - beginning	<u>43,293</u>	<u>43,293</u>	<u>9,994,625</u>	<u>9,951,332</u>
Fund balances - ending	<u>\$ 43,293</u>	<u>\$ 43,293</u>	<u>\$ 4,753,373</u>	<u>\$ 4,710,080</u>

CITY OF LAUDERHILL, FLORIDA
Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2012

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNT</u>	<u>FINAL BUDGET</u>
				<u>Positive (Negative)</u>
REVENUES				
Investment Income	\$ -	\$ -	\$ 60,224	\$ 60,224
Total revenues	-	-	60,224	60,224
EXPENDITURES				
Debt service:				
General government	5,000	5,000	10,535	(5,535)
Principal retirement	3,603,056	3,488,841	2,824,579	664,262
Interest	2,835,545	3,310,350	1,704,290	1,606,060
Total expenditures	6,443,601	6,804,191	4,539,404	2,264,787
Excess (Deficiency) of Revenue over Expenditures	(6,443,601)	(6,804,191)	(4,479,180)	2,325,011
Other Financing Sources (Uses)				
Transfers in	6,443,601	6,804,191	5,136,936	(1,667,255)
Total Other Financing Sources (Uses)	6,443,601	6,804,191	5,136,936	(1,667,255)
Net change in fund balances	-	-	657,756	657,756
Fund balances - beginning	2,213,537	2,213,537	1,482,796	(730,741)
Fund balances - ending	\$ 2,213,537	\$ 2,213,537	\$ 2,140,552	\$ (72,985)

CITY OF LAUDERHILL, FLORIDA
Special Revenue Fund - State Housing Initiative Program (SHIP)
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2012

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNT</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 4,000	\$ 4,000
Investment income	-	-	30	30
Total revenues	<u>-</u>	<u>-</u>	<u>4,030</u>	<u>4,030</u>
EXPENDITURES				
Social services	-	50,203	178,800	(128,597)
Total expenditures	<u>-</u>	<u>50,203</u>	<u>178,800</u>	<u>(128,597)</u>
Excess (Deficiency) of Revenue over				
Expenditures	-	(50,203)	(174,770)	(124,567)
Net change in fund balances	-	(50,203)	(174,770)	(124,567)
Fund balances - begining	<u>420,390</u>	<u>420,390</u>	<u>192,015</u>	<u>(228,375)</u>
Fund balances - ending	<u>\$ 420,390</u>	<u>\$ 370,187</u>	<u>\$ 17,245</u>	<u>\$ (352,942)</u>

CITY OF LAUDERHILL, FLORIDA
Special Revenue Fund - Law Enforcement
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2012

	BUDGETED AMOUNTS		ACTUAL AMOUNT	VARIANCE WITH FINAL BUDGET Positive (Negative)
	ORIGINAL	FINAL		
REVENUES				
Fines and forfeitures	\$ -	\$ 15,920	\$ 68,485	\$ 52,566
Investment income	-	-	-	-
Total revenues	<u>-</u>	<u>15,920</u>	<u>68,485</u>	<u>52,565</u>
EXPENDITURES				
Public safety	-	15,920	12,920	3,000
Total expenditures	<u>-</u>	<u>15,920</u>	<u>12,920</u>	<u>3,000</u>
Excess (Deficiency) of Revenue over Expenditures	-	-	55,565	55,565
Net change in fund balances	-	-	55,565	55,565
Fund balances - beginning	<u>135,267</u>	<u>135,267</u>	<u>34,015</u>	<u>(101,252)</u>
Fund balances - ending	<u>\$ 135,267</u>	<u>\$ 135,267</u>	<u>\$ 89,580</u>	<u>\$ (45,687)</u>

CITY OF LAUDERHILL, FLORIDA
Special Revenue Fund - Federal Forfeitures
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2012

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNT</u>	<u>FINAL BUDGET</u>
				<u>Positive (Negative)</u>
REVENUES				
Fines and forfeitures	\$ -	\$ 635,584	\$ 737,245	\$ 101,661
Total revenues	<u>-</u>	<u>635,584</u>	<u>737,245</u>	<u>101,661</u>
EXPENDITURES				
Public safety	-	635,584	301,797	333,787
Capital Outlay:				
Machinery & equipment	<u>-</u>	<u>-</u>	<u>334,953</u>	<u>(334,953)</u>
Total expenditures	<u>-</u>	<u>635,584</u>	<u>636,750</u>	<u>(1,166)</u>
Excess (Deficiency) of Revenue over				
Expenditures	-	-	100,495	100,495
Change in fund balance	-	-	100,495	100,495
Fund balances - beginning	<u>736,991</u>	<u>736,991</u>	<u>(195,396)</u>	<u>(932,387)</u>
Fund balances - ending	<u>\$ 736,991</u>	<u>\$ 736,991</u>	<u>\$ (94,901)</u>	<u>\$ (831,892)</u>

CITY OF LAUDERHILL, FLORIDA
Special Revenue Fund - Safe Neighborhood
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2012

	BUDGETED AMOUNTS		ACTUAL AMOUNT	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		Positive (Negative)
REVENUES				
Fines and forfeitures	\$ -	\$ -	\$ -	\$ -
Property taxes	834,913	557,527	551,138	(6,389)
Investment income	-	-	2,652	2,652
Total revenues	<u>834,913</u>	<u>557,527</u>	<u>553,790</u>	<u>(3,737)</u>
EXPENDITURES				
Social services	8,628,890	1,827,686	284,063	1,543,623
Capital Outlay:				
Improvements	-	-	1,059,932	(1,059,932)
Machinery & equipment	-	-	19,799	(19,799)
Total expenditures	<u>8,628,890</u>	<u>1,827,686</u>	<u>1,363,794</u>	<u>463,892</u>
Excess (Deficiency) of Revenue over				
Expenditures	(7,793,977)	(1,270,159)	(810,004)	460,155
Other Financing Sources (Uses)				
Transfers in	-	1,270,159	1,270,159	-
Transfers out	-	-	(46,821)	(46,821)
Debt proceeds	7,793,977	-	-	-
Total Other Financing Sources (Uses)	<u>7,793,977</u>	<u>1,270,159</u>	<u>1,223,338</u>	<u>(46,821)</u>
Change in fund balance	-	-	413,334	413,334
Fund balances - beginning	<u>(30,304)</u>	<u>(30,304)</u>	<u>(229,439)</u>	<u>(199,135)</u>
Fund balances - ending	<u>\$ (30,304)</u>	<u>\$ (30,304)</u>	<u>\$ 183,895</u>	<u>\$ 214,199</u>

CITY OF LAUDERHILL, FLORIDA
Special Revenue Fund - Neighborhood Stabilization Program (NSP)
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2012

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNT</u>	<u>FINAL BUDGET</u>
				<u>Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 1,500,000	\$ 1,500,000	\$ 323,466	\$ (1,176,534)
Total revenues	<u>1,500,000</u>	<u>1,500,000</u>	<u>323,466</u>	<u>(1,176,534)</u>
EXPENDITURES				
Social services	<u>1,500,000</u>	<u>1,500,000</u>	<u>758,789</u>	<u>741,211</u>
Total expenditures	<u>1,500,000</u>	<u>1,500,000</u>	<u>758,789</u>	<u>741,211</u>
Excess (Deficiency) of Revenue over				
Expenditures	-	-	(435,323)	(435,323)
Change in fund balance	-	-	(435,323)	(435,323)
Fund balances - beginning	<u>35,586</u>	<u>35,586</u>	<u>(235,567)</u>	<u>(271,153)</u>
Fund balances - ending	<u>\$ 35,586</u>	<u>\$ 35,586</u>	<u>\$ (670,890)</u>	<u>\$ (706,476)</u>

CITY OF LAUDERHILL, FLORIDA
Special Revenue Fund - Community Development Block Grant CDBG)
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2012

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNT</u>	<u>FINAL BUDGET</u>
				<u>Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 843,869	\$ 1,193,869	\$ 764,477	\$ (429,392)
Total revenues	<u>843,869</u>	<u>1,193,869</u>	<u>764,477</u>	<u>(429,392)</u>
EXPENDITURES				
Social services	<u>843,869</u>	<u>1,193,869</u>	<u>991,859</u>	<u>202,010</u>
Total expenditures	<u>843,869</u>	<u>1,193,869</u>	<u>991,859</u>	<u>202,010</u>
Excess (Deficiency) of Revenue over Expenditures	-	-	(227,382)	(227,382)
Net change in fund balances	-	-	(227,382)	(227,382)
Fund balances - beginning	<u>161,283</u>	<u>161,283</u>	<u>614,636</u>	<u>453,353</u>
Fund balances - ending	<u>\$ 161,283</u>	<u>\$ 161,283</u>	<u>\$ 387,254</u>	<u>\$ 225,971</u>

CITY OF LAUDERHILL, FLORIDA
Special Revenue Fund - Home Grant
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2012

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNT</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 294,129	\$ 294,129	\$ 530,345	\$ 236,216
Total revenues	<u>294,129</u>	<u>294,129</u>	<u>530,345</u>	<u>236,216</u>
EXPENDITURES				
Social services	<u>294,129</u>	<u>294,129</u>	<u>295,982</u>	<u>(1,853)</u>
Total expenditures	<u>294,129</u>	<u>294,129</u>	<u>295,982</u>	<u>(1,853)</u>
Excess (Deficiency) of Revenue over				
Expenditures	-	-	234,363	234,363
Net change in fund balances	-	-	234,363	234,363
Fund balances - begining	<u>14,672</u>	<u>14,672</u>	<u>(234,363)</u>	<u>(249,035)</u>
Fund balances - ending	<u>\$ 14,672</u>	<u>\$ 14,672</u>	<u>\$ -</u>	<u>\$ (14,672)</u>

CITY OF LAUDERHILL, FLORIDA
Combining Statement of Fiduciary Net Assets
Pension Trust Funds
September 30, 2012

	PENSION TRUST FUNDS				TOTAL
	General Employees Retirement	Firefighters Retirement	Police Retirement	Confidential and Managerial	
ASSETS					
Cash and short-term investments	\$ 475,676	\$ 2,017,576	\$ 1,063,129	\$ 560,836	\$ 4,117,217
Receivables:					
Due from broker	25,506	-	-	-	25,506
Interest and dividends	29,318	117,503	58,108	14,891	219,820
Receivable for securities sold	-	71,503	52,789	24,791	149,083
Contributions	-	224,455	87,160	120,944	432,559
Total Receivables	<u>54,824</u>	<u>413,461</u>	<u>198,057</u>	<u>160,626</u>	<u>826,968</u>
Prepays	-	-	-	2,596	2,596
Investments, at fair value					
Corporate bonds and notes	-	9,507,430	9,533,701	4,388,160	23,429,291
Mutual funds	7,821,366	-	5,186,951	-	13,008,317
Common stocks	6,934,427	24,239,727	13,146,545	5,922,028	50,242,727
International equity funds	206,570	6,480,831	4,426,699	2,637,671	13,751,771
Notes receivable	-	1,000,000	1,000,000	400,000	2,400,000
Real estate funds	850,000	3,725,103	-	-	4,575,103
Investments, at fair value	<u>15,812,363</u>	<u>44,953,091</u>	<u>33,293,896</u>	<u>13,347,859</u>	<u>107,407,209</u>
Total Assets	<u>16,342,863</u>	<u>47,384,128</u>	<u>34,555,082</u>	<u>14,071,917</u>	<u>112,353,990</u>
LIABILITIES					
Accounts payable and accrued expenses	17,831	76,786	34,672	17,455	146,744
Deferred revenues/future benefits	594,941	950,788	493,505	171,291	2,210,525
Payable for securities purchased	-	69,674	-	-	69,674
Prepaid note receivable interest	-	17,500	-	-	17,500
Prepaid city contributions	-	3,817	-	1,377	5,194
Total Liabilities	<u>612,772</u>	<u>1,118,565</u>	<u>528,177</u>	<u>190,123</u>	<u>2,449,637</u>
NET ASSETS					
Held in trust for pension benefits	<u>\$ 15,730,091</u>	<u>\$ 46,265,563</u>	<u>\$ 34,026,905</u>	<u>\$ 13,881,794</u>	<u>\$ 109,904,353</u>

CITY OF LAUDERHILL, FLORIDA
Combining Statements of Changes in Fiduciary Net Assets
Pension Trust Funds
For the Year Ended September 30, 2012

	PENSION TRUST FUNDS				TOTAL
	General Employees Retirement	Firefighters Retirement	Police Retirement	Confidential and Managerial	
ADDITIONS					
Contributions:					
City	\$ 1,111,532	\$ 3,523,939	\$ 2,346,518	\$ 1,442,701	\$ 8,424,690
Plan members	349,520	892,096	1,727,565	442,519	3,411,700
State revenue	-	440,960	303,327	-	744,287
Total contributions	<u>1,461,052</u>	<u>4,856,995</u>	<u>4,377,410</u>	<u>1,885,220</u>	<u>12,580,677</u>
Investment income:					
Net appreciation in fair value of investments	2,035,692	7,172,278	3,858,750	1,682,955	14,749,675
Interest and dividend income	508,255	926,461	1,011,341	366,806	2,812,863
Total investment income	2,543,947	8,098,739	4,870,091	2,049,761	17,562,538
Less: Investment expenses	53,763	310,278	110,420	53,518	527,979
Deferred retirement option plan	-	62,253	24,147	20,948	107,348
Net investment income	<u>2,490,184</u>	<u>7,726,208</u>	<u>4,735,524</u>	<u>1,975,295</u>	<u>16,927,211</u>
Total additions	<u>3,951,236</u>	<u>12,583,203</u>	<u>9,112,934</u>	<u>3,860,515</u>	<u>29,507,888</u>
DEDUCTIONS					
Benefits paid	1,769,935	3,576,311	856,954	1,317,343	7,520,543
Administrative expenses	69,854	174,789	130,479	87,290	462,412
Refunds of contributions	-	-	181,798	8,138	189,936
Total deductions	<u>1,839,789</u>	<u>3,751,100</u>	<u>1,169,231</u>	<u>1,412,771</u>	<u>8,172,891</u>
CHANGE IN NET ASSETS	2,111,447	8,832,103	7,943,703	2,447,744	21,334,997
NET ASSETS, OCTOBER 1	<u>13,618,644</u>	<u>37,433,460</u>	<u>26,083,202</u>	<u>11,434,050</u>	<u>88,569,356</u>
NET ASSETS, SEPTEMBER 30	<u>\$ 15,730,091</u>	<u>\$ 46,265,563</u>	<u>\$ 34,026,905</u>	<u>\$ 13,881,794</u>	<u>\$ 109,904,353</u>

CITY OF LAUDERHILL, FLORIDA
STATISTICAL SECTION
FISCAL YEAR ENDED SEPTEMBER 30, 2012

This part of the City of Lauderhill’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s financial standing.

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FINANCIAL TRENDS	91
<p style="margin-left: 40px;">These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over the time.</p>	
REVENUE CAPACITY	96
<p style="margin-left: 40px;">These schedules contain information to help assess the City’s most significant local revenue source; the property tax.</p>	
DEBT CAPACITY	99
<p style="margin-left: 40px;">These schedules present information to help the reader asses the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional Debt in the future.</p>	
DEMOGRAPHIC AND ECONOMIC INFORMATION	104
<p style="margin-left: 40px;">These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.</p>	
OPERATING INFORMATION	106
<p style="margin-left: 40px;">These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report related to the services the City provides and the activities it performs.</p>	
MISCELLANEOUS STATISTICS	109

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

CITY OF LAUDERHILL, FLORIDA

Net Assets by Component
Last Ten Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$ 30,455,333	\$ 33,750,444	\$ 31,458,503	\$ 40,245,122	\$ 31,011,983	\$ 24,796,635	\$ 24,156,205	\$ 20,325,910	\$ 22,182,988	\$ 13,181,792
Restricted	6,798,634	5,100,808	4,643,969	3,224,852	3,352,740	6,504,816	4,397,068	5,370,240	2,036,571	3,033,340
Unrestricted	2,274,118	1,323,133	1,826,652	(2,063,112)	6,214,805	6,538,599	2,330,325	5,550,566	1,478,691	5,321,381
	<u>39,528,085</u>	<u>40,174,385</u>	<u>37,929,124</u>	<u>41,406,862</u>	<u>40,579,428</u>	<u>37,840,050</u>	<u>30,883,598</u>	<u>31,246,716</u>	<u>25,698,250</u>	<u>21,536,513</u>
Business Activities										
Invested in Capital Assets, Net of Related Debt	12,952,757	16,603,233	15,313,066	9,229,731	11,361,249	14,087,557	12,282,025	15,557,718	17,163,711	16,583,392
Restricted	1,642,648	1,826,060	2,565,696	2,063,261	3,225,904	200,000	3,200,000	4,911,700	11,317,275	2,000,000
Unrestricted	7,120,115	5,023,062	6,986,447	14,100,843	12,408,154	13,013,219	13,532,070	12,637,267	7,075,980	24,493,356
	<u>\$ 21,715,520</u>	<u>\$ 23,452,355</u>	<u>\$ 24,865,209</u>	<u>\$ 25,393,835</u>	<u>\$ 26,995,307</u>	<u>\$ 27,300,776</u>	<u>\$ 29,024,095</u>	<u>\$ 33,106,685</u>	<u>\$ 35,556,966</u>	<u>\$ 43,076,748</u>

CITY OF LAUDERHILL, FLORIDA
Changes in Net Assets
Last Ten Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
EXPENSES										
Governmental Activities										
General Government	\$ 5,549,472	\$ 7,188,906	\$ 7,825,228	\$ 10,437,902	\$ 13,106,473	\$ 11,701,546	\$ 11,264,320	\$ 12,990,449	\$ 12,419,477	\$ 12,627,083
Public Safety	18,088,026	19,318,700	21,043,086	26,085,909	27,220,653	30,617,084	32,537,466	33,387,260	31,673,615	36,483,202
Public Works	3,062,120	3,143,153	3,539,765	11,268,896	5,045,729	7,184,547	6,491,970	5,421,282	-	-
Physical Environment	-	-	-	-	-	-	-	-	4,523,931	4,556,731
Transportation	-	-	-	-	-	-	-	-	1,202,644	2,548,863
Recreation and Social Services	5,886,336	5,484,553	8,341,193	5,144,089	7,980,172	6,242,142	7,089,302	7,450,136	8,604,826	6,415,018
Economic and Community Development	1,013,257	1,389,479	41,624	-	-	-	-	-	-	-
Interest on long-term debt	691,142	785,795	1,112,503	2,369,854	2,429,421	2,257,723	2,478,666	2,384,424	2,475,944	2,786,822
Total Governmental Activities Expenses	34,290,353	37,310,586	41,903,409	55,306,650	55,782,448	58,003,042	59,861,724	61,633,551	60,900,437	65,417,719
Business-type Activities										
Water and Sewer	10,479,830	10,793,198	11,855,061	12,027,074	11,928,642	12,124,864	13,260,962	14,331,033	15,917,186	15,002,150
Stormwater	1,112,590	1,695,166	2,567,637	3,223,739	3,498,582	3,348,091	3,702,211	4,712,486	4,266,871	4,242,358
Performing Art	-	-	-	-	-	-	400	-	38,871	-
Total Business-type Activities Expenses	11,592,420	12,488,364	14,422,718	15,250,813	15,427,224	15,472,955	16,963,173	19,043,919	20,222,928	19,244,508
Total Primary Government Expenses	45,882,773	49,798,950	56,326,127	70,557,463	71,209,673	73,475,997	76,824,897	80,677,470	81,123,365	84,662,227
PROGRAM REVENUES										
Governmental Activities										
Charges for Services										
General Government	\$ 1,335,454	\$ 4,423,194	\$ 3,782,796	\$ 3,718,244	\$ 3,011,098	1,819,432	2,051,614	2,497,796	3,042,987	2,576,589
Public Safety	4,409,053	3,890,522	6,370,334	6,766,565	6,818,193	11,549,938	9,373,245	11,562,332	11,245,316	17,713,085
Recreation and Social Services	348,760	548,822	366,858	270,278	523,069	308,439	283,526	184,650	168,015	94,961
Transportation	-	-	-	-	-	-	-	-	98,314	80,771
Operating Grants/Contributions	1,636,116	3,003,761	2,794,438	9,898,002	4,219,394	3,623,561	3,238,350	6,987,592	4,055,407	3,233,682
Capital Grants/Contributions	1,123,755	1,617,367	668,563	81,743	-	-	-	36,859	654,640	-
Total Governmental Activities Program Revenues	8,853,138	13,473,666	13,982,989	20,734,832	14,571,754	17,301,371	14,946,735	21,269,229	19,264,679	23,799,088
Business-type Activities										
Water and Sewer	12,286,917	11,392,655	11,626,887	12,406,872	12,227,142	11,904,684	14,643,598	18,688,110	17,172,007	15,978,038
Stormwater	2,130,704	2,060,614	2,825,060	2,919,077	3,662,059	3,737,707	3,965,906	4,329,392	5,025,664	5,701,690
Performing Art	-	-	75,000	-	-	-	-	-	-	-
Operating Grants/Contributions	-	633,264	1,166,970	-	-	-	-	-	-	2,622,188
Capital Grants/Contributions	-	-	-	-	-	-	-	-	-	-
Total Business-type Activities Program Revenues	14,417,621	14,086,533	15,693,917	15,325,949	15,889,201	15,642,391	18,609,504	23,017,502	22,200,671	24,301,916
Total Primary Government Program Revenues	\$ 23,270,759	\$ 27,560,199	\$ 29,676,906	\$ 36,060,781	\$ 30,460,955	\$ 32,943,762	\$ 33,556,239	\$ 44,286,731	\$ 41,465,350	\$ 48,101,004
NET (EXPENSE) REVENUE										
Governmental Activities	\$ (25,437,215)	\$ (23,836,920)	\$ (27,920,420)	\$ (34,571,818)	\$ (41,210,694)	\$ (40,701,672)	\$ (44,914,989)	\$ (40,364,322)	\$ (41,635,758)	\$ (41,618,631)
Business-type Activities	2,825,201	1,598,169	1,271,199	75,136	461,977	169,436	1,646,331	3,973,583	1,977,743	5,057,408
Total Primary Government Net Revenue	\$ (22,612,014)	\$ (22,238,751)	\$ (26,649,221)	\$ (34,496,682)	\$ (40,748,718)	\$ (40,532,236)	\$ (43,268,658)	\$ (36,390,739)	\$ (39,658,015)	\$ (36,561,223)

CITY OF LAUDERHILL, FLORIDA
Changes in Net Assets-Continued
Last Ten Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
GENERAL REVENUES AND TRANSFERS										
Governmental Activities										
Property Taxes	\$ 8,211,732	\$ 8,999,663	\$ 10,326,553	\$ 14,027,917	\$ 17,100,159	\$ 16,179,042	\$ 15,955,227	\$ 15,921,086	\$ 12,932,606	\$ 14,379,270
Other Taxes	7,732,348	7,817,926	9,231,595	12,581,463	12,591,796	12,520,752	12,662,694	13,384,607	12,538,173	12,180,315
Investment Earnings	273,982	172,533	311,228	1,599,334	2,098,581	1,504,060	459,343	496,141	207,339	117,479
Other	8,013,353	6,263,204	6,996,304	9,063,657	9,690,510	8,137,619	8,866,132	10,925,606	11,709,383	10,779,830
Gain (Loss) on Sale of Land	1,053,477	-	-	-	-	-	-	-	-	-
Gain (Loss) on Sale of Fixed Assets	-	11,894	(92,736)	-	-	-	-	-	-	-
Contribution Capital-Land	-	1,218,000	-	-	-	-	-	-	-	-
Net Realized Value of Land Investment	-	-	(1,097,765)	-	-	-	-	-	-	-
Insurance Recoveries	-	-	-	-	-	1,556,485	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	15,144	-	-	-
Transfers	-	-	-	(320,600)	-	-	-	-	-	-
Total Governmental Activities Revenues	25,284,892	24,483,220	25,675,159	36,951,771	41,481,046	39,897,958	37,958,540	40,727,440	37,387,501	37,456,894
Business-type Activities										
Investment Earnings	\$ 160,921	\$ 138,666	\$ 141,655	\$ 132,890	\$ 217,841	\$ 136,036	\$ 36,658	\$ 109,007	\$ 32,538	\$ 56,318
Miscellaneous	-	-	-	-	921,652	-	-	-	440,000	2,406,056
Transfers	-	-	-	320,600	-	-	-	-	-	-
Total Business-type Activities Revenues	160,921	138,666	141,655	453,490	1,139,493	136,036	36,658	109,007	472,538	2,462,374
Total Primary Government Revenues	\$ 25,445,813	\$ 24,621,886	\$ 25,816,814	\$ 37,405,261	\$ 42,620,540	\$ 40,033,994	\$ 37,995,198	\$ 40,836,447	\$ 37,860,039	\$ 39,919,268
NET (EXPENSE) REVENUE										
Governmental Activities	\$ (152,323)	\$ 646,300	\$ (2,245,261)	\$ 2,379,953	\$ 270,352	\$ (803,713)	\$ (6,956,449)	\$ 363,118	\$ (4,246,257)	\$ (4,161,737)
Business-type Activities	2,986,122	1,736,835	1,412,854	528,626	1,601,470	305,471	1,646,331	4,082,590	2,450,281	7,519,782
Total Primary Government	\$ 2,833,799	\$ 2,383,135	\$ (832,407)	\$ 2,908,579	\$ 1,871,822	\$ (498,242)	\$ (5,310,118)	\$ 4,445,708	\$ (1,797,976)	\$ 3,358,045

CITY OF LAUDERHILL, FLORIDA
Fund Balances-Governmental Funds
Last Ten Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund										
Reserved	\$ 2,406,942	\$ 2,250,692	\$ 91,597	\$ 61,805	\$ 707,160	\$ 897,221	\$ 1,348,172	\$ 1,152,662	\$ -	\$ -
Unreserved	1,023,533	(71,241)	3,665,104	5,932,960	5,958,123	6,966,048	6,215,673	5,237,482	-	-
Nonspendable	-	-	-	-	-	-	-	-	166,778	219,609
Restricted	-	-	-	-	-	-	-	-	446,493	542,471
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	4,239,121	932,248
Unassigned	-	-	-	-	-	-	-	-	5,403,528	7,296,934
	<u>\$ 3,430,475</u>	<u>\$ 2,179,451</u>	<u>\$ 3,756,701</u>	<u>\$ 5,994,765</u>	<u>\$ 6,665,283</u>	<u>\$ 7,863,269</u>	<u>\$ 7,563,845</u>	<u>\$ 6,390,144</u>	<u>\$ 10,255,920</u>	<u>\$ 8,991,262</u>
All Other Governmental Funds										
Reserved	\$ 6,798,634	\$ 5,100,808	\$ 35,745,189	\$ 29,803,423	\$ 3,781,937	\$ 5,773,949	\$ 3,687,422	\$ 4,806,205	\$ -	\$ -
Reserved Reported In	-	-	-	(173,784)	2,994,178	(740,475)	(644,168)	(524,064)	-	-
Special Revenue	-	-	-	-	19,397,877	2,988,433	43,283	5,313,431	-	-
Capital Project	-	-	-	-	-	-	-	-	2,888,575	2,888,575
Nonspendable	-	-	-	-	-	-	-	-	107,282	565
Restricted	-	-	-	-	-	-	-	-	9,994,625	4,753,373
Committed	-	-	-	-	-	-	-	-	1,482,796	2,052,735
Assigned	-	-	-	-	-	-	-	-	(3,693,435)	(3,551,218)
Unassigned	-	-	-	-	-	-	-	-	\$ 10,779,843	\$ 6,144,030
	<u>\$ 6,798,634</u>	<u>\$ 5,100,808</u>	<u>\$ 35,745,189</u>	<u>\$ 29,629,639</u>	<u>\$ 26,173,992</u>	<u>\$ 8,021,907</u>	<u>\$ 3,086,547</u>	<u>\$ 9,595,572</u>	<u>\$ 10,779,843</u>	<u>\$ 6,144,030</u>

Note: Information for fiscal years 2003 to 2010 have not been restated for Governmental Accounting Standards Board (GASB) Statement No. 54 classifications.

CITY OF LAUDERHILL, FLORIDA
Changes in Fund Balances-Governmental Funds
Last Ten Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
REVENUES										
Property Taxes	\$ 8,211,732	\$ 8,999,663	\$ 10,326,553	\$ 14,051,334	\$ 17,100,159	\$ 16,179,042	\$ 15,955,227	\$ 15,921,086	\$ 12,932,608	\$ 14,379,270
Franchise Taxes	3,249,974	3,070,607	3,217,681	4,707,818	4,420,174	4,281,390	3,968,536	4,552,969	4,133,917	3,912,249
Public Service Taxes	4,482,374	4,747,318	6,013,914	7,873,646	8,171,622	8,239,362	8,694,157	8,831,638	8,404,256	8,268,066
Charges for services	4,590,000	4,857,986	6,534,347	6,939,511	7,280,089	8,038,796	10,040,988	11,276,229	11,221,702	16,963,862
Administrative Charges	1,599,900	1,850,000	2,005,000	3,325,000	3,131,312	2,051,343	3,624,548	4,713,999	5,344,558	5,073,029
Intergovernmental	8,628,123	10,832,411	10,184,677	16,446,296	9,494,549	12,015,037	8,143,497	12,191,590	11,229,104	8,233,766
License and Permits	1,335,454	1,511,768	1,617,864	3,076,720	2,848,814	1,740,312	1,916,602	2,057,512	1,952,467	2,222,920
Fines and Forfeiture	405,533	418,392	362,777	450,644	617,224	3,902,553	691,736	677,075	585,134	1,378,623
Investment Income	273,982	172,533	311,227	1,599,334	2,098,581	1,504,060	459,343	496,141	207,313	117,479
Rental Income	-	-	-	-	133,142	174,458	255,757	255,560	361,587	369,315
Other	3,669,149	279,108	302,359	559,816	626,531	515,915	84,103	1,598,548	279,534	337,403
Total Revenue	36,446,221	36,739,786	40,876,399	58,030,120	55,922,198	58,642,267	53,834,464	62,572,347	56,652,180	61,255,982
EXPENDITURE										
Current:										
General Government	4,894,085	5,834,909	6,790,734	9,141,469	12,265,063	11,329,546	10,886,907	12,734,557	11,607,562	12,270,763
Public Safety	17,738,335	19,571,142	20,599,328	25,567,512	26,088,653	29,470,084	31,044,616	31,901,233	30,277,908	35,424,845
Public Work	2,450,599	2,517,134	2,942,429	9,345,822	4,334,729	6,335,756	5,620,689	5,086,473	-	-
Physical environment	-	-	-	-	-	-	-	-	4,209,013	4,339,131
Transportation	-	-	-	-	-	-	-	-	676,078	2,078,314
Recreation and social services	5,058,841	5,160,267	7,386,723	6,688,051	6,984,153	5,342,142	6,136,233	8,392,014	7,132,328	5,101,008
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Economic and Community Development	1,013,257	1,390,506	41,624	-	-	-	-	-	-	-
Debt Service:										
Principal retirement	415,000	-	-	1,880,000	1,807,500	995,000	2,124,992	2,159,247	2,284,670	2,824,579
Interest and issuance cost	691,142	-	-	2,393,270	2,429,420	2,254,223	2,359,299	2,319,841	2,475,944	1,704,290
Capital Outlay:	4,835,525	8,837,988	4,336,755	6,570,880	10,516,600	17,168,754	7,926,487	5,224,302	4,516,269	3,413,523
Total Expenditures	37,096,784	43,311,946	42,097,593	61,587,004	64,426,317	72,895,506	66,999,234	67,817,667	63,179,772	67,156,453
Excess Revenue Over (Under Expenditures)	(650,563)	(6,572,160)	(1,221,194)	(3,556,884)	(8,504,119)	(14,253,238)	(12,264,770)	(5,245,320)	(6,527,592)	(5,900,471)
OTHER FINANCING SOURCE (USES)										
Transfer In	-	-	-	3,848,208	8,424,175	4,286,828	10,042,142	6,102,670	11,470,253	7,238,055
Transfer Out	(1,106,142)	(1,376,690)	(2,441,061)	(4,168,808)	(8,424,175)	(4,286,828)	(10,042,142)	(6,102,670)	(11,470,253)	(7,238,055)
Payment to refunded bond escrow agent	-	-	-	-	4,864,619	(3,500)	(62,000)	(108,250)	(225,576)	-
Issuance of debt	-	-	-	-	-	778,071	7,054,000	10,065,000	11,803,215	-
Capital leases	-	-	-	-	-	-	576,841	-	-	-
Advance	-	-	-	-	-	-	(594,000)	-	-	-
Sale of capital assets	-	-	-	-	(2,220,237)	-	15,144	-	-	-
Insurance recoveries	-	-	-	-	-	-	-	623,894	-	-
Total Other Financing Sources (Uses)	(1,106,142)	(1,376,690)	(2,441,061)	(320,600)	2,644,382	2,331,056	7,029,985	10,580,644	11,577,639	-
Net Change in Fund Balance	\$ (1,756,705)	\$ (7,948,850)	\$ (3,662,255)	\$ (3,877,484)	\$ (5,859,739)	\$ (11,922,181)	\$ (6,234,765)	\$ 5,335,324	\$ 5,050,047	\$ (5,900,471)
Debt Service as a Percentage of Non-capital Expenditures	3.43%	n/a	n/a	7.77%	7.86%	5.83%	7.71%	7.16%	8.12%	7.10%

CITY OF LAUDERHILL, FLORIDA
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

FISCAL TAX ROLL YEAR	RESIDENTIAL PROPERTY	COMMERCIAL PROPERTY	INDUSTRIAL PROPERTY	ALL OTHER PROPERTIES	LESS: EXEMPTIONS					TOTAL TAXABLE ASSESSED VALUE	TOTAL DIRECT TAX RATE
					HOMESTEAD	GOVERNMENTAL	INSTITUTIONAL	SAVE OUR HOMES	OTHER		
2003	n/a	n/a	n/a	n/a	\$ 292,504,630	\$ 40,460,700	\$ 29,716,243	\$ 141,211,780	\$ 2,504,990	\$ 1,514,529,312	5.60
2004	n/a	n/a	n/a	n/a	297,192,690	46,732,320	33,721,607	252,186,850	2,797,030	1,680,163,416	5.82
2005	n/a	n/a	n/a	n/a	300,712,550	54,592,070	60,873,772	350,697,790	2,990,880	1,811,412,383	5.82
2006	n/a	n/a	n/a	n/a	354,840,809	64,418,643	71,831,051	413,823,392	3,529,238	2,138,901,131	6.65
2007	n/a	n/a	n/a	n/a	355,994,920	187,710,230	75,452,364	950,577,710	5,887,900	2,675,359,177	6.65
2008	n/a	n/a	n/a	n/a	380,328,250	246,808,100	98,329,092	1,176,566,740	1,013,308	3,035,752,766	5.48
2009	n/a	n/a	n/a	n/a	629,541,380	246,808,100	106,601,588	868,255,460	8,263,680	2,776,843,012	5.93
2010	n/a	n/a	n/a	n/a	591,870,172	269,469,940	207,596,040	407,855,100	7,723,220	2,376,012,968	6.93
2011	n/a	n/a	n/a	n/a	508,426,900	281,891,010	103,825,609	103,549,150	7,354,630	1,852,925,615	7.20
2012	n/a	n/a	n/a	n/a	459,112,080	288,509,821	85,296,229	86,673,880	7,062,740	1,754,261,980	8.09

Source: City of Lauderhill Finance Department

CITY OF LAUDERHILL, FLORIDA
Property Tax Millage Rates
Direct and Overlapping Governments
Last Ten Fiscal Year

City of Lauderhill					Overlapping Rates								Total Tax Rate
Fiscal Year	Tax Roll	Operating Millage	Debt Service Millage	Total City Millage	Broward County			Schools Board	Childrens Services	So. Florida Water Management District	Florida Inland Navigational District	North Broward Hospital District	
					Operating Millage	Debt Service Millage	Total County Millage						
2002	2001	5.6000	-	5.6000	-	-	7.5710	8.9553	-	0.6970	0.0385	2.4803	25.3421
2003	2002	5.6000	-	5.6000	-	-	7.4005	8.7541	-	0.6970	0.0385	2.4803	24.9704
2004	2003	5.8200	-	5.8200	-	-	7.1880	8.4176	0.3055	0.6970	0.0385	2.4803	24.9469
2005	2004	5.8200	-	5.8200	-	-	7.0230	8.8096	0.3316	0.6970	0.0385	2.5000	25.2197
2006	2005	6.0200	0.6310	6.6510	-	-	7.0230	8.2695	0.3920	0.6970	0.0385	2.4803	25.5513
2007	2006	6.0200	0.6310	6.6510	-	-	6.7830	8.0623	0.4231	0.6970	0.0385	2.1746	24.8295
2008	2007	4.7340	0.7500	5.4840	-	-	5.2868	7.6484	0.3572	0.6240	0.0345	1.6255	21.0604
2009	2008	5.0646	0.8700	5.9346	-	-	5.3145	7.4170	0.3754	0.6240	0.0345	1.7059	21.4059
2010	2009	5.9574	0.9700	6.9274	4.8889	0.5000	5.3889	7.4310	0.4243	0.6240	0.0345	1.7059	22.5360
2011	2010	5.9574	1.2380	7.1954	5.1021	0.4509	5.5530	7.6310	0.4696	0.6240	0.0345	1.8750	23.3825
2012	2011	6.8198	1.2751	8.0949	5.1860	0.3670	5.5530	7.4180	0.4789	0.4363	0.0345	1.8750	23.8906

Source: Broward County Property Appraiser

CITY OF LAUDERHILL, FLORIDA
Principal Property Taxpayers
Current Year and Nine Years Ago

TAXPAYER	TYPE OF BUSINESS	2012		
		TAXABLE ASSESSED VALUE	RANK	PERCENT OF TOTAL ASSESSED VALUE
SG Forest Trace SPE LLC	Real Estate	\$ 26,377,470	1	1.5%
Daejan Inverrary Gardens LLC	Real Estate	23,326,159	2	1.3%
CP-PRCP Lauderhill I LLC	Real Estate	23,015,041	3	1.3%
Inverrary AL/IL Real	Real Estate	20,209,780	4	1.2%
Serramar Apartments LLC	Real Estate	19,513,853	5	1.1%
Waterford Park Apartment LLC	Real Estate	18,528,366	6	1.1%
Kimco Development	Retail	16,814,360	7	1.0%
Target Corporation	Retail	15,677,370	8	0.9%

TAXPAYER	TYPE OF BUSINESS	2003		
		TAXABLE ASSESSED VALUE	RANK	PERCENT OF TOTAL ASSESSED VALUE
Target Corporation	Retail	\$ 17,989,910	1	1.2%
Landings of Inverrary	Real Estate	16,347,420	2	1.1%
Rossland Real Estate	Real Estate	16,165,300	3	1.1%
CSC Inverrary Gardens	Real Estate	13,896,730	4	1.0%
Jose Milton	Real Estate	10,456,730	5	0.7%
Lauderhill Apartment Investors	Real Estate	10,428,730	6	0.7%
Kimco Development	Retail	10,226,610	7	0.7%
Westbrooke of Inverrary	Real Estate	9,318,750	8	0.6%

Source: City of Lauderhill Finance Department

CITY OF LAUDERHILL, FLORIDA
Property Tax Levies and Collections
Last Ten Fiscal Years

FISCAL YEAR	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTION WITHIN THE FISCAL YEAR OF THE LEVY	PERCENTAGE OF LEVY	COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTION TO DATE	
	AMOUNT	AMOUNT		AMOUNT	AMOUNT	PERCENTAGE OF LEVY
2003	\$ 8,433,180	\$ 8,190,378	97.12	\$ 9,221	\$ 8,211,732	97.37%
2004	9,313,729	8,999,663	96.63	22,831	9,008,884	96.73%
2005	10,740,102	10,326,553	96.15	96,205	10,349,384	96.36%
2006	12,960,022	12,732,731	98.25	62,570	12,828,936	98.99%
2007	16,045,030	15,414,838	96.07	126,557	15,477,407	96.46%
2008	14,403,466	14,294,160	99.24	148,358	14,420,718	99.09%
2009	14,063,408	13,953,535	99.22	141,571	14,101,893	99.27%
2010	14,157,121	13,632,070	96.29	123,964	13,773,641	97.29%
2011	11,129,627	10,825,254	97.27	116,673	10,949,218	98.38%
2012	11,887,054	11,550,580	97.17	-	11,667,253	98.15%

Source: Office of Broward County Revenue Collections

CITY OF LAUDERHILL, FLORIDA
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years
(Dollars in Thousands Except Percentage of Personal Income & Per Capita)

FISCAL YEAR	GOVERNMENTAL ACTIVITIES				BUSINESS-TYPE ACTIVITIES			TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA*
	GENERAL OBLIGATION BONDS	REVENUE BONDS	ECONOMIC DEVELOPMENT LINE OF CREDIT	CAPITAL LEASES	WATER & SEWER REVENUE BONDS	STORMWATER REVENUE BONDS	STATE REVOLVING FUND LOANS			
2003	\$ -	\$ 14,195	\$ -	\$ -	\$ 15,025	\$ -	\$ 4,548	\$ 33,768	0.04	567
2004	-	18,650	-	-	14,320	-	7,191	40,161	0.05	664
2005	35,000	18,305	-	-	19,415	5,000	7,584	85,304	0.10	1,389
2006	33,960	17,465	-	-	18,615	5,000	7,262	82,302	0.10	1,210
2007	33,070	16,595	4,865	-	22,785	4,890	6,920	89,125	0.11	1,173
2008	32,150	16,595	7,503	-	23,110	4,890	6,811	91,059	0.11	1,348
2009	31,200	22,195	7,901	458	22,195	10,780	8,570	103,299	0.03	1,359
2010	30,220	31,335	9,001	298	21,175	10,360	8,472	110,861	0.04	1,459
2011	29,205	41,505	8,926	736	20,125	9,960	8,200	118,657	0.06	1,774
2012	28,155	39,888	8,926	576	24,050	9,540	7,682	118,817	0.06	1,776

* See Schedule of Demographic and Economic Statistics on page 104 for population data.

CITY OF LAUDERHILL, FLORIDA
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

FISCAL YEAR	GENERAL OBLIGATION BONDS	LESS SINKING FUND	NET GENERAL BONDED DEBT	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY *	PER CAPITA **
2003	\$ -	\$ -	\$ -	\$ -	\$ -
2004	-	-	-	-	-
2005	35,000	-	35,000	1.96	570
2006	33,960	-	33,960	1.27	447
2007	33,070	-	33,070	1.09	435
2008	32,150	-	32,150	1.06	423
2009	31,200	-	31,200	1.31	411
2010	30,220	-	30,220	1.27	398
2011	29,205	-	29,205	1.58	437
2012	28,155	-	28,155	1.60	421

* See Schedule of Assessed Value and Actual value of Taxable Property on page 96 for property value data.

** See Schedule of Demographic and Economic Statistics on page 104 for population data.

CITY OF LAUDERHILL, FLORIDA
Direct and Overlapping Governmental Activities Net Debt
September 30, 2012

GOVERNMENTAL UNIT	<u>NET DEBT OUTSTANDING</u>	<u>ESTIMATED PERCENTAGE APPLICABLE</u>	<u>ESTIMATED SHARE OF OVERLAPPING NET DEBT</u>
Debt Repaid with Property Taxes			
Broward County Commission	\$ 355,915,000	1.78%	\$ 6,342,412
Other Debt			
Broward County			
Tourist Development Refunding Bonds	2,200,000	1.78%	39,160
Gas Tax Revenue Bonds	5,335,000	1.78%	<u>94,963</u>
Subtotal Overlapping Debt			6,476,535
City of lauderhill Direct Debt			
General Obligation Debt	28,155,000	100.00%	28,155,000
Revenue Bonds	39,888,000	100.00%	39,888,000
Capital Lease	576,000	100.00%	576,000
Bank Lines of Credit	8,926,000	100.00%	<u>8,926,000</u>
Subtotal Direct Debt			77,545,000
Total Direct and Overlapping Debt			\$ <u>84,021,535</u>

Sources: Assesed value data used to estimate applicable percentages was provided by the Broward County Property Appraiser. Debt outstanding data was provided by each governmental unit.

CITY OF LAUDERHILL, FLORIDA
Revenue Bond Coverages
Last Ten Fiscal Years

Water and Sewer Revenue Bond Issues

Fiscal Year	Operating Income Before Depreciation and Amortization Plus Interest Income	Debt Service	Times Coverage
2003	\$ 4,098,741	\$ 1,486,369	2.76
2004	2,904,567	1,479,750	1.96
2005	2,235,606	1,758,189	1.27
2006	2,862,425	1,652,829	1.73
2007	3,121,322	1,840,847	1.70
2008	2,441,963	1,862,584	1.31
2009	3,343,077	1,927,139	1.73
2010	6,744,874	1,909,006	3.53
2011	3,500,718	1,901,806	1.84
2012	3,211,917	1,887,425	1.70

Stormwater Revenue Bond Issues

Fiscal Year	Operating Income Before Depreciation and Amortization Plus Interest Income	Debt Service	Times Coverage
2003	\$ -	\$ -	-
2004	-	-	-
2005	-	-	-
2006	784,453	217,878	3.60
2007	1,312,936	327,878	4.00
2008	1,514,737	323,478	4.68
2009	1,741,159	319,078	5.46
2010	1,705,643	913,058	1.87
2011	2,673,115	882,226	3.03
2012	3,039,410	883,650	3.44

Capital Improvement Revenue Bond Issues

Fiscal Year	1/2 Cent Sales Tax Revenues	Debt Service	Times Coverage
2003	\$ 3,368,877	\$ 1,106,142	3.05
2004	3,366,665	1,376,690	2.45
2005	3,503,740	1,645,000	2.13
2006	2,299,778	1,590,025	1.45
2007	3,902,132	1,591,476	2.45
2008	3,581,018	1,590,988	2.25
2009	3,258,324	1,584,050	2.06
2010	3,257,795	1,741,581	1.87
2011	3,406,437	1,726,855	1.97
2012	3,675,954	1,649,678	2.23

All outstanding City revenue bond issues require a minimum of 1.25 - 1.40 times coverage (revenue divided by debt service).

CITY OF LAUDERHILL, FLORIDA
Demographic and Economic Statistics
Last Ten Fiscal Years

FISCAL YEAR	CITY OF LAUDERHILL POPULATION	BROWARD COUNTY POPULATION	BROWARD COUNTY PERSONAL INCOME (IN THOUSANDS)	COUNTY PER CAPITA PERSONAL INCOME	CITY PERSONAL INCOME (IN THOUSANDS)	CITY PER CAPITA PERSONAL INCOME	UNEMPLOYMENT RATE
2002	58,367	1,703,998	\$54,850,632	\$32,189	\$1,030,586	\$17,657	5.6
2003	57,003	1,728,336	55,790,306	32,280	1,006,502	17,657	5.4
2004	64,000	1,753,000	59,615,576	34,008	1,130,048	17,657	4.4
2005	68,000	1,753,000	59,615,576	34,008	1,200,676	17,657	3.5
2006	76,000	1,753,000	59,615,576	34,008	1,341,932	17,657	3.1
2007	76,000	1,787,636	73,595,186	41,169	1,469,612	19,337	3.1
2008	76,000	1,759,591	72,440,602	41,169	1,469,612	19,337	6.3
2009	76,000	1,751,234	72,096,553	41,169	1,469,612	19,337	9.8
2010	76,000	1,751,234	72,096,553	41,169	1,469,612	19,337	9.8
2011	66,887	1,748,066	49,758,699	28,465	1,293,394	19,337	9.8
2012	66,887	1,748,066	49,758,699	28,465	1,293,394	19,337	9.8

U.S. Department of Commerce, Bureau of the Census for 1960-2012

* Estimate based on annexation of un-incorporated area's

CITY OF LAUDERHILL, FLORIDA
Principal Employers
Current Year and Nine Years Ago

EMPLOYER	2012			2003		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT
City of Lauderhill	600	1	33.33%	514	1	56.24%
Broward County Public School District in Lauderhill	500	2	27.78%	400	2	43.76%
United Parcel Service	400	3	22.22%			
Target	200	4	11.11%			
Publix	100	5	5.56%			
Total	1,800		100.00%	914		100.00%

Source: City of Lauderhill Economic Development Department

CITY OF LAUDERHILL, FLORIDA
 Full Time Equivalent City Government Employees by Function /Program
 Last Five Fiscal Years

FUNCTION/PROGRAM	2008	2009	2010	2011	2012
General Government					
Commission	5	5	5	0	0
City Manager	4	3	3	3	3
City Clerk	4	4	6	4	4
Redevelopment Agency	2	3	0	0	0
MIS	4	3	5	5	5
Special Events	2	3	3	3	3
Finance	5	5	6	7	7
Purchasing	2	2	2	2	2
Utility Billing	11	11	8	9	10
Management & Budget	7	8	7	6	7
Central Garage	4	4	3	2	2
Resources	5	4	0	4	4
Grants Administration	0	0	1	1	1
CDBG Program	2	1	2	2	0
SHIP Program	0	0	1	1	0
Planning/Zoning	4	5	8	6	5
Code Inspections	11	9	8	9	10
Public Work	20	16	16	12	11
Streets & Roads	17	17	14	20	21
Public Safety					
Police - Administration	13	15	8	6	14
Police - Operations	91	90	80	80	87
Police - Community Serv.	17	19	19	0	0
Police - Support Serv.	20	15	31	43	20
Fire/EMS	58	60	54	64	66
Fire - Building	5	5	5	0	0
Fire Inspections	5	5	4	3	2
Fire - Rescue	31	29	29	28	23
Culture and Recreation					
Rec-Admin	3	3	2	2	2
PALS - Aquatics	3	2	2	2	2
PALS - Athletic Programs	2	2	2	2	2
PALS - Grounds Main.	0	0	0	1	1
PALS-Sports Park	3	1	1	0	1
PALS - Childrens Programs	2	1	1	1	1
Rec Maintenance	0	0	1	0	0
PALS - Community Services	6	6	5	6	6
Business Enterprise					
Utility Admin	10	8	8	8	9
Water	8	8	2	1	1
Stormwater	14	17	14	15	14
Stormwater Construction	3	3	4	4	1
Sewer	22	23	24	23	21
TOTALS	425	415	394	385	368

Source: City of Lauderhill Finance Department

CITY OF LAUDERHILL, FLORIDA
 Operating Indicators by Function/Program
 Last Five Fiscal Years

FUNCTION/PROGRAM	2008	2009	2010	2011	2012
Public Safety					
Police					
911 & Non Emergency Calls Received	76,216	1929	74516	76,805	61,488
Citations Processed	13,493	9690	6197	5,869	6,108
Arrests Processed	1,702	1716	1791	1,151	1,136
Fire Rescue					
Total Incidents	11,764	11892	12704	12164	12998
Total Fire Incidents	281	213	178	186	166
Physical Environmen					
Water Distribution					
Water Main Failures	-	-	19	9	11
New Water Mains Construction (Feet)	-	5675	50	-	870
Raw Water Treated (Billions of Gallons)	-	2913	2.04	2.04	2.04
Water Treatment					
Raw Wastewater Treated (Bilion of Gallons)	2.2	2.2	2.2	2.2	2.12
Sanitation					
Household Refuse Collected (Tons)	-	-	-	-	-
Recycling Tonnage	-	-	-	-	-
Culture and Recreation					
Parks and Recreation					
Pavilion Rentals	1,065	1,100	1,032	21	34
Park Attendance	236,932	171,019	323,740	308,411	355043
Pool Attendance	17,510	12,450	15,537	14,458	5704

-Figures were unavailable

Source: City of Lauderhill Various Departments

CITY OF LAUDERHILL, FLORIDA
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

FUNCTION/PROGRAM	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Public Safety											
Police											
Station	4	4	4	4	4	4	4	4	4	3	3
Patrol Units											
Fire Stations	3	3	3	3	4	4	4	4	4	4	4
Highways and Streets											
Streets(miles)	81.27	81.27	97.13	97.13	110	110	110	111	111	111	111
Streets lights	1550	1550	1550	1580	1620	1620	1620	1620	1620	1620	1620
Culture and recreation											
Parks Acreage	78.65	78.65	78.65	94.37	98.37	105.41	105.91	235.76	236.66	237.69	237.69
Parks	11	11	11	13	14	17	18	20	21	22	22
Tennis Courts	14	14	14	18	18	18	18	18	18	18	18
Community Centers	2	2	2	4	4	4	4	4	5	6	7
Aquatic Center	2	2	2	2	2	2	2	2	2	3	3
Water											
Water Mains (miles)	105	105	105	141	141	141	141	145	145	145	145.16
Fire Hydrants	1260	1260	1,270	1,275	1,280	1,300	1,306	1318	1326	1327	1327
Maximum Daily Capacity* (millions of gallons)*	-	-	-	-	-	-	-	-	16	16	16
Sewer											
Sanitary Sewers(miles)	121	122	122	123.22	123.22	123.22	123.22	123.22	123.22	123.24	123.24
Storm Sewers(miles)	38	40	40	45	45	50	50.53	50.53	50.53	50.53	50.53
Maximum Daily Capacity* (millions of gallons)*	-	-	-	-	-	-	-	-	7	7	7

-Figures were unavailable

Source: City of Lauderhill Various Departments

City of Lauderhill

Brown and Brown Public Risk Insurance Agency Insurance Coverage October 1, 2011-2012

Total Premiums \$700,427

Coverage	Limit	Deductibles/Retention
Property	\$ 66,304,571	\$25,000 All other Perils 5% occurrence per storm
Boiler & Machinery	50,000,000	Minimum of \$35,000
Earthquake Annual Aggregate	1,000,000	\$25,000 per earth movement
Flood Aggregate	5,000,000	\$25,000 per flood loss except zone A, V
Terrorism	5,000,000	\$25,000
General Liability	1,000,000	\$100,000 (Self Insured Retention)
Employee Benefits Liability	1,000,000	
Law Enforcement Liability	1,000,000	\$100,000 (Self Insured Retention)
Public Official liability	2,000,000	\$100,000 (Self Insured Retention)
Employment Related Practices	2,000,000	
Excess Work compensation	1,000,000	\$350,000 (Self Insured Retention)
Auto Liability	1,000,000	\$100,000 (Self Insured Retention)
Travelers Casualty Surety	500,000	\$5,000

Source: Brown and Brown Public Risk Insurance Agency



City of Lauderhill

5581 W. Oakland Park Boulevard, Lauderhill, FL 33313

Lauderhill City Commission

Mayor Richard J. Kaplan

Vice Mayor Ken Thurston

Commissioner M. Margaret Bates

Commissioner Hayward J. Benson, Jr.

Commissioner Howard Berger

