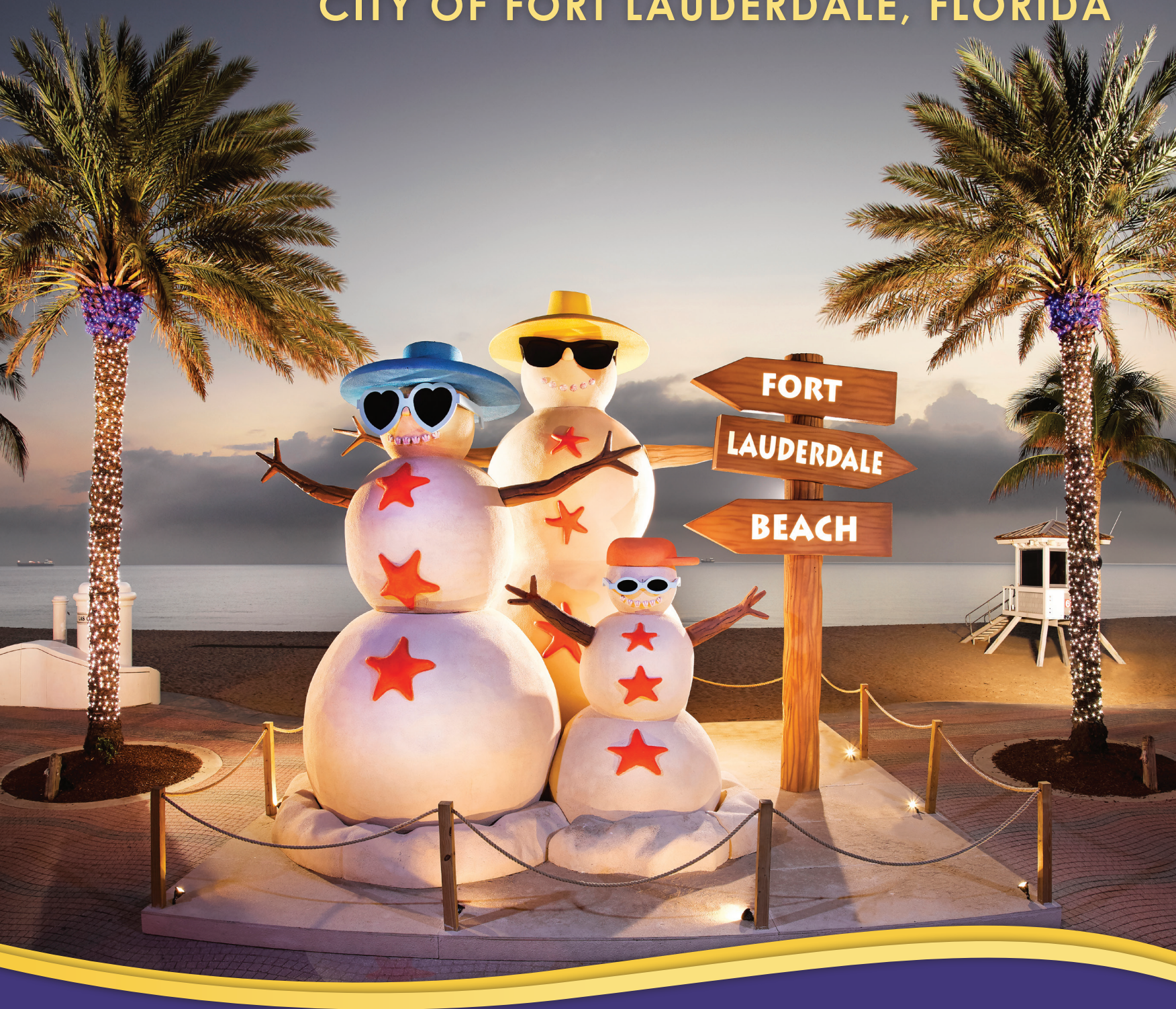


COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF FORT LAUDERDALE, FLORIDA



Fiscal Year Ended
September 30, 2016



Comprehensive Annual Financial Report

of the

City of Fort Lauderdale, Florida



Fiscal Year Ended
September 30, 2016

Prepared by
The Finance Department



WE BUILD COMMUNITY

COMMISSION – MANAGER FORM OF GOVERNMENT

CITY COMMISSION

John P. “Jack” Seiler
Mayor

Dean J. Trantalis
Vice Mayor, District II

Bruce G. Roberts
Commissioner, District I

Robert L. McKinzie
Commissioner, District III

Romney Rogers
Commissioner, District IV

Lee R. Feldman, ICMA-CM
City Manager

Cynthia A. Everett
City Attorney

Jeff Modarelli
City Clerk

John Herbst, CPA, CGFO, CGMA
City Auditor

Kirk W. Buffington, CPFIM, CPPO, C.P.M., MBA
Director of Finance

Linda A. Logan-Short, CGFO, CPM
CFO/Deputy Director of Finance

Laura L. Garcia
Controller



CITY OF FORT LAUDERDALE, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2016

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CITY OF FORT LAUDERDALE



April 13, 2017

Honorable Mayor and Commissioners:

This letter transmits the Comprehensive Annual Financial Report (CAFR) for the City of Fort Lauderdale, Florida (City) for the fiscal year ended September 30, 2016. This submission meets the requirements of the City Charter Section 10.02, Section 2-147(b)(14) of the Code of Ordinances of the City of Fort Lauderdale, Section 166.241, Florida Statutes, and Rules of the Florida Auditor General Section 10.550. The financial statements included in this report conform to generally accepted accounting principles in the United States (GAAP), as prescribed by the Governmental Accounting Standards Board (GASB).

The City is responsible for the accuracy of the data and the completeness and fairness of the presentation including all disclosures. Management has established internal controls to ensure that the City fulfills its fiduciary responsibility as custodian of public monies. The purpose of internal controls is to provide reasonable, but not absolute, assurance that City assets are safeguarded against loss through unauthorized use or disposition. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgments by management.

The financial statements have been audited by Crowe Horwath LLP, Certified Public Accountants. The independent auditor has issued an unmodified opinion that the basic financial statements included in this report fairly present the financial position of the City and changes thereof and comply with all reporting standards noted above.

Management's Discussion and Analysis (MD&A) provides a narrative introduction, overview and analysis of the basic financial statements. It complements this Letter of Transmittal and should be read in conjunction with it.

Other financial information, including the budget and other schedules, is also provided to supplement required financial data. The Statistical Section includes schedules that provide historic, social, economic, and financial trend data that offers an overview of the City's fiscal position.

Profile of the Government

The City was founded in 1911. It operates under the commission/manager form of government where the Mayor, elected at large, and four Commissioners, elected by geographic single-member district, determine the policies that guide the operation of the City. The City Commission hires a City Manager, who implements City policies and administers those policies on a full-time basis. The City Commission also appoints a City Attorney who is responsible for legal affairs, a City Clerk who is the official custodian of all public records and a City Auditor responsible for review of business practices, procedures, internal controls, and procurement practices.

Fort Lauderdale is a full-service city that provides police protection, fire-rescue services, parks and recreation programs, delivers potable drinking water to a customer base both within and outside the City limits along with wastewater collection and treatment, sanitation services, development regulation, parking, and street maintenance. The City is known for its beaches and waterways including Fort Lauderdale beach, the New River, the Middle River, and numerous canals. The City also owns and operates a sports complex, a general aviation airport, a downtown heliport, an aquatic complex and an auditorium.

This financial report includes all funds and component units of the City. The Sunrise Key Safe Neighborhood Improvement District (Sunrise Key) is included as a component unit along with the Fort Lauderdale Community Redevelopment Agency (CRA). These organizations have been included as component units, since the City is financially accountable for and has ultimate decision-making authority. The transactions and balances of the CRA are blended with those of the City (primary government), while the Sunrise Key financial information is discretely presented in the government-wide financial statements.

The City of Fort Lauderdale Downtown Development Authority (DDA), the Housing Authority of the City of Fort Lauderdale (HACFL), and the Lauderdale Isles Water Control District (LIWCD) are related organizations, but separate and distinct. They are not included in this financial report since they do not meet the established criteria for reporting herein. Along with the Performing Arts Center Authority and the DDA, the City is a participant in a joint venture in the Arts and Science District Parking Garage with each party maintaining an ongoing financial interest.

The City of Fort Lauderdale is required to adopt an annual budget in accordance with the City Charter and state statutes. The City Manager is charged with preparing a proposed budget for submission in July of each year for the fiscal year that begins the following October 1. Appropriations by department within funds and tax levies are adopted in September. The budget also authorizes the number of full-time equivalent positions available to City departments to deliver services. The budget may be amended by resolution if altering the total budget of a particular fund, by City Commission motion if changing a department total within a fund, or administratively if the change is within the same department and fund. Various thresholds of review and approval have been established for purchases and hiring throughout the fiscal year.

The City has two defined-benefit pension plans: 1) the General Employees Retirement System and 2) the Police and Fire Retirement System. A board of trustees administers each plan. The boards are composed of members elected by active employees and appointees of the Mayor. The Boards have responsibility for investment of the pension assets and determination of benefits as employees retire or seek other benefits under the plans. At September 30, 2016, the plans had total assets of \$1.401 billion. The General Employees Retirement System was closed to new participants beginning October 1, 2007 and replaced with a new defined contribution plan.

The City of Fort Lauderdale Other Post-Employment Benefits (OPEB) Trust fund was created in fiscal year 2014. The goal of the OPEB Trust is to capture long-term investment returns and make progress towards reducing the unfunded actuarial accrued liability under GASB 45. The City Commissioners serve as the Board of Trustees of the OPEB Trust and delegates the administration of the Trust to the City's Finance Director as the Trust Administrator. At September 30, 2016, the Trust had total assets of \$12.8 million.

Economic Condition

The City of Fort Lauderdale's taxable assessed value for tax year 2016 increased by 9.22% from 2015. New construction, which represents improvements to real property that were not on the tax roll in the prior year, added \$455.8 million to the tax roll. This is the fourth year in a row that the assessed valuations have shown steady growth. The following table shows new construction and total taxable assessed value for the last five calendar years.

Taxable Values – 5 Year Comparison

Calendar Tax Year	Net New Construction	Final Gross Taxable Value	Increase/Decrease from Prior Year	Operating Millage Rate
2016-Certified	\$ 455,847,640	\$ 31,134,808,098	9.22%	4.1193
2015-Final	329,982,320	28,506,933,365	9.65%	4.1193
2014-Final	105,754,281	25,997,751,627	5.89%	4.1193
2013-Final	57,905,666	24,551,642,014	3.98%	4.1193
2012-Final	202,371,590	23,612,223,398	1.10%	4.1193

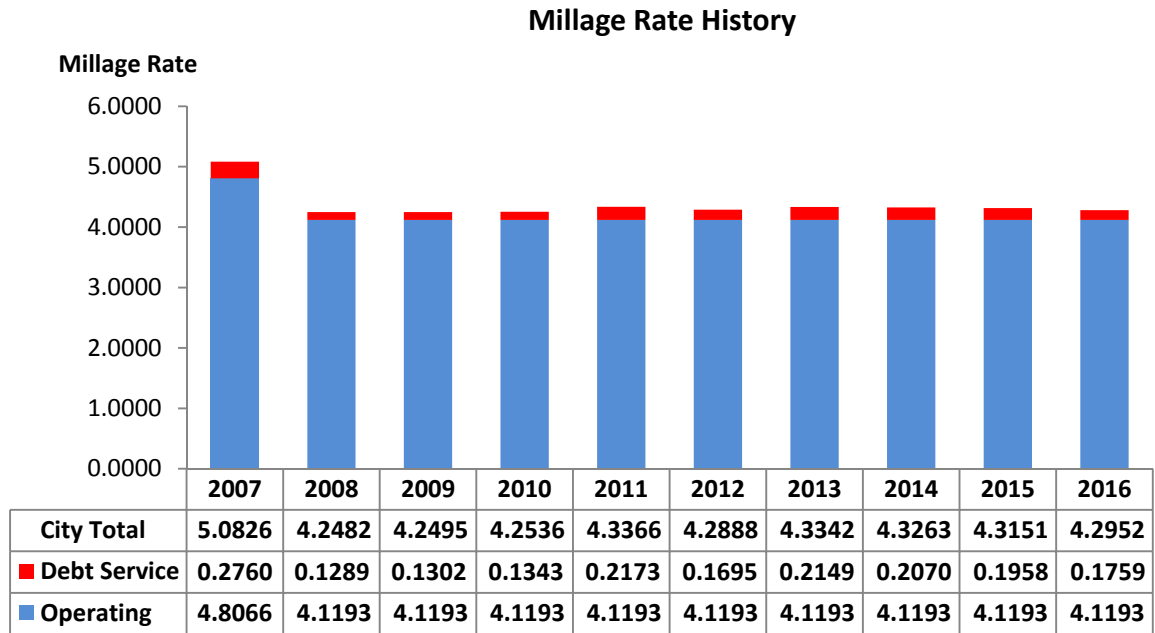
Economic indicators point to a healthy economy. According to the Bureau of Labor Statistics, Broward County’s civilian labor force was 1,023,387 as of September 2016, amounting to a slight increase from the prior year of 996,865. The unemployment rate declined to 4.6% as compared to 4.9% in the prior year. More than 15.4 million visitors selected the Greater Fort Lauderdale area as their destination of choice and spent approximately \$14.2 billion on tourism in 2015. In addition, tax revenue from area hotels increased 6.2% to \$61 million.

Long-term Financial Planning

Financial planning stimulates discussion about the long- term impact of decisions made today and how the City can position itself strategically to deliver a stable level of essential services to our neighbors into the future. The City’s ability to generate sufficient revenue to provide core municipal services, make appropriate investment in economic and community development, and build “rainy day” reserves requires deliberate examination. During FY 2016, the City completed a ten year financial sustainability analysis for the General Fund and other proprietary funds within the City. This financial forecast model populated data from every facet of the organization to create an informed, interactive, financial forecast model to prepare long-term financial plans and ensure structural balance in our budget. Fort Lauderdale continues to be proactive in our actions to ensure long-term financial sustainability, as well as, investment in our capital infrastructure to protect and preserve Fort Lauderdale’s outstanding quality of life.

FY 2016 is the ninth consecutive year that the City Commission maintained an operating millage rate of 4.1193. In 2007, the combined millage rate was 5.0826. The City Commission reduced the operating millage rate in FY 2008 and as a result, our neighbors were better positioned to weather the difficult economic times by paying significantly less in property taxes.

The chart below represents the adopted operating and debt service millage rates for the last ten years.



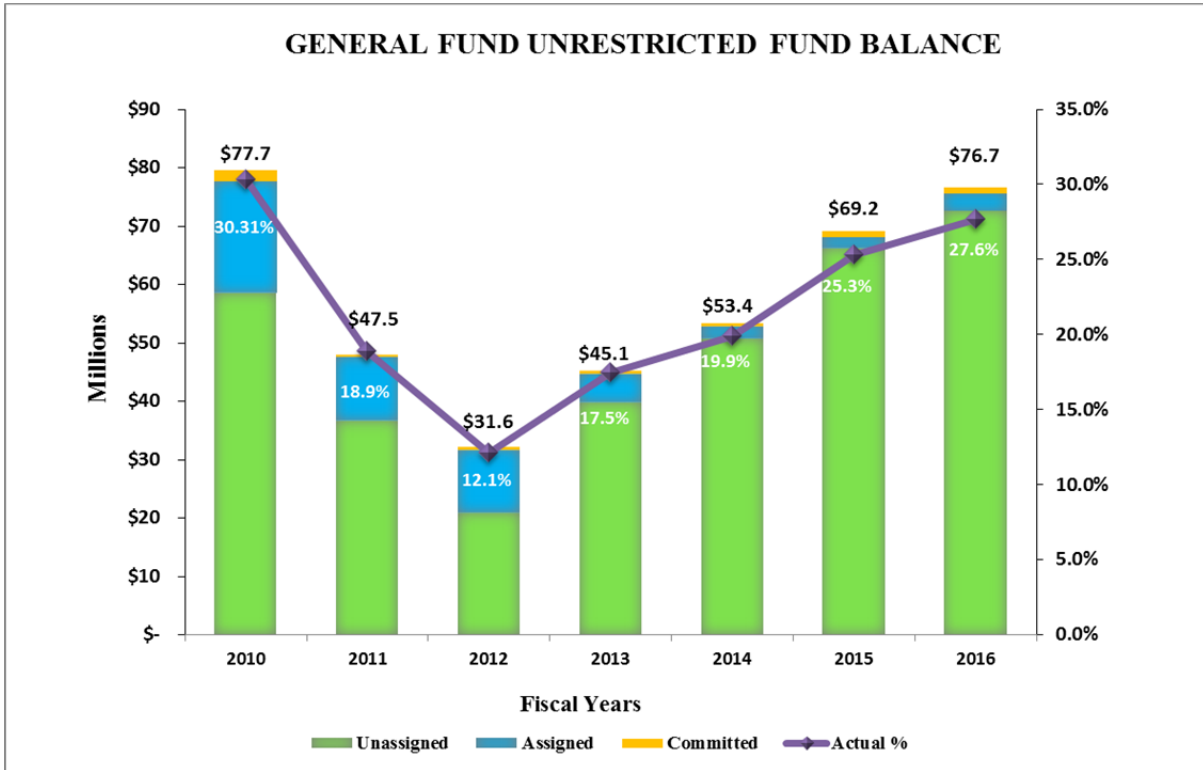
Over 62.8% of the General Fund budget for operating expenditures is dedicated to public safety through police, fire rescue, and code enforcement. Another 11.0% is allocated to cultural and recreational quality of life programs.

Financial Policies

The City Commission adopted financial integrity principles to set forth the basic framework for the overall fiscal management of the City. It contained four high-level principles to govern the City's financial management:

- **Sound Budgeting Practices** - The City of Fort Lauderdale shall be committed to maintaining a structurally balanced budget to support high quality service to our neighbors, while maintaining a relatively low millage rate and reserves consistent with the needs of the City.
- **Prudent Fiscal Management** - The City of Fort Lauderdale shall be committed to best practices in revenue collection, expenditure disbursements, asset maintenance, and record keeping for ensuring the optimal performance and integrity of public funds and resources.
- **Cost Effective Operations** - The City of Fort Lauderdale shall be accountable to stakeholders through transparent and fiscally responsible decisions in order to deliver high quality services in the most efficient and effective manner possible.
- **Long-term Financial Planning** - The City of Fort Lauderdale shall be dedicated to investing in the future and enhancing the quality of life through public-private partnerships, cooperative decision-making, community engagement and smart strategic investments, while using debt in a responsible manner and striving for the highest level of government bond ratings available.

The City continues to exceed its policy to maintain the unrestricted fund balance for the General Fund equivalent to two (2) months of operating expenditures and required transfers. During FY 2016 the General Fund unrestricted balance increased from \$69.2 million to \$76.7 million. At 27.6%, this amount exceeds the minimum unrestricted requirement for the General Fund by \$30.4 million. The chart below presents a six-year history of General Fund balances.



The City maintains an investment policy that strives to protect capital above all else while seeking investment earnings and providing for daily cash needs. The City’s portfolio at September 30, 2016 was \$506.2 million, excluding investments of the permanent and fiduciary funds. The City’s master and payroll accounts are swept nightly to maximize interest earnings.

The City of Fort Lauderdale has a combination of insurance policies and self-insured programs to mitigate the City’s risk as a municipality. The City is self-insured for automobile, general liability, police professional liability, workers’ compensation and employment practices claims and certain medical benefits. Insurance policies have been purchased to cover damage to City property, including windstorm and terrorism coverage, losses due to fraud or criminal actions of City officials, major employment practices liability, workers’ compensation, medical claims, and cyber liability insurance. Independent actuaries assist in assessing the City’s liabilities and establishing appropriate claim reserves.

Major Initiatives of FY 2016

The FY 2016 Adopted Budget served as a financial plan that advanced the organizational mission of providing optimum government services to our neighbors while investing in social capital to enhance the overall health of the City of Fort Lauderdale.

The Commission Annual Action Plan for FY 2016 included significant focus on our Beach and Northwest-Progresso-Flagler Heights Community Redevelopment areas. In addition, the following were key priorities for Fiscal Year 2016:

- Stormwater Management Plan
- Beach Traffic Management Plan
- Soccer and Lacrosse Athletic Fields
- Mobility Plan for SE 17th Street
- Comprehensive Homeless Strategy
- Development Density Policy
- Central City Community Redevelopment Area
- Beach Renourishment
- Lighting Solutions on the Beach
- Fireboat Funding
- Wastewater Infiltration and Inflow
- Fire-Rescue Department Peak Demand Response
- Police Motorcycle Unit

Enhancements to City operations in the FY 2016 adopted budget included additional staffing, increases in service levels, and staff development. There was a focused investment in the areas of procurement, human resources, and facilities preventative maintenance. Specific funding was included for a new fireboat, peak demand funding for Fire-Rescue, a legal fellowship program, citywide digital signage, neighborhood support volunteer initiatives and community programs, expansion of the tree trimming program, a parks and recreation senior program (Club 55), four marine unit boat motor replacements, ten sets of police dive gear, maintenance of traffic speed humps, an urban land study, installment payment for the removal of certain restrictive covenants on parcels associated with the Executive Airport, and consultant services for an update to the Land Use Master Plan.

Major Initiatives of FY 2017

The FY 2017 Adopted Budget is a financial plan developed to ensure that the City provides the outstanding services and community investment our neighbors deserve in the most effective and efficient manner possible.

The Commission Annual Action Plan for FY 2017 prioritizes our Beach and Northwest-Progresso-Flagler Heights community redevelopment areas, Stormwater Management, Beach Mobility Master Plan, Soccer and Lacrosse Athletic Fields, Homelessness, SE 17th Street Mobility Plan, 911 Communications, Central City Regional Activity Center Rezoning, Police Station of the 21st Century, and South Andrews Area Redevelopment.

FY 2017 enhancements to the City include additional staffing and increases in service levels. Specific funding is provided for improvements to the City's Executive Airport, replacement of emergency generators, tidal valves, a backhoe loader, a parking study, six (6) code compliance positions, additional building inspectors and plans reviewers, technological improvements to for the City's Building Division, investments in citywide technology improvements, increased special events program activity and marketing, additional parks and recreation positions, eighteen additional firefighter/paramedic positions to reduce response times, and nine (9) positions to enhance police services including four (4) new police motor officers.

The Community Investment Plan (CIP) is born out of our commitment to adapt to the future. The City will continue to address a wide variety of infrastructure-related projects and funding issues to protect our valued quality of life. The CIP acts as a roadmap, demonstrating how we plan to reach our potential, support our aging infrastructure, and plan our investment strategies to adequately strengthen our community.

The Community Investment Plan addresses the identified priorities through specific projects funded in FY 2017 such as:

Water and Sewer System Improvements	\$16 Million
Central Regional Wastewater System Projects	\$8 Million
Las Olas Blvd Corridor Improvements	\$14 Million
Stormwater System Improvements	\$6.5 Million
Facilities Maintenance and Improvements	\$2.4 Million
SE/SW 6th Street Corridor Improvements	\$2.2 Million
911 Call Center and Dispatch Transition	\$1.5 Million
Executive Airport Improvements	\$1.1 Million
Riverland Park Land Purchase	\$1.5 Million
Street Resurfacing	\$0.7 Million
Neighborhood and Business Community Investment Projects	\$0.5 Million
Downtown Walkability Projects	\$0.5 Million
City-wide Playground Replacements	\$0.7 Million
Marine Facilities	\$1.4 Million
Bridge Replacement and Restoration	\$1.6 Million

Accreditations and Certifications



The City of Fort Lauderdale has earned the prestigious All-America City Award for its exemplary community-based problem solving and civic engagement efforts!



The City of Fort Lauderdale Parks and Recreation Department has earned national accreditation from the Commission for Accreditation of Park and Recreation Agencies (CAPRA). The City of Fort Lauderdale Parks and Recreation Department is only one of a few agencies in the country to receive national accreditation, which confirms an agency's commitment to quality and efficiency.



In May 1996, The Commission for Florida Law Enforcement Accreditation, Inc. (CFA) selected the Fort Lauderdale Police Department as one of ten pilot agencies in the State of Florida to undergo the accreditation process. The Fort Lauderdale Police Department had been consecutively reaccredited by the CFA in 2001, 2004, 2007 and 2010 without conditions, which earned the department Excelsior Recognition.



Public Works Water and Wastewater Treatment Division provides our neighbors with safe and efficient water treatment, water production, and wastewater treatment and disposal. Additionally, the City's laboratory, which is accredited (ISO 17025) and certified (National Environmental Laboratory Accreditation Certification), provides sampling and testing services to the City 365 days a year.



Fort Lauderdale has achieved the Gold certification from the Florida Green Building Coalition. Certification standards exist for homes, commercial buildings, high-rise projects and land development, as well as for local governments. Projects earn points for meeting each standard and can earn additional points for innovation. Based on the number of points earned, a level of certification is awarded.



The City continues to maintain a rating of 6 which equates to a 20% reduction in insurance premiums for those policy holders in a Special Flood Hazard Area (SFHA).



Fire Rescue earned a “Class 1” International Organization of Standardization (ISO) rating and Commission on Fire Accreditation International National Accreditation.



The City of Fort Lauderdale has received national recognition as a Playful City USA community from the non-profit organization KaBOOM! Today’s children spend less time playing outside than any previous generation, but the City of Fort Lauderdale has earned the national title due to its efforts to increase play opportunities for local children.



The City of Fort Lauderdale was recently named one of the American Cities of the Future for 2015/16 by FDi Magazine.

Recognition and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2015. This was the 39th consecutive year that the City has received this award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current report continues to meet the program’s requirements and we are submitting it to the GFOA to determine its eligibility for another award. Additionally, the City has received the GFOA Distinguished Budget Presentation Award each fiscal year since 1985 and for the second year the City received the Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR).

This report could not have been prepared without the dedicated service of all employees in the Finance Department and the support of the other City departments. Sincere appreciation is expressed to all for their efforts.

Lee R. Feldman, ICMA-CM
City Manager

Linda A. Logan-Short, CGFO, CPM
Chief Financial Officer/Deputy Director of Finance



Government Finance Officers Association

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

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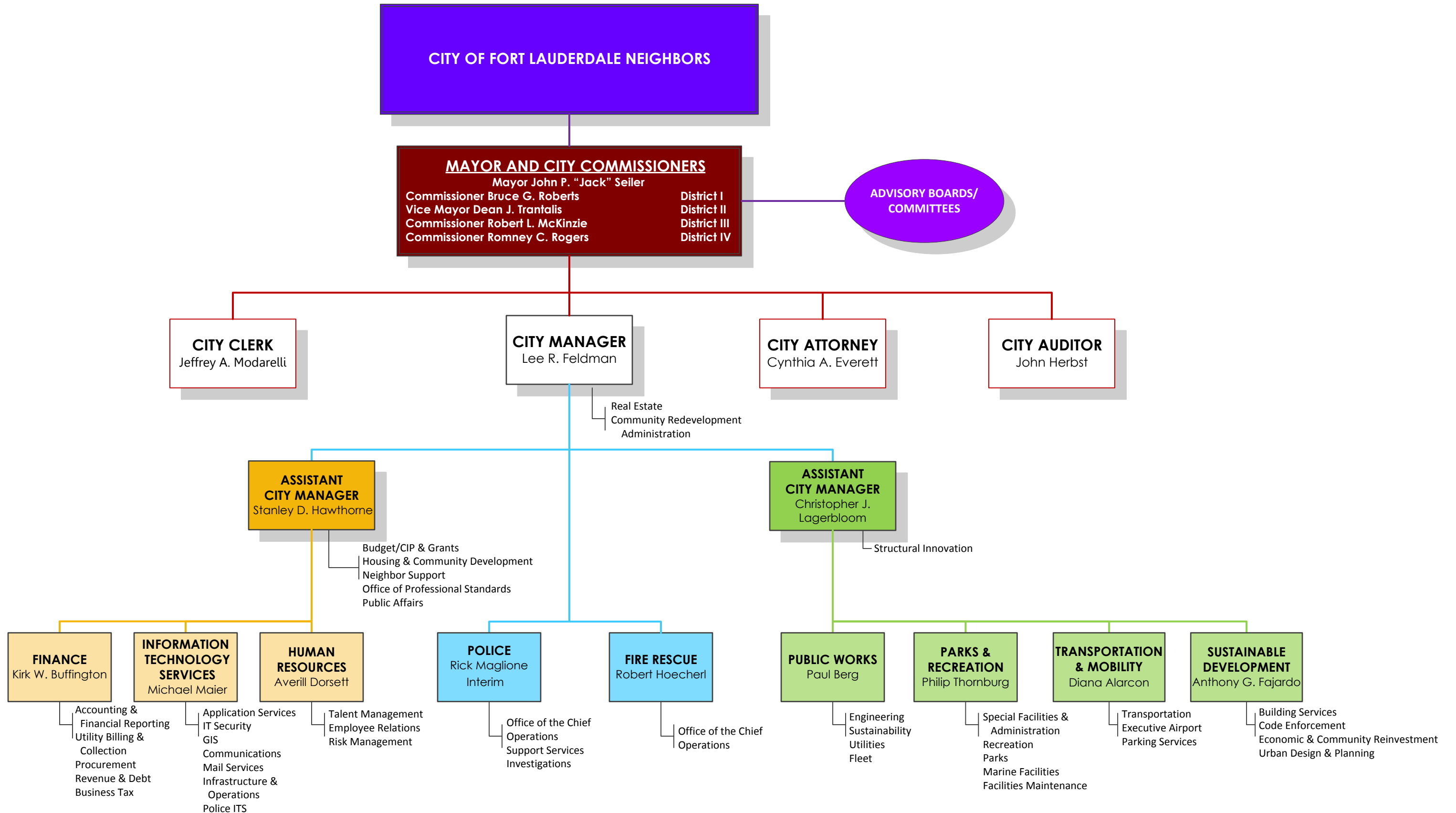
**City of Fort Lauderdale
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2015

Executive Director/CEO

CITY OF FORT LAUDERDALE | ORGANIZATIONAL CHART



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor,
City Commission and City Manager
City of Fort Lauderdale, Florida
Fort Lauderdale, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Fort Lauderdale, Florida (the "City"), as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City of Fort Lauderdale Police and Fire Retirement System (the "System"), which represents 44 percent, 45 percent, and 25 percent, respectively, of the assets, net position, and revenues of the aggregate remaining fund information of the City. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the System, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

In February 2015, the Governmental Accounting Standards Board issued Statement No. 72, "Fair Value Measurement and Application". As disclosed in Note 19, Statement No. 72 is effective for the City's fiscal year ending September 30, 2016. The objective of this Statement is to address accounting and financial reporting issues related to fair value measurements and provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, the budgetary comparison schedule, schedules of changes in the net pension liability and related ratios, schedules of contributions, and the schedule of funding progress on pages 5 to 16, 85 to 87, 88 to 91 and 92, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining financial statements; the schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Chapter 10.550, *Rules of the Auditor General*; the introductory and statistical sections and the other financial information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining financial statements and the schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Chapter 10.550, *Rules of the Auditor General*, are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements and the schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S.

Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Chapter 10.550, *Rules of the Auditor General*, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections and the other financial information have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report April 13, 2017 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.



Crowe Horwath LLP

Fort Lauderdale, Florida
April 13, 2017



CITY OF FORT LAUDERDALE

CITY OF FORT LAUDERDALE, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
September 30, 2016

The Management's Discussion and Analysis section is intended to provide readers of this report with a general overview of the financial activities of the City of Fort Lauderdale (City) during fiscal year (FY) 2016. We encourage readers to consider the information presented here in conjunction with the transmittal letter at the beginning of this report, as well as the financial statements and notes to financial statements, which follow.

Financial Highlights

- The City's total assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at September 30, 2016 by \$864.6 million (net position). Of this amount, \$184.2 million was from governmental activities and \$680.5 million was from business-type activities.
- The City's revenues for governmental activities, excluding transfers, totaled \$373.3 million, a 1.0% or \$3.9 million decrease from FY2015. Charges for services decreased by \$10.8 million and property taxes increased by \$9.1 million. Expenses for governmental activities decreased by \$5.9 million or 1.8% to \$320.2 million. Public safety increased by \$9.7 million, while economic environment, and transportation expenses decreased by, \$10.4 million, and \$5.1 million, respectively.
- Revenues related to business-type activities decreased by \$1.8 million to \$187.5 million and expenses, excluding transfers, increased by \$8.8 million to \$187.8 million.
- The General Fund's fund balance increased by \$7.3 million to \$76.7 million primarily due to an increase of \$9.1 million in property tax revenues. The unassigned fund balance increased from \$66.2 million in FY2015 to \$72.6 million in FY2016. The increase is due primarily to an increase to tax revenues. More detailed information on the General Fund activities can be found on page 12.
- The City's long-term debt decreased by \$45.7 million net of retirements, unamortized premiums and discounts to \$744.7 million; this primarily resulted from the reduction of current debt through annual debt payments.

Overview of Financial Statements

The basic financial statements are comprised of government-wide statements that offer a broad overview of financial activity, and more specific fund statements that present more detailed information.

Government-wide Statements (pages 18 through 21) include the statement of net position and statement of activities. They provide a broad overview of the City as a whole similar to private sector financial statements. The *statement of net position* shows the total assets and deferred outflows and liabilities and deferred inflows for the City with the difference being net position. The *statement of activities* provides a breakdown of revenues and expenses by function. Functions generally supported by taxes and intergovernmental revenues such as police, fire-rescue, parks and recreation, and public works are considered governmental activities. Those functions that are primarily funded through user fees and charges are identified as business-type activities. In Fort Lauderdale, these activities include water and sewer, sanitation, the parking system, the Fort Lauderdale Executive Airport (FXE), and stormwater.

CITY OF FORT LAUDERDALE, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
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The government-wide statements include two component units. The financial information of the City's Community Redevelopment Agency (CRA) is blended within the primary government. The Sunrise Key Safe Neighborhood District (SK) is discretely presented on the *statement of activities* and *statement of net position*. Refer to the Summary of Significant Accounting Policies for additional information on individual component units. Fiduciary funds, which include pension and agency funds are not included as part of the primary government because those resources are not available for use on City activities. Details of the fiduciary funds are provided in the fund statements.

Fund Financial Statements are found on pages 22 through 33. The City uses fund accounting to track the sources and uses of resources for specific purposes. The City categorizes funds into three basic fund types: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds (beginning on page 22) are used to account for essentially the same functions reported as governmental activities in the government-wide statements. However, unlike the previous 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.

Since 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. This comparison highlights the long-term impact of the City's near term financial decisions. Both the *governmental fund balance sheet* and the *governmental fund statement of revenues, expenditures, and changes in fund balances* offer a reconciliation to assist with this comparison.

The City maintains 22 individual governmental funds. Of this number, only the General Fund is considered a major fund and thus is reflected separately in the fund financial statements. All the other governmental funds are combined for presentation purposes as nonmajor funds.

Proprietary Funds (beginning on page 26) are comprised of two different categories. Enterprise funds include business-type activities such as water and sewer, sanitation, the parking system, the executive airport, and stormwater. Internal service funds include vehicle rental, central services (information technology, telecommunications, and printing services), and insurance services. The latter functions provide support to internal City departments rather than services to the public. Enterprise funds are also reported as either major or nonmajor funds depending upon the significance of their financial activity.

Fiduciary Funds (beginning on page 32), which are not included in the government-wide statements, are presented in this section and include the City's Police and Fire Retirement System, the General Employees Retirement System and the Other Post-Employment Benefits Fund as well as the financial activity of the Arts and Science District Garage.

Notes to Financial Statements (beginning on page 35) are integral to a complete understanding of both the government-wide and fund financial statements. They provide additional explanation of the amounts shown in the various statements.

CITY OF FORT LAUDERDALE, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
September 30, 2016

Other Information

This report also includes required supplementary information related to employee pension liability, other post-employment benefits, and the budgetary comparison schedules for major governmental funds. The combining statements and other financial information, in connection with nonmajor governmental and enterprise funds, internal service funds, fiduciary funds and nonmajor component units are presented following the required supplementary information.

Additional statistical information is presented to give report users a better historical perspective and assist in assessing current financial status and trends of the governmental unit. Economic data is presented to allow a broader understanding of the economic and social environment in which the City government operates.

Government-wide Financial Analysis

The table below summarizes the City's net position as of September 30, 2016 and 2015.

City of Fort Lauderdale								
Net Position								
(in thousands of \$)								
	Governmental Activities		Business-type Activities		Total		Increase/ (Decrease)	
	2016	2015	2016	2015	2016	2015	Amount	Percent
Assets and Deferred Outflows of Resources								
Current and Other Assets	\$ 364,598	\$ 334,077	\$ 226,845	\$ 245,787	\$ 591,443	\$ 579,864	\$ 11,579	2.00%
Capital Assets (Net)	308,198	286,104	869,536	878,762	1,177,734	1,164,866	12,868	1.10%
Deferred Outflows of Resources	59,363	78,603	35,199	37,719	94,562	116,322	(21,760)	-18.71%
Total Assets and Deferred Outflows of Resources	732,159	698,784	1,131,580	1,162,268	1,863,739	1,861,052	2,687	0.14%
Liabilities and Deferred Inflows of Resources								
Current and Other Liabilities	66,842	66,687	34,853	39,029	101,695	105,716	(4,021)	-3.80%
Long-Term Liabilities	470,017	490,624	415,437	441,358	885,454	931,982	(46,528)	-4.99%
Deferred Inflows of Resources	9,825	10,105	828	1,527	11,970	11,632	338	2.83%
Total Liabilities and Deferred Inflows of Resources	548,001	567,416	451,118	481,914	999,119	1,049,330	(50,211)	-4.78%
Net Position								
Net Investment in Capital Assets	272,572	244,834	485,584	464,460	758,156	709,294	48,862	6.89%
Restricted	151,264	136,961	34,939	46,302	186,203	183,263	2,940	1.60%
Unrestricted	(239,678)	(250,427)	159,939	169,592	(79,739)	(80,835)	1,096	-1.35%
Total Net Position	\$ 184,158	\$ 131,368	\$ 680,462	\$ 680,354	\$ 864,620	\$ 811,722	\$52,898	6.52%

The City's investment in capital assets (land, buildings, improvements, infrastructure and equipment) net of the related debt outstanding used to acquire those assets of \$758.2 million represents 87.7% of its net position. These capital assets are used to provide services to City of Fort Lauderdale neighbors and are not available for future spending. The resources needed to repay the debt incurred to acquire these assets will come from future revenues.

CITY OF FORT LAUDERDALE, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) September 30, 2016

An additional portion of net position (21.5%) represents resources subject to external restrictions (\$186.2 million). The unrestricted balance increased by \$1.1 million compared to the end of FY2015 and the reasons for the overall increase are discussed in the sections for governmental activities and business-type activities.

At the end of the current fiscal year, the City is able to report positive balances in the investment in capital assets and restricted categories of net position, both for the government as a whole, as well as for the governmental activities. The business-type activities reports positive balances in all reported categories of net position. The same situation held true for the prior fiscal year.

Total net position increased by \$52.9 million. The following table summarizes changes in net position for governmental and business-type activities for the past two fiscal years.

City of Fort Lauderdale Changes in Net Position (in thousands of \$)

	Governmental Activities		Business-type Activities		Total		Increase/(Decrease)	
	2016	2015	2016	2015	2016	2015	Amount	Percent
Revenues								
Program Revenues								
Charges for Services	\$ 137,022	\$ 147,856	\$ 181,395	\$ 181,346	\$ 318,417	\$ 329,202	\$ (10,785)	-3.28%
Operating Grants and Contributions	26,028	27,818	-	-	26,028	27,818	(1,790)	-6.43%
Capital Grants and Contributions	1,288	3,577	3,296	5,628	4,584	9,205	(4,621)	-50.20%
General Revenues								
Property Taxes	117,360	108,205	-	-	117,360	108,205	9,155	8.46%
Other Taxes	65,470	67,178	-	-	65,470	67,178	(1,708)	-2.54%
Other	26,165	22,623	2,828	2,354	28,993	24,977	4,016	16.08%
Total Revenues	373,333	377,257	187,519	189,328	560,852	566,585	(5,733)	-1.02%
Expenses								
General Government	50,656	47,395	-	-	50,656	47,395	3,261	6.88%
Public Safety	190,328	180,657	-	-	190,328	180,657	9,671	5.35%
Physical Environment	6,622	7,619	161,043	153,944	167,665	161,563	6,102	3.78%
Transportation	10,368	15,479	26,724	25,014	37,092	40,493	(3,401)	-8.39%
Economic Environment	14,783	25,253	-	-	14,783	25,253	(10,470)	-41.46%
Culture/Recreation	34,617	35,649	-	-	34,617	35,649	(1,032)	-2.89%
Interest on Long-Term Debt	12,813	14,091	-	-	12,813	14,091	(1,278)	-9.07%
Total Expenses	320,187	326,143	187,767	178,958	507,954	505,101	2,853	0.57%
Change in Net Position before transfers	53,146	51,114	(248)	10,370	52,898	61,484	(8,586)	-13.97%
Transfers	(355)	(679)	355	679	-	-	-	0.00%
Change in Net Position	52,791	50,435	107	11,049	52,898	61,484	(8,586)	-13.97%
Beginning Net Position	131,367	80,933	680,355	669,305	811,722	750,238	61,484	8.20%
Ending Net Position	\$ 184,158	\$ 131,368	\$ 680,462	\$ 680,354	\$ 864,620	\$ 811,722	\$ 52,898	6.52%

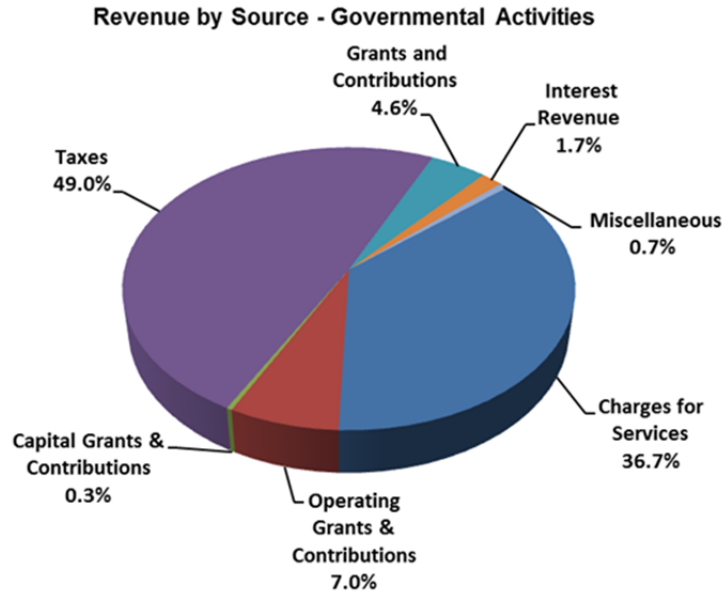
The governmental activities net position showed an increase of \$52.9 million. Total revenues from governmental activities increased by \$3.9 million compared to FY2015. Although the property tax levy millage rate remained constant for the ninth consecutive year, there was a \$9.1 million increase in property tax revenues resulting from an 8.5% increase in property values. In FY2016, charges for services decreased by \$10.8 million, primarily due to a release of \$8.9 million FEMA liability in FY2015. Other taxes, comprised of utility service, franchise fees and insurance premium, decreased by \$1.7 million. Also, operating grants and contributions decreased by \$4.1 million.

CITY OF FORT LAUDERDALE, FLORIDA

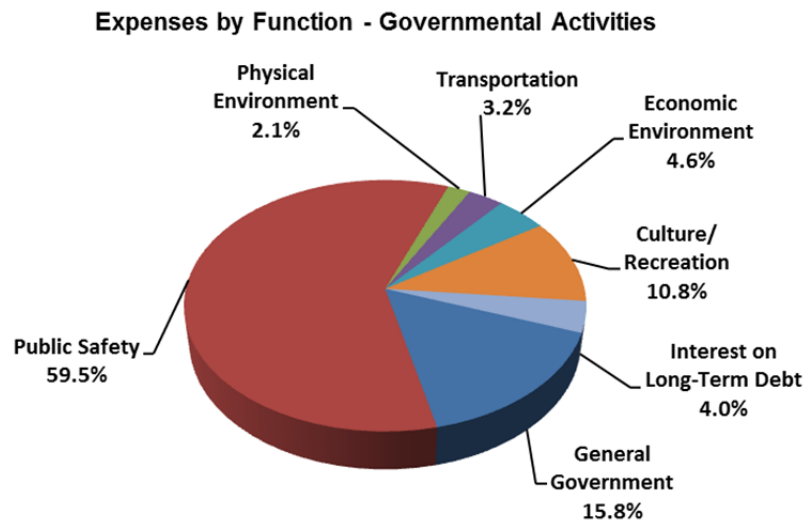
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
September 30, 2016

Expenses for governmental activities decreased by 1.8% or \$5.9 million, with public safety reported an increase of \$9.7 million, while economic environment and transportation reported a decrease of \$10.4 million and \$5.1 million, respectively.

As the following chart of revenues from governmental activities (by source) shows, property and other taxes provided 49.0% of the revenues used to fund governmental functions. Charges for services, such as parks and recreation programs and fire suppression special assessment comprised 36.7% of total revenues.



Expenses for governmental activities (by function) are provided in the following chart. Public safety, comprised of police, fire-rescue, and code enforcement services, had the highest allocation, accounting for 59.5% of all resources. General government and culture and recreation expenses accounted for 15.8% and 10.8%, respectively.



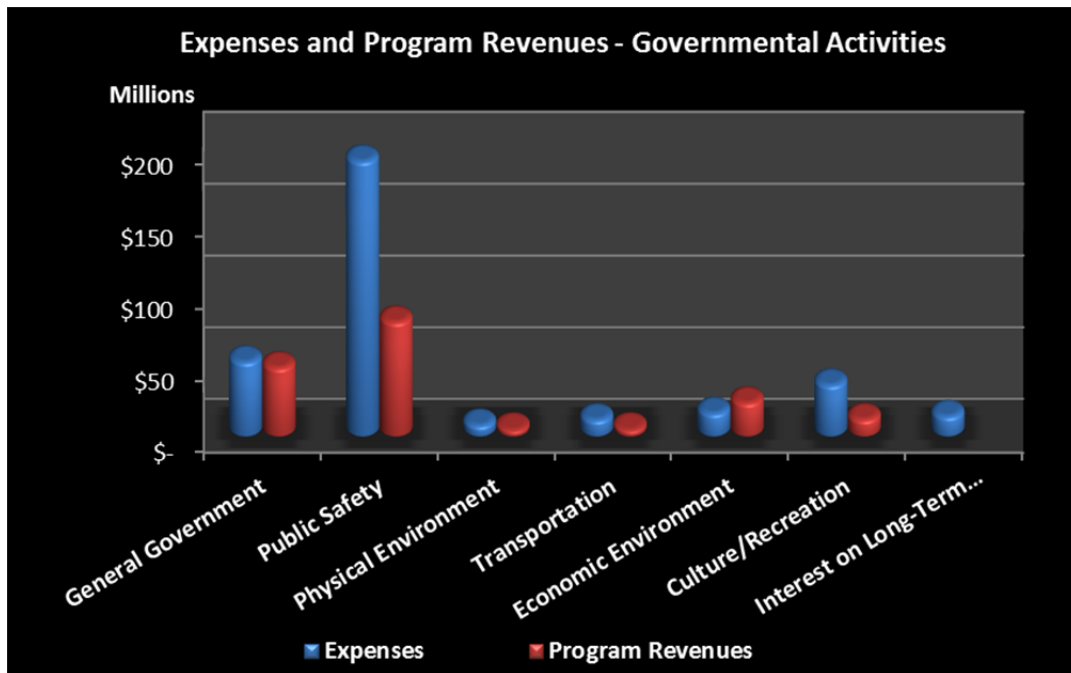
CITY OF FORT LAUDERDALE, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
September 30, 2016

The following table and chart show the components of program and general revenues as percentage of total for governmental activities:

Expenses and Program Revenues – Governmental Activities

Functions/Programs	Expenses	% of Total	Program Revenues	% of Total	Net (Expense) Revenue
General Government	\$ 50,656,374	15.8%	\$ 46,325,562	28.2%	\$ (4,330,812)
Public Safety	190,327,749	59.4%	78,453,720	47.7%	(111,874,029)
Physical Environment	6,622,172	2.1%	3,412,498	2.1%	(3,209,674)
Transportation	10,368,546	3.2%	3,514,958	2.1%	(6,853,588)
Economic Environment	14,783,066	4.6%	22,099,685	13.5%	7,316,619
Culture/Recreation	34,616,954	10.8%	10,531,608	6.4%	(24,085,346)
Interest on Long-Term Debt	12,813,208	4.0%	-	0.0%	(12,813,208)
	\$ 320,188,069	100%	\$ 164,338,031	100%	\$ (155,850,038)

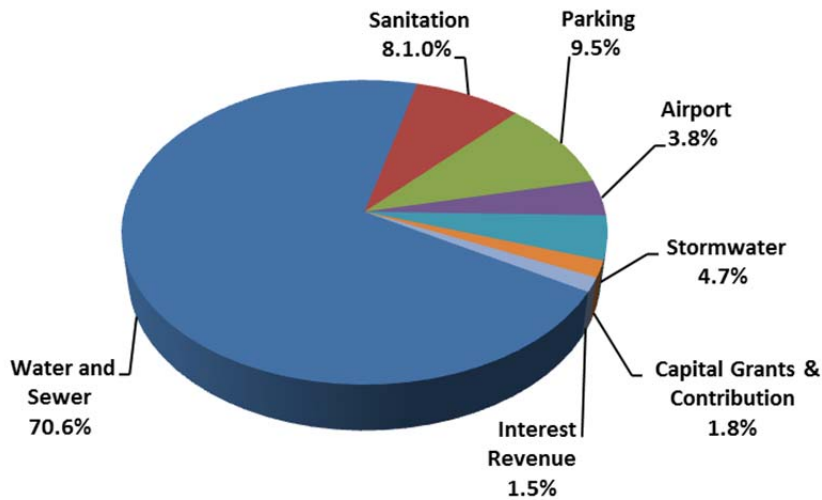


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MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
September 30, 2016

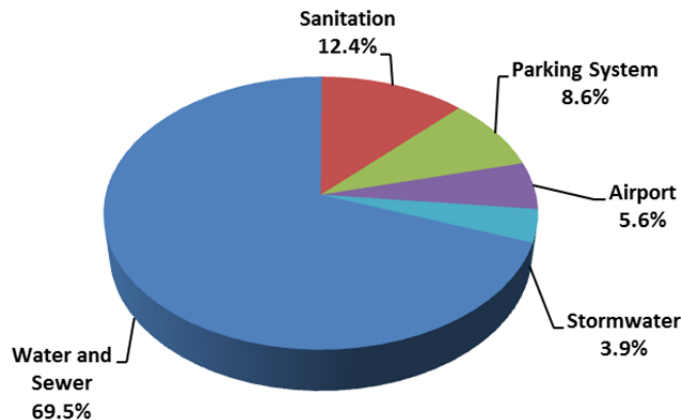
For the business-type activities, net position showed an increase of approximately \$107,000. Total revenues for these activities decreased by \$1.8 million or 1.0%. In FY2016, charges for services increased by approximately \$49,000, of which sanitation decreased by \$5.5 million, Airport decreased by approximately \$312,000, while parking, stormwater, and water and sewer increased by \$1.0 million, \$2.6 million and \$2.2 million, respectively.

Revenue by Funcion - Business-type Activities



The total expenses for business-type activities increased by \$8.8 million or 4.9%. Physical environment expenses increased by \$7.1 million or 4.6% and transportation expenses increased by \$1.7 million or 6.8%.

Expenses by Program Business-type Activities



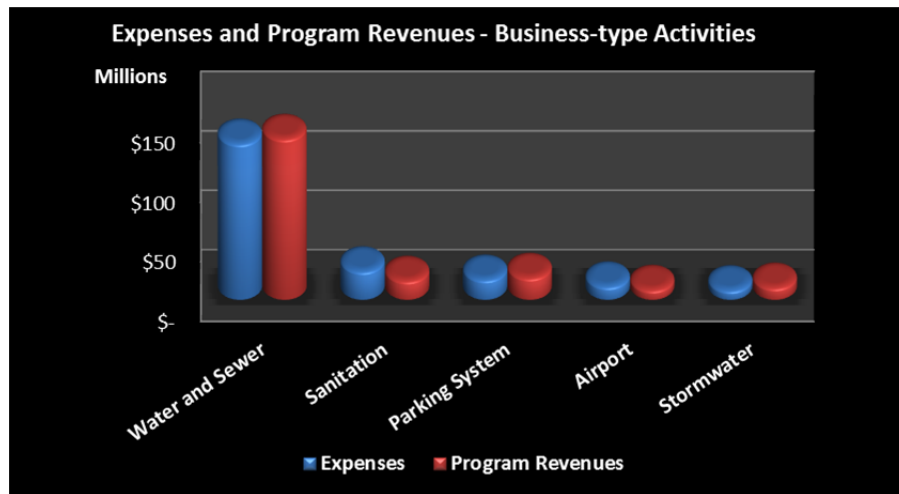
CITY OF FORT LAUDERDALE, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
September 30, 2016

The following table and chart show the components of program revenues as a percentage of the total for business-type activities:

Expenses and Program Revenues – Business-type Activities

Functions/Programs	Expenses	% of Total	Program Revenues	% of Total	Net (Expense) Revenue
Water and Sewer	\$ 130,552,179	69.5%	\$ 134,580,489	72.8%	\$ 4,028,310
Sanitation	23,210,957	12.4%	15,236,518	8.3%	(7,974,439)
Parking System	16,218,135	8.6%	17,725,384	9.6%	1,507,249
Airport	10,506,172	5.6%	7,642,704	4.1%	(2,863,468)
Stormwater	7,280,190	3.9%	9,506,036	5.2%	2,225,846
	<u>\$ 187,767,633</u>	<u>100%</u>	<u>\$ 184,691,131</u>	<u>100%</u>	<u>\$ (3,076,502)</u>



Financial Analysis of the Government's Funds

The fund financial statements for *governmental funds* provide information on the near-term outflows, inflows, and balances of spendable resources. Such information is useful in assessing the City of Fort Lauderdale's financing requirements. In particular, the unassigned fund balance is a useful indicator of the City's net resources available for spending at the end of the fiscal year.

The General Fund balance at September 30, 2016 was \$76.7 million, an increase of 10.5% or \$7.3 million from the prior year balance of \$69.4 million. Approximately 94.6% of FY2016 fund balance (\$72.6 million) represents the unassigned fund balance, which is available for spending at the government's discretion.

General Fund revenues for FY2016 totaled \$314.2 million, a \$261,000 or 0.1% decrease from FY2015. Miscellaneous revenues decreased by \$8.1 million, which is mainly attributed to a one-time FEMA appeal that was released in FY2015. Tax revenues increased by \$7.9 million in FY2016, of which property taxes levied for operations increased \$9.7 million and other taxes decreased by \$1.7 million.

CITY OF FORT LAUDERDALE, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
September 30, 2016

Total General Fund expenditures increased by \$2.6 million from \$256.0 million in FY2015 to \$258.6 million in FY2016. This is mainly attributed to an increase in personnel cost of \$4.9 million, which resulted from 42.5 additional budgeted positions. Services and materials costs decreased by \$2.9 million, while capital outlay increased by approximately \$600,000.

The governmental funds ended the year with \$280.8 million in fund balance, which is an 11.8% increase from FY2015. The combined fund balances of the nonmajor governmental funds increased by \$22.4 million or 12.3% to \$204.0 million. The Building Fund increased by \$4.6 million mostly due to a relative steady activity in licenses and permits. The General and Community Redevelopment Agency capital projects funds increased by \$5.1 million and \$8.8 million, respectively, due to transfers to fund improvement, redevelopment and maintenance projects. The Perpetual Care fund of the Cemetery System increased by \$2.1 million; mostly attributable to investment gains.

The City's *proprietary funds* are presented in more detail in the proprietary fund statements but represent the same activities reflected in the business-type activities. Proprietary funds include both the enterprise and internal service funds. Net position of the Water and Sewer Fund increased by \$1.8 million to \$522.6 million, while total enterprise net position decreasing by approximately \$626,000 to \$671.1 million in FY2016. Total enterprise operating income decreased, by \$10.8 million from \$17.8 million in FY2015, to \$7.1 million in FY2016, a 60.3% decrease. Water and Sewer fund operating income was \$15.6 million, a decrease of \$4.7 million compared to FY2015.

The Parking System funds and the Stormwater fund had net operating income of \$1.4 million and \$1.5 million, while the Airport and the Sanitation funds had net operating losses of \$3.4 million and \$8.1 million, respectively. The Sanitation fund operating loss of \$8.1 million is primarily due to the reallocation of private collectors fees to the General Fund, of which General Fund transferred \$4.1 million back to the fund. Furthermore, there were increases to personnel and service/materials costs of \$1.0 million and \$1.3 million, respectively.

At September 30, 2016, the Insurance fund had a net position balance of \$4.8 million, an increase of approximately \$800,000 from FY2015. The Insurance fund had net operating income of approximately \$625,000, a \$901,000 change compared to the net operating loss of approximately \$276,000 in FY2015. In FY2016, the Central Services fund's net position balance of \$9.1 million increased by 142.4% from \$3.7 million in FY2015. This increase is mainly attributed to \$4.6 million in transfers from other funds to the ERP project that will replace the core financial, payroll, and human resources systems.

General Fund Budgetary Highlights

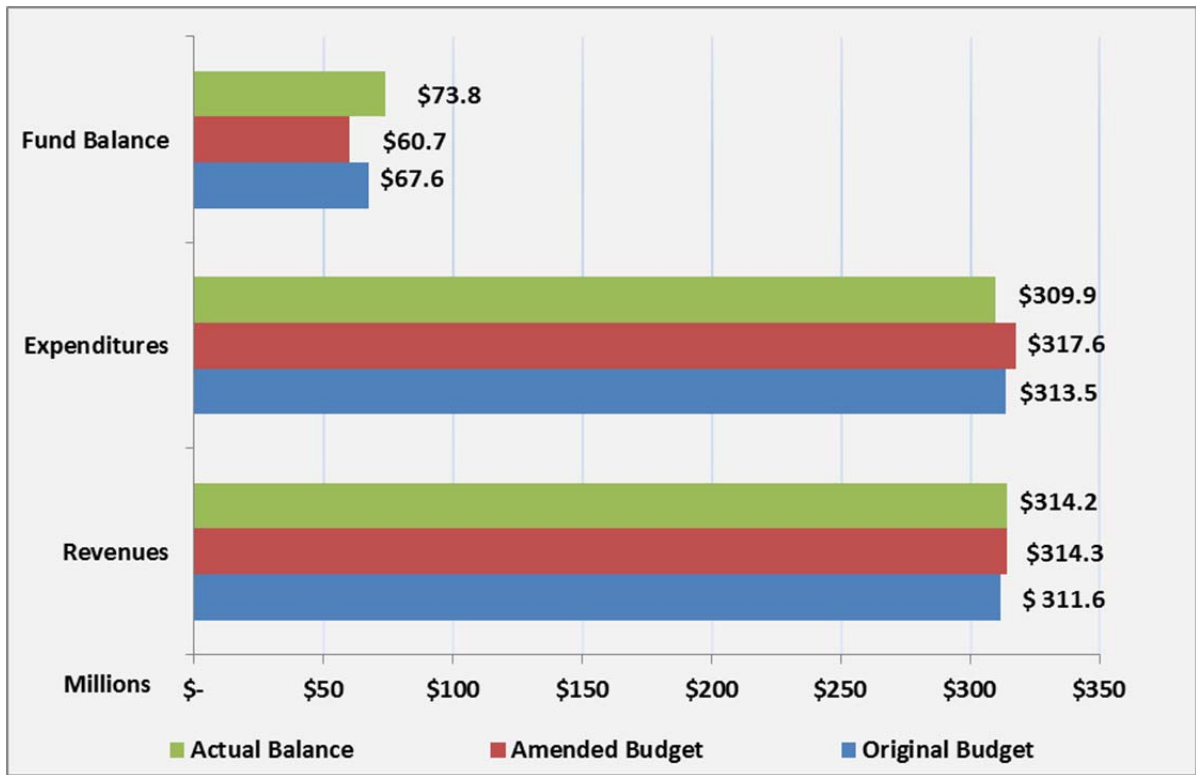
The City's Revenue Estimating Committee helps to ensure that the General Fund revenues are estimated each year using a comprehensive process involving multiple stakeholders, to yield the most reasonable and accurate revenue estimates. It includes an in depth review of past, current, and projected financial conditions. The forecast is an integral part of the annual budget process and allows for informed decision-making, with the goal of maintaining financial integrity while delivering essential quality community services to the City's neighbors. Actual General Fund revenues for FY2016 were lower than the final FY2016 budget by only \$88,000 or 0.03%. The majority of FY2016 positive variances or underestimations were accounted for in charges for services and miscellaneous revenues in the amount of \$1.8 million. An overestimation of taxes revenues (\$1.7 million) and fines and forfeitures revenues (\$271,000) resulted in a \$1.9 million negative variance.

CITY OF FORT LAUDERDALE, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
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Total expenditures of \$261.6 million (including encumbrances of \$2.9 million) were \$7.1 million lower than the final FY2016 budget. This decrease is mainly attributed to services and materials costs that were \$3.9 million lower than budgeted. Salary and employee benefits savings amounted to \$2.9 million, resulting from vacancies in multiple departments. Unspent capital outlay budget was approximately \$430,000.

**City of Fort Lauderdale
FY2016 General Fund Budgetary Comparison**
(in millions of \$)



CITY OF FORT LAUDERDALE, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
September 30, 2016

Capital Assets

The City's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities is shown in the following table. Capital asset balances for governmental activities increased by \$22.1 million in FY2016.

Capital asset balances of the business-type activities decreased by \$9.2 million, which is mainly attributed to the increase in annual depreciation. Additional information about the City's capital assets can be found in Note 7 to these financial statements.

City of Fort Lauderdale Capital Assets (in thousands of \$)

	Governmental Activities		Business-type Activities		Total		Increase/ (Decrease)	
	2016	2015	2016	2015	2016	2015	Amount	Percent
Land	\$ 93,243	\$ 74,780	\$ 32,156	\$ 32,156	\$ 125,399	\$ 106,936	\$18,463	17.26%
Construction in Progress	23,927	21,409	24,632	13,833	48,559	35,242	13,317	37.79%
Buildings	157,481	157,169	273,307	272,288	430,788	429,457	1,331	0.31%
Improvements	113,180	105,520	900,985	898,356	1,014,165	1,003,876	10,289	1.02%
Machinery, Equipment and Vehicles	116,834	107,858	47,833	43,260	164,667	151,118	13,549	8.97%
Infrastructure	44,977	44,645	82	82	45,059	44,727	332	0.74%
	549,642	511,381	1,278,995	1,259,975	1,828,637	1,771,356	57,281	3.23%
Less: Accumulated Depreciation	(241,443)	(225,278)	(409,458)	(381,213)	(650,901)	(606,491)	(44,410)	7.32%
Capital Assets, net	\$ 308,199	\$ 286,103	\$ 869,537	\$ 878,762	\$ 1,177,736	\$ 1,164,865	\$12,871	1.10%

Debt Administration

At the end of the current fiscal year, the City of Fort Lauderdale had a total bonded debt outstanding of \$644.2 million. Of this amount, \$34.8 million is backed by the full faith and credit of the government and \$275.5 million is pension related debt for which the City has pledge non-ad valorem revenues. The remainder of the City's long term obligations comprises of bonds, notes and loans secured by the water and sewer net operating revenues, tax increment note issue by the Community Redevelopment Agency (CRA) and a capital lease in the central services fund.

The City's total debt decreased by \$45.7 million, or 5.8%, during the current fiscal year. In FY2016, the business-type activities issued \$158.9 million in water and sewer revenue refunding bonds to refund the City's Series 2006, Series 2008, and Series 2010 bonds, along with two state loans. Principal retirements for governmental activities and business-type activities totaled \$22.6 million and \$29.0 million, respectively. Additional information about the City's long-term debt can be found in Note 10 to these financial statements.

CITY OF FORT LAUDERDALE, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
September 30, 2016

City of Fort Lauderdale Outstanding Debt *

(in thousands of \$)

	Governmental Activities		Business-type Activities		Total		Increase/(Decrease)	
	2016	2015	2016	2015	2016	2015	Amount	Percent
General Obligation Bonds	\$ 34,780	\$ 38,230	\$ -	\$ -	\$ 34,780	\$ 38,230	\$ (3,450)	-9.02%
Special Obligation Bonds	275,505	290,975	-	-	275,505	290,975	(15,470)	-5.32%
Revenue Bonds	-	-	333,920	340,470	333,920	340,470	(6,550)	-1.92%
Notes Payables	7,257	7,603	-	-	7,257	7,603	(346)	-4.55%
Loans Payables	17,329	20,213	44,610	66,985	61,939	87,198	(25,259)	-28.97%
Capital Lease Obligation	1,869	2,309	-	-	1,869	2,309	(440)	-19.07%
	<u>\$ 336,740</u>	<u>\$ 359,330</u>	<u>\$ 378,530</u>	<u>\$ 407,455</u>	<u>\$ 715,270</u>	<u>\$ 766,785</u>	<u>\$(51,515)</u>	<u>-6.72%</u>

*Excludes unamortized bond premiums, discounts, and other liabilities such as estimated insurance claims, compensated absences, net pension liability, net OPEB obligations, and land-fill post closure costs.

Economic Factors and Next Year's Budget and Rates

The State of Florida, by its Constitution, does not have a state personal income tax and therefore operates primarily using sales, gasoline and corporate income taxes. Local governments (cities, counties and school boards) rely on property and a limited array of permitted other taxes (sales, gasoline, and utilities) and fees (franchise, business tax receipts) for their governmental activities. For the business-type and certain governmental activities (construction services and recreational programs), the user pays a related fee or charge associated with the service.

The adopted operating budget for expenditures for FY2017 is \$622.9 million which is 4.7% higher than the FY2016 adopted budget, which does not include transfers. The General Fund expenditure budget for FY2017 is \$277.3 million which is 4.8% higher than FY2016 adopted budget. The FY2017 General Fund Adopted Budget is structurally balanced, does not include the use of fund balance, and maximizes all resources necessary to build, enhance, and sustain the future of our great City. In FY2017, the operating millage rate of 4.1193 remains unchanged for the tenth consecutive year and equates to a 9.22% increase in revenues as a result of an increase in property values.

The adopted FY2017 General Fund budget addresses key priorities established by the City Commission to meet the challenges of current economic conditions including no increase in the millage rate, increased demands being placed on City staff and the high quality services desired by our neighbors, maintaining adequate reserve funds, and no reductions in vital City services demonstrating the City's highest priorities to ensure that we live, work, and play in the best city possible, while remaining within our fiscal boundaries. *"We Build Community."*

Requests for Information

This financial report is designed to provide a general overview of the City of Fort Lauderdale's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, City of Fort Lauderdale, 100 North Andrews Avenue, Fort Lauderdale, Florida 33301, or they may be contacted at finance@fortlauderdale.gov or (954) 828-5144.



Basic Financial Statements

CITY OF FORT LAUDERDALE, FLORIDA

BASIC FINANCIAL STATEMENTS

**STATEMENT OF NET POSITION
September 30, 2016**

	Primary Government			Component
	Governmental Activities	Business-type Activities	Total	Unit Sunrise Key
ASSETS				
Cash and Cash Equivalents	\$ 233,183,142	\$ 148,570,443	\$ 381,753,585	\$ 138,146
Investments	106,793,628	-	106,793,628	-
Restricted Assets:				
Cash and Cash Equivalents	-	44,647,465	44,647,465	-
Accounts Receivable (Net)	11,029,569	16,119,293	27,148,862	-
Accrued Interest Receivable	75,645	-	75,645	-
Internal Balances	(9,323,873)	9,323,873	-	-
Due from Fiduciary Funds	4,584,783	-	4,584,783	-
Due from Other Governments	7,916,266	545,354	8,461,620	-
Inventories	2,871,527	1,025,118	3,896,645	-
Property Held for Resale	7,208,292	-	7,208,292	-
Prepaid Items	-	212,519	212,519	-
Investment in Joint Venture	-	651,179	651,179	-
Deposits	259,674	5,749,454	6,009,128	-
Capital Assets Not Being Depreciated				
Land	93,242,783	32,155,535	125,398,318	-
Construction in Progress	23,926,979	24,631,900	48,558,879	-
Capital Assets, Net of Accumulated Depreciation				
Buildings	89,475,051	159,476,628	248,951,679	-
Improvements	42,788,701	640,450,470	683,239,171	-
Infrastructure	34,374,202	79,139	34,453,341	-
Machinery, Equipment and Vehicles	24,390,659	12,742,730	37,133,389	-
Total Assets	672,797,028	1,096,381,100	1,769,178,128	138,146
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Loss on Refunding Amount	69,184	23,080,061	23,149,245	-
Accumulated Decrease in Fair Value of Derivative Instruments	16,792	-	16,792	-
Deferred Outflows for Pension	59,276,739	12,119,315	71,396,054	-
Total Deferred Outflows of Resources	59,362,715	35,199,376	94,562,091	-

CITY OF FORT LAUDERDALE, FLORIDA

BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION
September 30, 2016

	Primary Government			Component
	Governmental Activities	Business-type Activities	Total	Unit Sunrise Key
LIABILITIES				
Accounts Payable	\$ 9,354,496	\$ 8,116,453	\$ 17,470,949	\$ 6,400
Accrued Liabilities	2,782,543	598,606	3,381,149	-
Due to Other Governments	702,494	-	702,494	-
Derivative Instruments	16,792	-	16,792	-
Deposits	11,905,875	961,979	12,867,854	-
Unearned Revenues	3,238,385	341,417	3,579,802	-
Liabilities Payable from Restricted Assets:				
Accounts Payable	-	2,500	2,500	-
Accrued Interest Payable	3,209,111	1,283,365	4,492,476	-
Customer Deposits	-	8,422,834	8,422,834	-
Long-Term Liabilities:				
Due Within One Year	35,632,357	15,125,792	50,758,149	-
Due in More Than One Year	470,017,283	415,437,315	885,454,598	-
Total Liabilities	536,859,336	450,290,261	987,149,597	6,400
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows for Pension	11,142,069	828,279	11,970,348	-
Total Deferred Inflows of Resources	11,142,069	828,279	11,970,348	-
NET POSITION				
Net Investment in Capital Assets	272,571,968	485,584,168	758,156,136	-
Restricted for:				
Debt Service	12,302,937	1,725,132	14,028,069	-
Inventories	2,871,527	-	2,871,527	-
Community Redevelopment	71,835,282	-	71,835,282	-
Transportation	19,472	-	19,472	-
Public Safety	1,093,204	-	1,093,204	-
Building Code Enforcement	33,806,924	-	33,806,924	-
Capital Replacement and Improvements	-	33,213,634	33,213,634	-
Endowments				
Expendable	12,581,765	-	12,581,765	-
Nonexpendable	14,307,756	-	14,307,756	-
Other Purposes	2,445,722	-	2,445,722	-
Unrestricted	(239,678,219)	159,939,002	(79,739,217)	131,746
Total Net Position	\$ 184,158,338	\$ 680,461,936	\$ 864,620,274	\$ 131,746

CITY OF FORT LAUDERDALE, FLORIDA

BASIC FINANCIAL STATEMENTS

STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2016

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
General Government	\$ 50,656,373	\$ 43,803,099	\$ 2,441,645	\$ 80,818
Public Safety	190,327,750	77,673,557	158,619	621,544
Physical Environment	6,622,172	3,412,559	(61)	-
Transportation	10,368,546	468,353	2,489,342	557,263
Economic Environment	14,783,066	1,551,021	20,548,664	-
Culture/Recreation	34,616,954	10,112,876	389,980	28,752
Interest on Long-Term Debt	12,813,208	-	-	-
Total Governmental Activities	320,188,069	137,021,465	26,028,189	1,288,377
Business-type Activities:				
Water and Sewer	130,552,179	132,486,929	-	2,093,560
Sanitation	23,210,957	15,236,518	-	-
Parking	16,218,135	17,725,384	-	-
Airport	10,506,172	7,139,770	-	502,934
Stormwater	7,280,190	8,806,797	-	699,239
Total Business-type Activities	187,767,633	181,395,398	-	3,295,733
Total Primary Government	\$ 507,955,702	\$ 318,416,863	\$ 26,028,189	\$ 4,584,110
Component Unit				
Sunrise Key	\$ 74,903	\$ -	\$ -	\$ -
Total Component Unit	\$ 74,903	\$ -	\$ -	\$ -

General Revenues:

Taxes:

- Property Taxes
- Utility Service Taxes
- Franchise Fees
- Insurance Premium Taxes

Grants and Contributions

Interest Revenue

Miscellaneous

Transfers

Total General Revenues/Transfers

Change in Net Position

Net Position - Beginning

Net Position - Ending

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

CITY OF FORT LAUDERDALE, FLORIDA

BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Sunrise Key
\$ (4,330,811)	\$ -	\$ (4,330,811)	\$ -
(111,874,030)	-	(111,874,030)	-
(3,209,674)	-	(3,209,674)	-
(6,853,588)	-	(6,853,588)	-
7,316,619	-	7,316,619	-
(24,085,346)	-	(24,085,346)	-
(12,813,208)	-	(12,813,208)	-
<u>(155,850,038)</u>	<u>-</u>	<u>(155,850,038)</u>	<u>-</u>
-	4,028,310	4,028,310	-
-	(7,974,439)	(7,974,439)	-
-	1,507,249	1,507,249	-
-	(2,863,468)	(2,863,468)	-
-	2,225,846	2,225,846	-
-	<u>(3,076,502)</u>	<u>(3,076,502)</u>	<u>-</u>
<u>(155,850,038)</u>	<u>(3,076,502)</u>	<u>(158,926,540)</u>	<u>-</u>
-	-	-	<u>(74,903)</u>
-	-	-	<u>(74,903)</u>
117,360,476	-	117,360,476	90,235
37,517,371	-	37,517,371	-
22,389,618	-	22,389,618	-
5,563,314	-	5,563,314	-
17,183,084	-	17,183,084	-
6,469,794	2,820,043	9,289,837	-
2,512,498	7,873	2,520,371	235
(355,107)	355,107	-	10
<u>208,641,048</u>	<u>3,183,023</u>	<u>211,824,071</u>	<u>90,480</u>
52,791,010	106,521	52,897,531	15,577
131,367,328	680,355,415	811,722,743	116,169
<u>\$ 184,158,338</u>	<u>\$ 680,461,936</u>	<u>\$ 864,620,274</u>	<u>\$ 131,746</u>

CITY OF FORT LAUDERDALE, FLORIDA

BASIC FINANCIAL STATEMENTS

**BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2016**

	General	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 79,915,617	\$ 91,013,285	\$ 170,928,902
Investments	-	106,793,628	106,793,628
Accounts Receivable (Net)	10,272,767	725,403	10,998,170
Accrued Interest Receivable	-	75,645	75,645
Due from Other Governments	3,264,963	4,651,303	7,916,266
Due from Other Funds	363,416	-	363,416
Due from Fiduciary Funds	4,584,783	-	4,584,783
Inventories	21,391	2,779,011	2,800,402
Property Held for Resale	-	7,208,292	7,208,292
Deposits	147,224	87,450	234,674
Total Assets	\$ 98,570,161	\$ 213,334,017	\$ 311,904,178
LIABILITIES			
Accounts Payable	\$ 2,708,720	\$ 4,659,283	\$ 7,368,003
Accrued Liabilities	2,464,002	158,937	2,622,939
Due to Other Governments	700,352	2,142	702,494
Due to Other Funds	-	363,416	363,416
Deposits	11,208,097	697,778	11,905,875
Unearned Revenues	2,317,726	920,659	3,238,385
Compensated Absences and Longevity	115,907	-	115,907
Total Liabilities	19,514,804	6,802,215	26,317,019
DEFERRED INFLOWS OF RESOURCES			
Unavailable Property Tax Revenues	2,076,130	99,626	2,175,756
Unavailable Assessment Revenues	257,039	245,935	502,974
Unavailable Grant Revenues	-	2,133,582	2,133,582
Total Deferred Inflows of Resources	2,333,169	2,479,143	4,812,312
FUND BALANCES			
Nonspendable	21,391	14,314,506	14,335,897
Restricted	-	165,210,117	165,210,117
Committed	1,186,699	1,519,050	2,705,749
Assigned	2,962,640	23,008,986	25,971,626
Unassigned	72,551,458	-	72,551,458
Total Fund Balances	76,722,188	204,052,659	280,774,847
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 98,570,161	\$ 213,334,017	\$ 311,904,178

CITY OF FORT LAUDERDALE, FLORIDA

BASIC FINANCIAL STATEMENTS

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION September 30, 2016

Total fund balances of governmental funds		\$ 280,774,847
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		291,318,515
Other long-term assets are not available to pay for current period expenditures and, therefore are deferred in the funds.		4,812,312
The internal service fund is used by management to charge the costs of City insurance, communications, printing and central services and for the operation of a maintenance facility for City vehicles. The net position of the internal service funds are included in governmental activities in the statement of net position.		29,651,984
Deferred outflows of resources related to pension earnings are recognized in the governmental funds and are recorded in the statement of net position.		56,748,822
Deferred inflows of resources related to pension earnings are recognized in the governmental funds and are recorded in the statement of net position.		(10,969,301)
Deferred loss on refunding amounts are expended in the fund level financial but are deferred and amortized over the life of the bonds in the government-wide financial statements.		69,184
Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities.		
Bonds Payable	\$ (310,285,000)	
Notes Payable	(24,585,800)	
Net Pension Liabilities	(88,382,886)	
Net OPEB Obligation	(9,706,900)	
Compensated Absences and Longevity	(31,136,493)	
Accrued Interest Payable	(3,209,111)	
Unamortized Bond Premiums and Discounts	(941,835)	(468,248,025)
Total net position of governmental activities		\$ 184,158,338

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

CITY OF FORT LAUDERDALE, FLORIDA

BASIC FINANCIAL STATEMENTS

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2016**

	General	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	\$ 178,424,505	\$ 4,823,936	\$ 183,248,441
Licenses and Permits	3,187,277	18,044,304	21,231,581
Intergovernmental Revenues	20,188,687	25,784,347	45,973,034
Charges for Services	23,318,716	508,151	23,826,867
Fines and Forfeitures	2,223,694	3,340,154	5,563,848
Miscellaneous Revenues:			
Assessments and Other Fees	33,721,236	4,338,365	38,059,601
Investment Income	1,996,110	3,808,590	5,804,700
Rents and Concessions	4,274,148	160,000	4,434,148
Contributions and Donations	-	80,818	80,818
Interfund Service Charges	42,754,473	-	42,754,473
Other Miscellaneous	4,116,993	1,604,186	5,721,179
Total Revenues	314,205,839	62,492,851	376,698,690
EXPENDITURES			
Current:			
General Government	50,149,030	1,283,922	51,432,952
Public Safety	165,156,787	15,537,820	180,694,607
Physical Environment	5,287,466	1,004,475	6,291,941
Transportation	6,805,306	3,111,070	9,916,376
Economic Environment	985,679	14,129,463	15,115,142
Culture/Recreation	29,231,080	221,615	29,452,695
Debt Service:			
Principal Retirement	-	22,150,300	22,150,300
Interest and Fiscal Charges	-	12,963,806	12,963,806
Capital Outlay	1,043,566	14,498,011	15,541,577
Total Expenditures	258,658,914	84,900,482	343,559,396
Excess (Deficiency) of Revenues Over (Under) Expenditures	55,546,925	(22,407,631)	33,139,294
OTHER FINANCING SOURCES (USES)			
Transfers In	-	60,376,587	60,376,587
Transfers (Out)	(48,253,692)	(15,566,815)	(63,820,507)
Total Other Financing Sources (Uses)	(48,253,692)	44,809,772	(3,443,920)
Net Change in Fund Balances	7,293,233	22,402,141	29,695,374
Fund Balances - Beginning	69,428,955	181,650,518	251,079,473
Fund Balances - Ending	\$ 76,722,188	\$ 204,052,659	\$ 280,774,847

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

CITY OF FORT LAUDERDALE, FLORIDA

BASIC FINANCIAL STATEMENTS

**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, 2016**

Net change in fund balances of governmental funds **\$ 29,695,374**

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

Governmental funds report capital purchases as expenditures. However, in the statement of activities, the cost of those assets are depreciated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital purchases exceed depreciation in the current year.

Capital Outlay	\$ 31,664,132	
Depreciation Expense	<u>(11,667,988)</u>	19,996,144

Some revenues reported in the statement of activities are not considered current financial resources and, therefore, are not reported as revenues in governmental funds. **(3,337,864)**

The change in the deferred refunding amounts has no effect on the current financial resource and, therefore, is not reported in the governmental funds. **(11,120)**

The issuance of long-term debt (e.g., bonds, capital leases) 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 position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts (except for issuance costs) are capitalized 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.

Principal Repayments:		
Bonds Payable	\$ 18,920,000	
Notes Payable	<u>3,230,300</u>	22,150,300

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.

Accrued Interest Payable	\$ 79,324	
Amortized of Bond Discounts and Premiums	137,572	
Change in pension expense	(15,122,586)	
Other Post-Employment Benefits	(1,624,317)	
Compensated Absences and Longevity Pay	<u>(5,029,830)</u>	(21,559,837)

The internal service fund is used by management to charge the costs of City insurance, communications, printing and central services and for the operation of a maintenance facility for City vehicles. The net revenue (expense) of certain activities of the internal service funds is reported with governmental activities. **5,858,013**

Change in net position of governmental activities **\$ 52,791,010**

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

CITY OF FORT LAUDERDALE, FLORIDA

BASIC FINANCIAL STATEMENTS

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2016**

	Business-type Activities - Enterprise Funds			Governmental
	Water and Sewer	Nonmajor Enterprise Funds	Total Enterprise Funds	Activities - Internal Service Funds
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 85,311,375	\$ 63,259,068	\$ 148,570,443	\$ 62,254,240
Restricted Cash and Cash Equivalents	7,824,186	1,884,513	9,708,699	-
Accounts Receivable (Net)	12,492,841	3,626,452	16,119,293	31,399
Due from Other Governments	-	545,354	545,354	-
Inventories	1,025,118	-	1,025,118	71,125
Prepays Items	-	212,519	212,519	-
Deposits	5,749,454	-	5,749,454	25,000
Total Current Assets	112,402,974	69,527,906	181,930,880	62,381,764
Noncurrent Assets:				
Restricted Assets:				
Cash and Cash Equivalents	33,198,729	1,740,037	34,938,766	-
Total Restricted Assets	33,198,729	1,740,037	34,938,766	-
Investment in Joint Venture	-	651,179	651,179	-
	-	651,179	651,179	-
Capital Assets:				
Land	7,739,200	24,416,335	32,155,535	-
Construction in Progress	19,836,129	4,795,771	24,631,900	333,042
Buildings	234,847,313	38,459,281	273,306,594	962,879
Improvements	821,092,021	79,892,897	900,984,918	4,188,403
Infrastructure	-	82,437	82,437	-
Machinery, Equipment and Vehicles	32,207,784	15,625,431	47,833,215	64,404,206
Less: Accumulated Depreciation	(332,176,083)	(77,282,114)	(409,458,197)	(53,008,670)
Total Capital Assets (Net)	783,546,364	85,990,038	869,536,402	16,879,860
Total Noncurrent Assets	816,745,093	88,381,254	905,126,347	16,879,860
Total Assets	929,148,067	157,909,160	1,087,057,227	79,261,624
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Loss on Refunding Amount	23,080,061	-	23,080,061	-
Accumulated Decrease in Fair Value of Derivative Instruments	-	-	-	16,792
Deferred Outflows on Pension	8,145,507	3,973,808	12,119,315	2,527,917
Total Deferred Outflows of Resources	31,225,568	3,973,808	35,199,376	2,544,709
Total Assets and Deferred Outflows of Resources	960,373,635	161,882,968	1,122,256,603	81,806,333

Continued

CITY OF FORT LAUDERDALE, FLORIDA

BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 September 30, 2016

	Business-type Activities - Enterprise Funds			Governmental
	Water and Sewer	Nonmajor Enterprise Funds	Total Enterprise Funds	Activities - Internal Service Funds
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 5,919,541	\$ 2,196,912	\$ 8,116,453	\$ 1,986,493
Accrued Liabilities	368,154	230,452	598,606	159,604
Derivative Instruments	-	-	-	16,792
Unearned Revenues	-	341,417	341,417	-
Bonds and Notes Payable	14,203,769	-	14,203,769	-
Capital Leases Payable	-	-	-	440,188
Compensated Absences and Longevity	598,614	279,963	878,577	195,392
Estimated Claims Payable	-	-	-	7,898,340
Landfill Post-Closure Costs	-	43,446	43,446	-
Current Liabilities Payable from Restricted Assets:				
Accounts Payable	2,500	-	2,500	-
Accrued Interest Payable	1,283,365	-	1,283,365	-
Deposits	6,538,321	1,884,513	8,422,834	-
Total Current Liabilities	28,914,264	4,976,703	33,890,967	10,696,809
Noncurrent Liabilities:				
Deposits	961,979	-	961,979	-
Bonds and Notes Payable (Net)	392,828,527	-	392,828,527	-
Capital Leases Payable	-	-	-	1,428,314
Net Pension Liabilities	10,653,270	5,197,225	15,850,495	3,306,187
Net OPEB Obligation	540,910	497,098	1,038,008	217,292
Compensated Absences and Longevity	3,306,098	1,585,853	4,891,951	1,349,249
Estimated Claims Payable	-	-	-	25,659,857
Landfill Post-Closure Costs	-	828,334	828,334	-
Total Noncurrent Liabilities	408,290,784	8,108,510	416,399,294	31,960,899
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows on Pension	556,694	271,585	828,279	172,768
Total Deferred Inflows of Resources	556,694	271,585	828,279	172,768
Total Liabilities and Deferred Inflows of Resources	437,761,742	13,356,798	451,118,540	42,830,476
NET POSITION				
Net Investment in Capital Assets	399,594,130	85,990,038	485,584,168	15,011,358
Restricted for:				
Debt Service	1,725,132	-	1,725,132	-
Renewal and Replacement	10,031,368	1,374	10,032,742	-
Capital Improvements	21,442,229	1,738,663	23,180,892	-
Unrestricted	89,819,034	60,796,095	150,615,129	23,964,499
Total Net Position	\$ 522,611,893	\$ 148,526,170	671,138,063	\$ 38,975,857
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			9,323,873	
Net Position of Business-type Activities			<u>\$ 680,461,936</u>	

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

CITY OF FORT LAUDERDALE, FLORIDA

BASIC FINANCIAL STATEMENTS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS

For The Year Ended September 30, 2016

	Business-type Activities - Enterprise Funds			Governmental
	Water and Sewer	Nonmajor Enterprise Funds	Total Enterprise Funds	Activities - Internal Service Funds
Operating Revenues:				
Charges for Services	\$ 130,849,943	\$ 40,792,147	\$ 171,642,090	\$ 76,028,047
Equity in Earnings of Joint Venture	-	174,627	174,627	-
Parking Citations	-	3,671,762	3,671,762	-
Land Leases	-	3,423,366	3,423,366	-
Miscellaneous Revenues	1,636,986	846,567	2,483,553	1,067,877
Total Operating Revenues	132,486,929	48,908,469	181,395,398	77,095,924
Operating Expenses:				
Personal Services	32,657,237	18,056,590	50,713,827	11,160,361
Current Expenses	60,862,913	34,402,302	95,265,215	56,974,049
Depreciation	23,342,201	4,999,609	28,341,810	6,188,729
Total Operating Expenses	116,862,351	57,458,501	174,320,852	74,323,139
Operating Income (Loss)	15,624,578	(8,550,032)	7,074,546	2,772,785
Nonoperating Revenues (Expenses):				
Interest Income	1,909,869	910,174	2,820,043	687,505
Interest Expense and Fiscal Charges	(14,194,845)	-	(14,194,845)	(55,178)
Sale of Capital Assets	-	7,873	7,873	-
Gain (Loss) on Disposal	-	15,329	15,329	96,823
Total Nonoperating Revenues (Expenses)	(12,284,976)	933,376	(11,351,600)	729,150
Income (Loss) Before Contributions and Transfers	3,339,602	(7,616,656)	(4,277,054)	3,501,935
Capital Contributions	2,093,560	1,202,173	3,295,733	-
Transfers In	-	5,590,896	5,590,896	4,562,500
Transfers (Out)	(3,597,033)	(1,638,756)	(5,235,789)	(1,473,687)
Change in Net Position	1,836,129	(2,462,343)	(626,214)	6,590,748
Net Position - Beginning	520,775,764	150,988,513		32,385,109
Net Position - Ending	\$ 522,611,893	\$ 148,526,170		\$ 38,975,857
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			732,735	
Change in Net Position of Business-type Activities			<u>\$ 106,521</u>	

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

CITY OF FORT LAUDERDALE, FLORIDA

BASIC FINANCIAL STATEMENTS

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For The Year Ended September 30, 2016**

	Business-type Activities - Enterprise Funds			Governmental
	Water and Sewer	Nonmajor Enterprise Funds	Total Enterprise Funds	Activities - Internal Service Funds
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 133,707,991	\$ 48,869,574	\$ 182,577,565	\$ 77,092,224
Payments to Suppliers	(26,870,813)	(22,824,144)	(49,694,957)	(54,939,292)
Payments to Employees	(29,851,826)	(16,814,721)	(46,666,547)	(10,168,118)
Payments to Other Funds	(35,363,097)	(11,595,960)	(46,959,057)	(3,340,567)
Net Cash Provided (Used) by Operating Activities	41,622,255	(2,365,251)	39,257,004	8,644,247
Cash Flows from Noncapital Financing Activities				
Transfers from Other Funds	-	5,590,896	5,590,896	4,562,500
Transfers (to) Other Funds	(3,597,033)	(1,638,756)	(5,235,789)	(1,473,687)
Net Cash Provided (Used) by Noncapital Financing Activities	(3,597,033)	3,952,140	355,107	3,088,813
Cash Flows from Capital and Related Financing Activities				
Acquisition/Construction of Capital Assets	(18,153,601)	(6,637,743)	(24,791,344)	(8,287,168)
Principal Paid on Capital Debt	(13,268,365)	-	(13,268,365)	(440,188)
Interest Paid on Capital Debt	(24,753,575)	-	(24,753,575)	(55,178)
Proceeds from Sales of Capital Assets	-	15,329	15,329	96,823
Retirement of Debt	14,213,406	-	14,213,406	-
Contributions	2,093,560	1,202,173	3,295,733	-
Investment in Joint Venture	-	222,220	222,220	-
Bond Issuance Costs Paid	(7,406,943)	-	(7,406,943)	-
Net Cash (Used) by Capital and Related Financing Activities	(47,275,518)	(5,198,021)	(52,473,539)	(8,685,711)
Cash Flows from Investing Activities				
Interest Income on Investments	1,909,869	910,174	2,820,043	687,506
Net Cash Provided by Investment Activities	1,909,869	910,174	2,820,043	687,506
Net Increase (Decrease) in Cash and Cash Equivalents	(7,340,427)	(2,700,958)	(10,041,385)	3,734,855
Cash and Cash Equivalents at Beginning of Year	133,674,717	69,584,576	203,259,293	58,519,385
Cash and Cash Equivalents at End of Year	\$ 126,334,290	\$ 66,883,618	\$ 193,217,908	\$ 62,254,240

Continued

CITY OF FORT LAUDERDALE, FLORIDA

BASIC FINANCIAL STATEMENTS

**STATEMENT OF CASH FLOWS - Continued
PROPRIETARY FUNDS
For The Year Ended September 30, 2016**

	Business-type Activities - Enterprise Funds			Governmental
	Water and Sewer	Nonmajor Enterprise Funds	Total Enterprise Funds	Activities - Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities Activities				
Operating Income (Loss)	\$ 15,624,578	\$ (8,550,032)	\$ 7,074,546	\$ 2,772,785
Depreciation	23,342,201	4,999,609	28,341,810	6,188,729
Equity in Earnings on Unconsolidated Joint Venture	-	(174,627)	(174,627)	-
Change in Assets and Liabilities:				
(Increase) in Accounts Receivable	1,305,030	(110,276)	1,194,754	(3,700)
Increase in Due from Other Governments	-	(379,995)	(379,995)	-
(Increase) Decrease in Inventories	75,485	-	75,485	(38,945)
(Increase) Decrease in Deposits	(83,968)	558,515	474,547	-
Increase in Deferred Outflows	3,534,409	1,724,272	5,258,681	1,096,885
Increase (Decrease) in Accounts Payable	(1,449,035)	(34,766)	(1,483,801)	(1,256,222)
(Increase) in Prepaid Items	2,553	1,101	3,654	5,295
Increase in Accrued Liabilities	(722,410)	(339,650)	(1,062,060)	(253,998)
Increase in Unearned Revenues	-	67,488	67,488	-
(Decrease) in Pension Liability	(4,106,721)	(2,003,476)	(6,110,197)	(1,274,500)
(Decrease) in Net OPEB Obligation	709,429	500,130	1,209,559	212,124
Increase in Compensated Absences and Longevity	722,463	117,184	839,647	383,658
Increase in Estimated Claims Payable	-	-	-	(15,938)
(Decrease) in Landfill Post-Closure Costs	-	(42,436)	(42,436)	-
Increase in Deferred Inflows	2,668,241	1,301,708	3,969,949	828,074
Total Adjustments	25,997,677	6,184,781	32,182,458	5,871,462
Net Cash Provided by Operating Activities	\$ 41,622,255	\$ (2,365,251)	\$ 39,257,004	\$ 8,644,247
Schedule of non-cash Capital and Related Financing Activities:				
Defeasance of Revenue Bonds, Series 2006	\$ 53,045,000	\$ -	\$ 53,045,000	\$ -
Defeasance of Revenue Bonds, Series 2008	31,010,000	-	31,010,000	-
Defeasance of Revenue Bonds, Series 2010	72,375,000	-	72,375,000	-
Defeasance of SRF Loans	18,188,248	-	18,188,248	-
	\$ 174,618,248	\$ -	\$ 174,618,248	\$ -

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



CITY OF FORT LAUDERDALE

CITY OF FORT LAUDERDALE, FLORIDA

BASIC FINANCIAL STATEMENTS

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
September 30, 2016**

	<u>Pension and OPEB Trust</u>	<u>Agency Arts and Science District Garage</u>
ASSETS		
Cash and Cash Equivalents	\$ 3,257	\$ 46,098
Investments		
U.S. Treasury Securities	66,086,149	-
U.S. Government Agency Obligations	49,170,747	-
Corporate Bonds and Other Fixed Income	157,270,939	-
Money Market Funds	29,186,847	-
Index Funds	155,983,301	-
Mutual Funds & Other	111,165,975	-
Fund of Funds	37,490,893	-
Common Stock	333,897,279	-
Commingled Funds	295,376,529	-
Real Estate	165,758,675	-
Private Equity	2,342,032	-
Venture Capital & Partnerships	8,694,330	-
Total Investments	<u>1,412,423,696</u>	<u>-</u>
Receivables:		
Accounts	9,189,829	-
Accrued Interest and Dividends	2,802,297	-
Contributions	166,387	-
Deposits	2,401	-
Capital Assets (Net of Accumulated Depreciation)	<u>3,308</u>	<u>-</u>
Total Assets	<u>1,424,591,175</u>	<u>\$ 46,098</u>
LIABILITIES		
Unsettled Trades	4,603,301	\$ -
Accounts Payable	1,031,363	41,707
Accrued Liabilities	8,221	4,391
Due to Primary Government	4,584,783	-
Deposits	<u>12,402</u>	<u>-</u>
Total Liabilities	<u>10,240,070</u>	<u>\$ 46,098</u>
Net Position - Restricted for Pensions and Assets Held in Trust for OPEB Benefits	<u>\$ 1,414,351,105</u>	

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

CITY OF FORT LAUDERDALE, FLORIDA

BASIC FINANCIAL STATEMENTS

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended September 30, 2016**

	<u>Pension and OPEB Trust</u>
ADDITIONS	
Contributions:	
City	\$ 29,260,946
Employee	8,959,192
State	5,860,782
Total Contributions	<u>44,080,920</u>
Investment Income:	
Net Appreciation in Fair Value of Investments	96,747,949
Interest and Dividends	21,955,670
Real Estate Income	6,957,283
Other	20,818
Total Investment Income (Loss)	<u>125,681,720</u>
Less: Investment Expenses	<u>5,239,621</u>
Net Investment Income (Loss)	<u>120,442,099</u>
Total Additions	<u>164,523,019</u>
DEDUCTIONS	
Benefits:	
Retirement	78,904,385
Disability	1,437,867
Death	6,407,957
Total Benefits	<u>86,750,209</u>
Refunds	268,130
Administrative Expense	1,202,829
Total Deductions	<u>88,221,168</u>
Change in Net Position	76,301,851
Net Position - Beginning of Year	<u>1,338,049,254</u>
Net Position - End of Year	<u>\$ 1,414,351,105</u>

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

CITY OF FORT LAUDERDALE, FLORIDA

BASIC FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2016

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CITY OF FORT LAUDERDALE, FLORIDA

BASIC FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Fort Lauderdale, Florida (City) have been prepared in accordance with generally accepted accounting principles (GAAP) in the United States applicable to governmental units. The following is a summary of the more significant accounting policies of the City:

(A) The Financial Reporting Entity

The City was incorporated in the State of Florida in 1911 and covers an area of approximately 36 square miles. The City is governed by an elected five-member commission composed of a Mayor and four District Commissioners and provides services to its approximately 177,000 residents in many areas, including public safety, public places, infrastructure, business development and neighborhood enhancement. As required by GAAP, these financial statements present the City of Fort Lauderdale (the primary government) and its component units. The component units discussed in note 1(B) below are included in the City's reporting entity because of the significance of their operational and financial relationships with the City.

(B) Individual Component Unit Disclosure

The criteria for including component units consist of the identification of legally separate organizations for which the elected officials of the City are financially accountable. This criteria also includes identification of 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. Blended component units, although legally separate entities, are in substance, part of the government's operations and so data from these units are combined with data of the primary government. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government.

A five-member board appointed by the City Commission (currently composed of the City Commission, itself) governs the Fort Lauderdale Community Redevelopment Agency (CRA). Although it is legally separate from the City, the CRA is reported as part of the primary government because its sole purpose is to finance and redevelop the City's designated redevelopment areas. The operations of the CRA are reported within the special revenue fund type and the capital expenditures are accounted for in a capital projects fund type using the blended method. Separate financial information can be obtained from the CRA.

A seven-member board appointed by the City Commission governs the Sunrise Key Safe Neighborhood Improvement District (SK). While legally separate from the City, it is reported as part of the reporting entity under the discretely presented method because the City's elected officials are financially accountable for SK. The City Commission has the power to approve, disapprove or modify the budget and millage rates or assessments submitted by the board. Separate financial information can be obtained from SK.

CITY OF FORT LAUDERDALE, FLORIDA

BASIC FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2016

(C) Related Organizations

The City's officials are also responsible for appointing the members of the boards of other organizations, but the City's accountability for these organizations does not significantly extend beyond making the appointments. The City Commission appoints the governing board of the City of Fort Lauderdale Downtown Development Authority (DDA), one member of the governing board of the Lauderdale Isles Water Control District (LIWCD), and the Mayor appoints the governing board of the Housing Authority of the City of Fort Lauderdale (HACFL). The City is not financially accountable for the DDA, LIWCD, or HACFL.

(D) Joint Ventures

The City is a participant with the Performing Arts Center Authority (PACA) and the DDA in a joint venture to own and operate the 950 space Arts and Science District Parking Garage. The City has an ongoing financial interest in this joint venture, which is discussed in Note 8.

(E) Government-wide and Fund Financial Statements

The government-wide financial statements, including the statement of net position and the statement of activities, report information on all of the non-fiduciary activities of the City. As part of the consolidation process, inter-fund activities are eliminated to avoid distorted financial results. Governmental activities, which are primarily supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely extensively on fees and charges for support. Likewise, the City's primary government is reported separately from its legally separate component units for which the City is financially accountable.

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. Other than for depreciation, indirect expenses are not allocated to specific functions. Taxes and other items not properly included among program revenues are reported instead as general 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 enterprise funds are reported as separate columns in the fund financial statements.

(F) Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary, except agency, fund financial statements. Agency funds have no measurement focus but follow the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

CITY OF FORT LAUDERDALE, FLORIDA

BASIC FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2016

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become susceptible to accrual; that is measurable and available to finance the City's operations. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures are recognized in the accounting period in which the related fund liabilities are incurred, if measurable, except for interest on long-term debt and the long-term portion of accumulated compensated absences and longevity pay, which are recognized when due.

Property taxes are recorded as revenues in the fiscal year levied, provided they are collected in the current period or within 60 days thereafter. Those remaining uncollected are recorded as deferred revenues in the governmental fund financial statements. The utility and franchise taxes from major sources are recorded as revenues when earned. Licenses and permits, fines and forfeitures, charges for services, and other revenues (except investment earnings) are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment income is recorded as revenue when earned. Special assessments are recorded as revenues only to the extent that individual installments are considered available.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures incurred. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if susceptible to accrual.

The City reports the following major governmental fund:

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 a separate fund.

The City reports the following major proprietary fund:

The Water and Sewer Fund accounts for the provision of water and sewer services to the residents of the City and surrounding areas.

Additionally, the City reports the following fund types:

Internal service funds account for the financing of goods and services provided to departments within the City in the following three areas: 1) costs of insuring the City in the areas of general liability, auto liability, workers' compensation, police professional liability, employee relations and medical benefits; 2) information technology systems, communications, and print center operations; and 3) operation of a maintenance facility for City vehicles.

Pension and OPEB trust funds account for the activities of the OPEB Trust, General Employees' Retirement System and the Police and Firefighters' Retirement System, which accumulate resources for pension and benefit payments to qualifying City employees.

CITY OF FORT LAUDERDALE, FLORIDA

BASIC FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2016

The Arts and Science District Garage Agency Fund accounts for the assets and liabilities held by the City for the Arts and Science District parking garage.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's enterprise funds and the General Fund as well as cost reimbursement transactions between the enterprise funds and various other functions of City government. Elimination of these charges would distort the direct costs and program revenues reported for those sectors.

The proprietary funds distinguish operating revenues and expenses from nonoperating 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, nonmajor enterprise funds, and all the internal service funds are charges to customers for sales and services. The Insurance Fund bills the other funds to cover insurance premiums and claims. Operating expenses for the enterprise and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

The preparation of the basic financial statements in conformity with GAAP requires management to make use of estimates that affect reported amounts in the basic financial statements. Actual results could differ from those estimates.

(G) Derivatives and Hedging Activities

Derivatives have a fair value, require little or no initial net investment, and may be net settled. The City follows GASB Statement No. 53 (GASB 53), "Accounting and Financial Reporting for Derivative Instruments". Under GASB 53, derivatives are either categorized as hedging derivative instruments or investment derivatives. Hedging derivative instruments are associated with specific hedging transactions wherein the intent is to significantly reduce risks. Changes in fair value of hedges are reported as either deferred inflows of resources or deferred outflows of resources in the statement of net position. For accounting purposes, in order to qualify as a hedge, the relationship between the derivative and the underlying item must result in a hedge that is "effective" in mitigating risk. If the hedge transaction is considered "ineffective" the valuation of the instrument is considered investment income or loss in the flows of resources statements. GASB 53 outlines five methods for evaluating hedge effectiveness if the hedged item is an existing or expected commodity transaction:

- Consistent Critical Terms
- Synthetic Instrument
- Dollar Offset
- Regression Analysis
- Other Quantitative Methods

For purposes of performing hedge effectiveness testing, the City can use any or all of the evaluation methods and is not limited to using the same method from period to period. Therefore, if the result of any one prescribed evaluation method indicates the hedge is ineffective, the City may apply another method to verify effectiveness. In addition, the calculations for effectiveness may be based on either a life to date period or be limited to the immediately preceding annual accounting period.

CITY OF FORT LAUDERDALE, FLORIDA

BASIC FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2016

The City has adopted GASB 53 to account for petroleum future contracts to hedge variability in future cash flows resulting from volatility in gas and diesel fuel prices. Fair value is determined based on quoted prices in active markets for the derivative instrument. Because the fuel hedge is an effective hedge as defined by GASB 53, the unrealized gain (loss) on the fuel hedge is reported as deferred inflow/outflow of resources on the statement of net position. The hedging instruments affected are monthly future contracts with a notional amount of 42,000 gallons each with an index of Reformulated Gasoline Blendstock for Oxygen Blending (RBOB Gas) and New York Harbor Ultra Low Sulfur Diesel (NYHRBRULSD) as listed on the NYMEX. As of September 30, 2016, the City had twenty-two (22) future contracts. The contracts were purchased at various times throughout the year. On average, it costs the City \$32 to acquire a fuel hedge contract. The aggregate fuel hedge contracts cover a rolling 18-month period. The fuel hedge contracts are recorded as a liability at fair value with the accumulated change in fair value reported as a deferred outflow. The deferred outflow and the instrument itself, as of September 30, 2016 are valued at \$16,792.

Basis risk. The City is exposed to basis risk on its fuel hedge contracts because the future fuel purchases are based on a pricing point different from the pricing point at which the future contracts are expected to settle (New York Harbor Ultra Low Sulfur Diesel and Gasoline).

There is no termination or interest rate risk.

(H) Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

(1) Cash and Cash Equivalents

The City considers cash on hand, cash with fiscal agents, demand deposits, certificates of deposit and bank repurchase agreements as cash and cash equivalents. Each fund's equity in the City's investment pool has been treated as a cash equivalent since cash may be deposited or withdrawn from the pool at any time without prior notice or penalty.

(2) Investments

Investments are stated at fair value. Income from investments held by the individual funds is recorded in the respective fund as it is earned. All other investments owned by the City are accounted for in the City's investment pool. Income earned from this pool is allocated to the respective funds based upon average monthly equity balances.

(3) Receivables and Payables

Activity between funds that are representative of lending or borrowing arrangements outstanding at the end of the fiscal year of a short-term nature and any other outstanding balances between funds are reported as due to and due from other funds. The long-term portion of any borrowings between funds is reported as advances to and from other funds. Long-term advances of the governmental funds are recorded by the advancing fund as a receivable and nonspendable fund balance. Any residual outstanding balances between the governmental activities and business-type activities at year-end are reported in the government-wide financial statements as internal balances.

All accounts and notes receivable are reported net of any allowances for uncollectibles.

CITY OF FORT LAUDERDALE, FLORIDA

BASIC FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2016

(4) Inventories

Inventories in the governmental funds are composed of land held for redevelopment or resale and are stated at cost. Inventories of materials and supplies in the enterprise funds are based on year-end physical counts priced at weighted average cost. Inventories are recognized as expenditures or expenses when consumed.

(5) Prepaid Items

Prepaid items represent payments made to vendors for services that will benefit the period beyond September 30, 2016. These services are recorded as expenditures/expenses when consumed.

(6) Restricted Assets

Certain proceeds of long-term bonds issued by the capital project, enterprise and internal service funds, as well as resources set aside for their repayment, are classified as restricted assets on the statement of net position and their use is limited by applicable bond covenants.

(7) Capital Assets

Capital assets, including land, buildings, improvements other than buildings, infrastructure (that is, roads, bridges, street lighting and other similar items) and equipment, are reported in the applicable governmental and business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial cost of \$5,000 or more and an estimated useful life of more than one year. Such assets are stated at cost or estimated historical cost. Contributions or donations of capital assets received from federal, state or local sources are recorded as contributions when received and are stated at acquisition value. Additions, improvements and expenditures that significantly extend the useful life of an asset are capitalized. Interest is capitalized in the enterprise funds on projects during the construction period based upon average accumulated project expenses.

Depreciation of capital assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	40-50 years
Improvements	20-50 years
Infrastructure	15-50 years
Machinery, Equipment and Vehicles	3-15 years

The City follows the requirements of GASB Statement No. 42, "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries" regarding potential impairment of capital assets.

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(8) Capitalization of Interest

Interest is capitalized by the City in proprietary fund types when it is determined to be material. The City capitalizes interest in accordance with GASB Statement No. 62. (GASB 62), "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements". This Guidance requires that the interest cost capitalized during construction be reduced by interest income earned on investments of the bond proceeds from the date of the borrowing until the assets constructed from the bond proceeds are ready for their intended use. Total interest incurred during fiscal year 2016 was \$14,598,594: there was no capitalized interest in FY2016.

(9) Compensated Absences and Longevity

City employees are granted sick, vacation, and longevity pay in varying amounts based on length of service, date of hire, and employee group. Compensatory time is granted to employees in lieu of overtime pay at the employees' request. Sick leave payments to terminated employees are based on length of service and usage on a last in, first out basis. Unused vacation pay and compensatory time are paid upon an employee's termination. Longevity pay is paid to eligible employees annually based on length of service. Accumulated compensated absences and longevity are recorded as expenses in the government-wide and proprietary fund financial statements when earned. Expenditures for accumulated compensated absences and longevity have been recorded in the governmental funds only for amounts payable to employees who have terminated as of the end of the fiscal year.

(10) Estimated Claims Payable

The City is self-insured for general liability, automobile liability, police professional liability, workers' compensation, employee relations and certain death benefits and medical plans. The operating funds are charged premiums by the Insurance internal service fund. The accrued liability for estimated claims represents an estimate of the eventual loss on claims arising prior to year-end, including claims incurred and not yet reported.

(11) Landfill Post-Closure Costs

Landfill post-closure care costs represent an estimate of the City's remaining costs to monitor the City's former landfill site. These costs are accounted for in the Sanitation Fund, a nonmajor enterprise fund.

(12) Other Long-term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the applicable governmental and business-type activities and proprietary fund financial statements. Bond premiums and discounts are recorded as direct additions to or deductions from the related debt and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable premiums and discounts.

In the governmental fund financial statements, bond premiums and discounts are recognized during the current period. The face amount of debt issued and any premiums received are reported as other financing sources while discounts are reported as other financing uses.

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(13) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred loss on refunding, accumulated decrease in fair value of derivative instruments, change in pension assumptions and difference between projected and actual earnings on pension investments. The deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The accumulated decrease in fair value of hedging derivative instruments is reported in the government-wide and internal service funds statement of net position. Changes in pension plan assumptions are deferred and amortized over the average of the expected remaining service lives of employees that are provided with benefits through the pension plan. Difference between projected and actual earnings on pension investments are deferred and amortized over five years.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that period. The City has two items that qualify for reporting in this category: (1) Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, assessments, and grant revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. (2) Certain amounts related to pensions must be deferred. Differences between expected and actual experience and change in pension assumptions are deferred and amortized over the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan.

(14) Fund Balance and Net Position

In the governmental funds, fund balances are reported as nonspendable if they are not in spendable form or are legally or contractually required to be maintained intact. In addition, fund balances are reported as restricted, committed or assigned to specific purposes based upon the extent to which the City is bound to honor constraints placed on those funds. Unassigned fund balance is the residual fund balance classification of the General Fund.

Encumbrance accounting, under which purchase orders and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbered amounts for specific purposes are reported within the applicable restricted, committed or assigned fund balance classifications.

Net position of the government-wide and proprietary funds is categorized as net investment in capital assets; restricted or unrestricted. Net investment in capital assets consists of capital assets reduced by the outstanding debt issued to acquire, construct or improve those assets, less any unspent debt proceeds. Restricted net position has regulatory or third party limitations on its use.

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(15) Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the General Employees' Retirement System (GERS) and the Police and Firefighters' Retirement System (PFRS) and additions to/deductions from GERS and PFRS fiduciary net position have been determined on the same basis as they are reported by GERS and PFRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

2. RESTRICTED ASSETS

Restricted assets at September 30, 2016 are as follows:

	Water and Sewer	Nonmajor Enterprise Funds			Total
		Sanitation	Parking System	Airport	
Bond Construction Funds	\$ 1,285,865	\$ -	\$ -	\$ -	\$ 1,285,865
Capital Improvements	21,442,229	-	-	-	21,442,229
Debt Service Reserves	1,725,132	-	-	-	1,725,132
Renewal and Replacement	10,031,368	-	1,374	-	10,032,742
Federal Aviation Authority Projects	-	-	-	1,738,663	1,738,663
Customer Deposits	6,538,321	1,012,460	32,358	839,695	7,583,139
	<u>\$ 41,022,915</u>	<u>\$ 1,012,460</u>	<u>\$ 33,732</u>	<u>\$ 2,578,358</u>	<u>\$ 44,647,465</u>

Restricted assets for the enterprise funds are classified on the proprietary fund statement of net position as follows:

	Water and Sewer	Nonmajor Enterprise Funds			Total
		Sanitation	Parking System	Airport	
Cash and Cash Equivalents	\$ 41,022,915	\$ 1,012,460	\$ 33,732	\$ 2,578,358	\$ 44,647,465
	<u>\$ 41,022,915</u>	<u>\$ 1,012,460</u>	<u>\$ 33,732</u>	<u>\$ 2,578,358</u>	<u>\$ 44,647,465</u>

3. DEPOSITS AND INVESTMENTS

The City maintains a pooled cash and investment fund for the City's operating and capital funds. In addition, cash and investments are separately held for the City's special revenue, debt service, capital projects, permanent, and enterprise funds.

In accordance with Section 218.415, Florida Statutes, the City's Investment Policy applies to all cash and investments held or controlled by the City and shall be identified as "general operating funds" of the City with the exception of the City's pension and cemetery funds. The policy was adopted on September 4, 2001 and subsequently amended on October 1, 2013.

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Permitted investments, asset allocation limits, issuer limits, credit rating requirements and maturity limits are detailed in the policy in order to protect the City's cash and investments. The current policy allows for the purchase of the following investments: U.S. government securities, U.S. government agency securities, federal instrumentalities, interest-bearing time deposits or saving accounts, repurchase agreements, commercial paper, corporate notes, bankers' acceptances, state or local government taxable or tax-exempt debt, City of Fort Lauderdale debt obligations, registered investment companies (money market mutual funds), and intergovernmental investment pools. As of September 30, 2016, the total cash and investments for the City of Fort Lauderdale's primary government, was \$533,194,678.

DEPOSITS WITH FINANCIAL INSTITUTIONS

Custodial Credit Risk – Deposits

Custodial credit risk for deposits is the risk in the event of the failure of a depository financial institution, a government may not be able to recover deposits. Monies placed on deposit with financial institutions in the form of demand deposits, time deposits or certificate of deposits are defined as public deposits. The City's investment policy requires that the City's public deposits be held in a State Qualified Public Depository as defined in Section 280.02, Florida Statutes. At September 30, 2016, \$55,773,758 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institutions' trust department, but not in the City's name.

INVESTMENTS

The City's investment holdings are organized into seven portfolios. Three portfolios are governed by the City's Investment Policy (the City's Portfolios): Surplus Funds Pooled Investments, Community Redevelopment Agency Portfolio, and General Obligation Capital Project Portfolio. The remaining four portfolios, the Cemetery Perpetual Care Fund, the OPEB Trust Fund, the Police and Firefighters' Retirement System Fund, and the General Employees' Retirement System Fund are controlled by their respective policies. Compositions of the portfolios as of September 30, 2016 are:

Portfolio No. 1 Surplus Funds Pooled Investments, \$373,926,091

The pooled investments portfolio consists of investments in U.S. Government Securities, U.S. Government Agency Securities, Federal Instrumentalities, corporate obligations, including government guaranteed, asset and mortgage backed securities. There was no interest receivable on this portfolio at September 30, 2016.

The remaining proceeds of several long-term debt issues are a part of this portfolio. All of these funds are in the Florida Municipal Investment Trust, which complies with each individual debt issue's investment requirements. There was no interest receivable on these long-term debt issues at September 30, 2016.

2008 Special Obligation Bonds	\$	2,711,814
2011A Special Obligation Bonds		3,174,440
	\$	<u>5,886,254</u>

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Portfolio No. 2 Community Redevelopment Agency Portfolio, \$64,217,456

The pooled investments portfolio consists of investments in U.S. Government Securities, U.S. Government Agency Securities, Federal Instrumentalities, corporate obligations, including government guaranteed, asset and mortgage backed securities, and Florida Municipal Investment Trust. There was no interest receivable on this portfolio at September 30, 2016.

Portfolio No. 3 General Obligation Capital Projects Portfolio, \$12,509,596

The General Obligation Bonds, Series 2011A proceeds may be invested by the City in such investments as are permitted by applicable law. These proceeds are at Regions Bank invested in a Fidelity Institutional Government Money Market Fund. No interest receivable on this portfolio existed at September 30, 2016.

Portfolio No. 4 Cemetery Perpetual Care Fund, \$27,030,640

Investments permitted by this fund's investment policy include U. S. government securities, U.S. government guaranteed obligations, federal instrumentalities, commercial paper, bankers acceptances, corporate bonds or notes, state or local government taxable or tax-exempt debt, intergovernmental investment pools, common and preferred stocks from domestic and foreign corporations, repurchase agreements composed of permitted instruments, real estate and real estate securities, and high yield bond mutual funds, and other mutual funds and commingled Common Trust Funds investing in permitted instruments, including money market funds.

As of September 30, 2016 this portfolio consisted of investments in money market funds, corporate obligations, common stock and preferred stock. Interest receivable on this portfolio at September 30, 2016 was \$75,645.

Portfolio No. 5 OPEB Trust Fund, \$12,806,790

This portfolio is invested in a Federated U.S. Treasury Cash Reserves Money Market Fund. There was no interest receivable on this portfolio at September 30, 2016.

Portfolio No. 6 Police and Firefighters' Retirement System Fund, \$809,661,807

Investments permitted by this fund's investment policy include equity securities and fixed income securities including cash, U.S. government agency securities, federal instrumentalities, corporate obligations, Government National Mortgage Association loans, U.S. government agency collateralized mortgage-backed securities, debentures, preferred stocks, commercial paper, certificates of deposits and other such instruments deemed prudent by the investment manager. Also permitted are other commingled vehicles invested in permitted investments.

As of September 30, 2016 investments of this portfolio include U.S. government securities, U.S. government agency securities, federal instrumentalities, mutual funds, corporate obligations, municipal bonds, real estate, venture capital and partnerships and common stock. Interest receivable on this portfolio at September 30, 2016 was \$2,354,260.

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Portfolio No. 7 General Employees' Retirement System Fund, \$589,955,099

Investments permitted by this fund's investment policy include U.S. government securities, U.S. government agency securities, federal instrumentalities, common stock from domestic and foreign corporations, repurchase agreements, commercial paper, corporate obligations, banker's acceptances, state or local government taxable or tax exempt debt, real estate and real estate securities, money market funds invested in permitted securities and intergovernmental investment pools.

As of September 30, 2016 this portfolio consists of investments in U.S. government securities, U.S. government agency securities, federal instrumentalities, money market funds, corporate obligations, common stock and real estate. Interest receivable on this portfolio at September 30, 2016 was \$448,037.

Fair Value Measurement

In February 2015, GASB issued Statement No. 72, addressing the accounting and financial reporting issues related to fair value measurements. GASB No. 72 defines fair value as the price that would be received to sell an asset. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are based on other significant observable inputs such as indices for fixed income bonds and quoted prices similar assets in markets that are not active; Level 3 inputs are significant unobservable inputs.

Investment Portfolios (Excluding Fiduciary Funds)

Since investing is not a core part of the City's mission, the City determines that the disclosures related to its investment portfolios only need to be disaggregated by major type. Therefore, the City chooses a narrative format for the fair value disclosure of its investment portfolios.

The City's investment portfolios have the recurring following fair value measurements as of September 30, 2016:

- U.S. Treasury Securities, Mutual Funds and Cash Equivalents of \$130.7 million are valued using quoted market prices (Level 1 inputs)
- Corporate Bonds, Municipal Bonds, and External Investment Pools of \$346.1 million are valued using a matrix pricing model (Level 2 inputs).

Derivatives

The City has established a fuel hedging program for its diesel fuel and gasoline consumption in order to create more certain fuel cost for the future that decreases fuel budget risk. This program uses exchange-traded diesel fuel and gasoline futures contracts. GASB 72 prescribes several methods by which governments may arrive at a fair value for assets that they hold. To value the City's holdings of diesel and gasoline futures contracts, the market approach is used since the market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities, or a group of assets and liabilities. Since the City holds exchange-traded instruments, the valuation prices for the City's futures contracts are established on a daily basis by the New York Mercantile Exchange. The markets for these futures contracts are liquid and pricing is transparent. The published daily settlement prices from the New York Mercantile Exchange are used for the valuation of the City's futures contracts. As of September 30, 2016, this level 1 investment had a negative fair value of \$16,792.

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Fiduciary Funds

Portfolio No. 5 OPEB Trust Fund

The following is a summary of the fair value measurements as of September 30, 2016:

	Fair Value Measurements Using			
	9/30/2016	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Mutual Funds				
U.S. Treasury	\$ 12,806,790	\$ 12,806,790	\$ -	\$ -
Total OPEB investments by fair value level	<u>\$ 12,806,790</u>	<u>\$ 12,806,790</u>	<u>\$ -</u>	<u>\$ -</u>

Portfolio No. 6 Police and Firefighters' Retirement System Fund

The following is a summary of the fair value measurements as of September 30, 2016:

	Fair Value Measurements Using			
	9/30/2016	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Police and Fire Pensions				
Debt securities				
U.S. Treasury securities	\$ 59,279,747	\$ -	\$ 59,279,747	\$ -
U.S. Agencies	5,692,406	-	5,692,406	-
Corporate Bonds	140,079,793	-	140,079,793	-
Total debt securities	<u>205,051,946</u>	<u>-</u>	<u>205,051,946</u>	<u>-</u>
Index Funds and Other	155,983,301	155,983,301		-
Equity securities				
Common Stock	114,346,928	114,346,928	-	-
ADR's	2,161,241	2,161,241	-	-
Total equity securities	<u>116,508,169</u>	<u>116,508,169</u>	<u>-</u>	<u>-</u>
Total Police and Fire Pension investments by fair value level	<u>477,543,416</u>	<u>\$ 272,491,470</u>	<u>\$ 205,051,946</u>	<u>\$ -</u>
Investments measured at the net asset value (NAV)				
Equity index funds	158,793,079			
Real estate funds	110,760,032			
Commingled Funds	37,490,893			
Venture Capital & Partnerships	8,694,330			
Total P&F investments measured at NAV	<u>315,738,334</u>			
Money market funds (exempt)	16,380,057			
Total investments measured at fair value	<u>\$ 809,661,807</u>			

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The following is a description of the fair value techniques for the Plan's investments. Level 1 and 2 prices are obtained from various pricing sources by the Plan's custodian bank: Short-term investments, which consist of money market funds, are reported at amortized cost.

Equity securities traded on national or international exchanges are valued at the last reported sales price or current exchange rates (Level 1). This includes common stock and American depository receipts, and mutual fund equities.

Debt securities are valued using pricing inputs that reflect the assumptions market participants would use to price an asset or liability and are developed based on market data obtained from sources independent of the reporting entity (Level 2). This includes U.S. Treasury bonds and notes, inflation-indexed bonds, U.S. federal agencies, mortgage backed and collateralized securities, municipal bonds, mutual bond funds and corporate obligations, including asset backed, foreign bonds and notes.

The following table summarizes investments for which fair value is measured using the net asset value per share practical expedient, including their related unfunded commitments and redemption restrictions.

Investments Measured at the NAV	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Commingled equity fund ⁽¹⁾	\$ 158,793,079	\$ -	Twice monthly	3
Real estate funds ⁽²⁾	110,760,032	13,541,100	Quarterly	10 - 90
Hedge fund of funds ⁽³⁾	37,490,893	17,565,130	Quarterly	90
Private equity fund ⁽⁴⁾	8,694,330	4,670,354	N/A	N/A
Total Investments Measured at NAV	<u>\$ 315,738,334</u>			

1. Commingled equity funds - consists of two equity index collective trusts considered commingled in nature which are designed to match the return of their respective benchmark index. Each are valued at the net asset value held at the end of the period based upon the fair value of the underlying investments. These funds are typically open for withdrawal twice monthly with limited notice.
2. Real estate funds - consists of three open end real estate partnerships. Two of the funds primarily invest in stable institutional quality office, retail, industrial, hotel and multifamily residential properties that are substantially leased and have minimal deferred maintenance. The other fund is a commingled insurance company separate account designed for use as a funding vehicle for tax-qualified pension plans and certain nonprofit organizations, Its investments are comprised primarily of real estate investments either directly owned or through partnership interest, and mortgages and other loans on income producing real estate. The real estate fund partnerships provide for quarterly liquidity with notice periods ranging from 10 to 90 days. The most recently added real estate investment fund has an unfunded capital commitment of approximately \$13,541,000 as of September 30, 2016.
3. Hedge fund of funds - the plan invests in two hedge fund of funds partnership vehicles. The objectives of these funds are to seek above-average rates of return and long-term capital growth through an investment in a master fund of funds with a diversified portfolio of private investment entities and separately managed accounts. One of the funds provide for quarterly liquidity with a 90 day notice period. The other funds is a finite life vehicle with no redemption provisions and a undrawn capital commitments of approximately \$17,565,000 as of September 30, 2016.

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4. Private equity fund - the plan invests in three private equity partnership vehicles. The private equity funds are not eligible for redemption. Distributions are received as underlying investments within the funds are liquidated, which on average will occur over a period of 5 to 10 years. The funds have an aggregate unfunded commitment of approximately \$4,670,000 as of September 30, 2016.

Portfolio No. 7

General Employees' Retirement System Fund

The following is a summary of the fair value measurements as of September 30, 2016:

	Fair Value Measurements Using			
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	9/30/2016			
Investments by fair value level				
Debt securities				
U.S. Treasury securities	\$ 6,806,402	\$ 6,806,402	\$ -	\$ -
U.S. Government obligations	43,478,341	-	43,478,341	-
Corporate Bonds	17,191,146	-	17,191,146	-
Total debt Securities	67,475,889	6,806,402	60,669,487	-
Equity securities				
Mutual funds	111,165,975	-	111,165,975	-
Common and preferred stock	217,389,110	217,389,110	-	-
Total equity securities	328,555,085	217,389,110	111,165,975	-
Private Equity				
Secondaries funds	2,342,032	-	-	2,342,032
Total private equity	2,342,032	-	-	2,342,032
Real Estate				
Buildings - direct	2,335,000	-	-	2,335,000
Total real estate	2,335,000	-	-	2,335,000
Total GERS investments by fair value level	400,708,006	\$ 224,195,512	\$ 171,835,462	\$ 4,677,032
Investments measured at the net asset value (NAV)				
Commingled trusts	136,583,450			
Real estate funds	52,663,643			
Total GERS investments measured at NAV	189,247,093			
Total investments measured at fair value	\$ 589,955,099			

U.S. Treasury Notes and Equity securities classified in level 1 of the fair value hierarchy are valued using quoted market prices in active markets for those securities. Local government municipal, corporate bonds, and mutual funds classified in level 2 of the fair value hierarchy are valued using pricing model. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices, Private equity funds classifies in level 3 of the fair value hierarchy are values using a market comparable company's technique.

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The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented on the following table.

Investments Measured at the NAV	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Commingled equity fund ⁽¹⁾	\$ 136,583,450	\$ -	Daily	2 days
Real estate funds ⁽²⁾	52,663,643	8,441,295	Quarterly	92 days
Total Investments Measured at NAV	\$ 189,247,093			

1. Commingled trust - this type includes investments in multiple trusts funds that invest in common stocks and their equivalents. The fair values of the investments in this type have been determined using the NAV per share of the investments.
2. Real estate funds - this type includes four real estate funds that invest primarily in U.S. real estate and two timberland funds. The fair values of the investments in this type have been determined using third party appraisals. Distributions from the real estate will be received when income is generated. Distributions from the timberland funds will be received as income is generated and as the underlying investments of the funds are liquidated. It is expected that the underlying assets of the funds will be liquidated over the next 7 to 10 years.

Interest Rate Risk

Interest rate risk is the possibility that interest rates will rise and reduce the fair value of an investment. The City manages its portfolios' exposures to declines in fair value due to rising interest rates by limiting individual investments to maturities of ten (10) years or less from the date of purchase. Also, the overall "weighted average maturity" shall be less than three (3) years. The other portfolios use either the "duration" method or the "weighted average maturity" as measurements of interest rate risk. The following table illustrates the interest rate risk for debt investments:

Portfolio No. 1 Surplus Funds Pooled Investments	Amount	Percent of Portfolio	Weighted Average Maturity
Corporate Bonds	\$ 110,673,390	33.96%	2.98
Federal Instrumentalities			
Federal Farm Credit Bank	55,765,451	17.11	0.8
Federal Home Loan Bank	28,999,874	8.90	1.47
Federal Home Loan Mortgage Corporation	39,829,373	12.22	2.74
Federal National Mortgage Association	12,237,362	3.75	1.31
Mortgage/Asset Backed Securities	1,156,663	0.35	1.62
State/Local Government Municipal Bonds	7,423,768	2.28	0.86
U.S. Government Securities	69,838,578	21.43	2.44
Portfolio No. 2 Community Redevelopment Agency Portfolio	Amount	Percent of Portfolio	Weighted Average Maturity
Corporate Bonds	\$ 22,271,506	36.29%	2.22
Federal Instrumentalities			
Federal Home Loan Bank	4,584,041	7.47	0.98
Federal Home Loan Mortgage Corporation	1,699,163	2.77	1.48
Federal National Mortgage Association	12,015,361	19.58	2.66
State/Local Government Municipal Bonds	3,234,920	5.27	1.81
U.S. Government Securities	20,412,465	33.26	1.91

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Portfolio No. 4 Cemetery Perpetual Care Fund	Amount	Percent of Portfolio	Weighted Average Maturity
Fixed Income Securities			
Corporate Obligations	\$ 5,198,377	19.23%	7.06

Portfolio No. 6 Police and Firefighters' Retirement System Fund	Amount	Percent of Portfolio	Weighted Average Maturity
Fixed Income Securities			
US Treasury Securities	\$ 59,279,747	7.32%	
Federal Instrumentalities			
Federal National Mortgage Association	5,354,378	0.66	
Federal Home Loan Mortgage Corp	338,029	0.04	
Corporate Obligations	128,065,073	15.82	
Other Fixed Income	12,014,720	1.48	
Debt Investment (aggregate)			5.54

Portfolio No. 7 General Employees' Retirement System Fund	Amount	Percent of Portfolio	Weighted Average Maturity
Fixed Income Securities			
US Treasury Securities	\$ 6,806,402	1.15%	
Federal Instrumentalities			
Federal National Mortgage Association	9,846,989	1.67	
Federal Home Loan Mortgage Corp	9,766,302	1.66	
Federal Home Loan Bank	9,913,108	1.68	
Federal Farm Credit	13,951,940	2.36	
Corporate Obligations	17,191,147	2.91	
Debt Investment (aggregate)			3.82

Credit Risk

GASB Statement No. 40 (GASB 40), "Deposit and Investment Risk Disclosures", requires that governments provide information about the credit risk associated with their investments by disclosing the credit quality ratings of investments in debt securities as described by nationally recognized statistical rating organizations. Unless there is information to the contrary, obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

Portfolio No. 1 Surplus Funds Pooled Investments

The City's investment policy provides for the following investments, which are limited to credit quality ratings from nationally recognized rating agencies as follows:

Corporate Obligations

Corporate obligations issued by corporations organized and operating within the United States or by depository institutions licensed by the United States that have a long-term debt rating, at the time of purchase, at a minimum "Aa" by Moody's Investor Service and a minimum "AA" by Standard & Poor's. As of September 30, 2016, \$110,673,390 of the City's investments were corporate obligations. These issues met or exceeded the minimum rating requirements at the time of purchase.

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Federal Instrumentalities

Although the City's investment policy states no rating requirement for federal instrumentalities, all investments of this type were rated AA+ by Standard & Poor's or Aaa by Moody's Investor Service. This portfolio held \$137,988,722 in this type of investment as of September 30, 2016.

External Investment Pool

The City participates in the FMIvT 1-3 Year High Quality Bond Fund. The 1-3 Year Bond fund has a rating of AA+/S1 by Fitch. This portfolio held \$46,093,461 in this type of investment.

Portfolio No. 2 Community Redevelopment Agency Portfolio

The Community Redevelopment Agency Portfolio utilizes the City's investment policy which limits investments to credit quality ratings from nationally recognized rating agencies as follows:

Corporate Obligations

Corporate obligations issued by corporations organized and operating within the United States or by depository institutions licensed by the United States that have a long-term debt rating, at the time of purchase, at a minimum "Aa" by Moody's Investor Service and a minimum "AA" by Standard & Poor's. As of September 30, 2016, \$22,271,506 of the City's investments was in corporate obligations. These issues met or exceeded the minimum rating requirements at the time of purchase.

Federal Instrumentalities

Although the City's investment policy states no rating requirement for federal instrumentalities, all investments of this type were rated AA+ by Standard & Poor's or Aaa by Moody's Investor Service. This portfolio held \$18,298,565 in this type of investment.

Portfolio No. 3 General Obligation Capital Projects Portfolio

This portfolio has \$12,509,596 invested in Fidelity Institutional Government Money Market Fund, which meets the required rating threshold.

Portfolio No. 4 Cemetery Perpetual Care Fund

This portfolio's investment policy requires investments in corporate bonds or notes to be rated A or better by a nationally recognized rating service. All of these investments met the policies requirement at September 30, 2016.

Portfolio No. 5 OPEB Trust Fund

This portfolio is comprised of \$12,806,790 invested in Federated U.S. Treasury Cash Reserves Money Market Fund, which meets the required rating threshold.

Portfolio No. 6 Police and Firefighters' Retirement System Fund

As permitted by GASB 40, interest rate risk and credit risk are managed in this portfolio in the aggregate by asset class. The portfolio includes two investment grade core bond funds, Agincourt and Boyd Watterson.

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Portfolio No. 7 General Employees' Retirement System Fund

This portfolio's investment policy requires investments in corporate bonds or notes to be rated A or better by a nationally recognized rating service. All of these investments met this requirement at September 30, 2016.

Custodial Credit Risk – Investments

The City's investment policy requires that all securities, with the exception of certificates of deposit, be held with a third party custodian. Security transactions between a broker/dealer and the custodian involving the purchase or sale of securities by transfer of money or securities are made on a "delivery vs. payment" basis to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction. As of September 30, 2016, the City's investment portfolio was held with a third party custodian.

Concentration of Credit Risk

GASB 40, requires disclosure of investments in any one issuer that represent five percent or more of total investments, excluding investments issued or explicitly guaranteed by the U.S. government, investments in mutual funds, external investment pools, and other pooled investments. Per this disclosure requirement, none of City's investments were with any one single issuer that represents 5% or more of all of the City's portfolios.

In addition, the City's investment policy establishes limits on portfolio composition, both by investment type and by issuer. The City's investments did not exceed these limits during the year ended September 30, 2016.

Foreign Currency Risk

GASB 40 requires governments to disclose deposits or investments exposed to foreign currency risk. None of the portfolios have exposure to foreign currency risk. All investments are in US dollars.

4. PROPERTY TAXES

The City's property tax is levied, becomes a lien on real and personal property located in the City and is recorded as a receivable on November 1 of each year based upon the assessed value listed as of the prior January 1. The Broward County Property Appraiser establishes assessed values. The assessed value at January 1, 2015, upon which the fiscal year 2016 levy was based, was approximately \$28.5 billion.

The City is permitted by state law to levy taxes up to 10 mills of assessed valuation for General Fund operations exclusive of voted debt levies. Taxes levied for the General Fund for the fiscal year 2016 were 4.1193 mills for operations and 0.1759 for debt service.

All taxes are due from property holders on March 31, become delinquent on April 1 and become subject to the issuance of tax sale certificates on June 1. Current tax collections for the year ended September 30, 2016 were approximately 99.4% of the total tax levy.

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5. RECEIVABLES

Accounts receivable at September 30, 2016 are summarized as follows:

	Primary Government		Total
	Governmental	Business-type	
Accounts Receivable:			
Trade Accounts Receivable	\$ 41,442,172	\$ 18,335,271	\$ 59,777,443
Property Taxes	2,465,068	-	2,465,068
Unbilled Receivables	223,111	5,130,541	5,353,652
Assessments Receivable	326,169	101,362	427,531
	<u>44,456,520</u>	<u>23,567,174</u>	<u>68,023,694</u>
Less: Allowances for Uncollectibles	(33,426,951)	(7,447,881)	(40,874,832)
Accounts receivable, net	<u>\$ 11,029,569</u>	<u>\$ 16,119,293</u>	<u>\$ 27,148,862</u>

	Governmental Funds			Total
	General Fund	Nonmajor Governmental Funds	Internal Service	
Accounts Receivable:				
Trade Accounts Receivable	\$ 8,556,511	\$ 32,827,694	\$ 57,967	\$ 41,442,172
Property Taxes	2,343,777	121,291	-	2,465,068
Unbilled Receivables	223,111	-	-	223,111
Assessments Receivable	-	326,169	-	326,169
	<u>11,123,399</u>	<u>33,275,154</u>	<u>57,967</u>	<u>44,456,520</u>
Less: Allowances for uncollectibles	(850,632)	(32,549,751)	(26,568)	(33,426,951)
Accounts receivable, net	<u>\$ 10,272,767</u>	<u>\$ 725,403</u>	<u>\$ 31,399</u>	<u>\$ 11,029,569</u>

The City's enterprise funds provide water, sewer, sanitation and stormwater services to residents in the City. Customers routinely receive services in advance during the ordinary course of business; however, customers' deposits are available to be applied against amounts owed. Accounts receivable in the enterprise funds at September 30, 2016 are summarized as follows:

	Enterprise Funds		Total
	Water and Sewer	Nonmajor Enterprise Funds	
Accounts Receivable:			
Trade Accounts Receivable	\$ 13,310,475	\$ 5,024,796	\$ 18,335,271
Unbilled Receivables	4,580,692	549,849	5,130,541
Assessments Receivable	95,017	6,345	101,362
	<u>17,986,184</u>	<u>5,580,990</u>	<u>23,567,174</u>
Less: Allowances for uncollectibles	(5,493,343)	(1,954,538)	(7,447,881)
Accounts receivable, net	<u>\$ 12,492,841</u>	<u>\$ 3,626,452</u>	<u>\$ 16,119,293</u>

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6. INTER-FUND RECEIVABLES, PAYABLES AND TRANSFERS

Individual inter-fund receivable and payable balances at September 30, 2016 follow:

	Due From Other Funds	Due To Other Funds
<u>Governmental Funds</u>		
General Fund	\$ 4,948,199	\$ -
Nonmajor Governmental Funds		
Intergovernmental Revenue Fund	-	361,842
Perpetual Care	-	1,574
	4,948,199	363,416
<u>Fiduciary Funds</u>		
General Employees' Pension Fund	-	2,662,751
Police and Firefighters' Pension Fund	-	1,922,032
	-	4,584,783
	\$ 4,948,199	\$ 4,948,199

The payables to the General Fund from the pension trust funds totaling \$4,584,783 were for operating expenses of the funds paid by the City. The Intergovernmental Revenue Fund payables to the General Fund totaling \$361,842 represent short-term borrowings that will be repaid using grant receipts. The Perpetual Care Fund payable of \$1,574 to the General Fund represents construction costs for the City's cemeteries that will be repaid by Cemetery Trust at the completion of the projects.

The composition of inter-fund transfers for the year ended September 30, 2016 was as follows:

	Transfers In					
	Nonmajor Governmental Funds				Enterprise Funds	
	Special Revenue	Debt Service	Capital Projects	Internal Service Funds	Nonmajor Enterprise Funds	Total
Transfers Out						
Governmental Funds						
General Fund	\$ 6,355,821	\$ 24,424,658	\$ 9,645,254	\$ 2,336,685	\$ 5,491,274	\$ 48,253,692
	6,355,821	24,424,658	9,645,254	2,336,685	5,491,274	48,253,692
Nonmajor Governmental Funds						
Special Revenue Funds	19,600	1,149,349	13,580,879	237,621	99,622	15,087,071
Capital Projects Funds	417,244	-	-	62,500	-	479,744
Internal Service Funds	-	1,211,325	-	262,362	-	1,473,687
	436,844	2,360,674	13,580,879	562,483	99,622	17,040,502
Enterprise Funds						
Water and Sewer Fund	-	2,444,260	-	1,152,773	-	3,597,033
Nonmajor Enterprise Funds	-	1,128,197	-	510,559	-	1,638,756
	-	3,572,457	-	1,663,332	-	5,235,789
	\$ 6,792,665	\$ 30,357,789	\$ 23,226,133	\$ 4,562,500	\$ 5,590,896	\$ 70,529,983

The City transfers funds from the General Fund into: the special revenue fund represents the tax increment revenues derived from appreciation of the tax bases in the redevelopment areas of the CRA; the debt service funds to meet debt service requirements; the capital projects funds to fund non-debt financed governmental projects; the internal service funds to purchase capital assets that are not covered through normal user fees; nonmajor enterprise funds included \$4,148,539 in Private Collectors Fees to the Sanitation fund and \$1,342,735 to the Airport fund to pay for the second installment towards the purchase of 64 acres of land based on an agreement with the Federal Aviation Authority to remove restrictive covenants.

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Other transfers to the capital projects funds provide funding for specific projects within the Community Investment program. The \$13,580,879 transfer to the capital projects funds from the special revenue funds represents the capital projects portion of the CRA's Special Revenue Fund that was reclassified into a capital projects fund.

7. CAPITAL ASSETS

Capital Asset activity for governmental and business-type activities for the year ended September 30, 2016 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 74,780,327	\$ 18,462,456	\$ -	\$ 93,242,783
Construction in progress *	21,409,270	29,433,023	26,915,314	23,926,979
Total capital assets not being depreciated	96,189,597	47,895,479	26,915,314	117,169,762
Capital assets being depreciated				
Buildings	157,168,729	312,232	-	157,480,961
Improvements	105,520,073	7,659,533	-	113,179,606
Infrastructure	44,644,789	332,499	-	44,977,288
Machinery, Equipment and Vehicles	107,858,132	10,666,871	1,690,831	116,834,172
Total capital assets being depreciated	415,191,723	18,971,135	1,690,831	432,472,027
Less accumulated depreciation for:				
Buildings	64,475,777	3,530,133	-	68,005,910
Improvements	66,368,112	4,022,793	-	70,390,905
Infrastructure	8,884,860	1,718,226	-	10,603,086
Machinery, Equipment and Vehicles	85,548,779	8,585,565	1,690,831	92,443,513
Total accumulated depreciation	225,277,528	17,856,717	1,690,831	241,443,414
Total capital assets being depreciated, net	189,914,195	1,114,418	-	191,028,613
Governmental activities capital assets, net	\$ 286,103,792	\$ 49,009,897	\$ 26,915,314	\$ 308,198,375

* Construction in progress deletions includes \$18.5 million in non-depreciable assets.

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type activities:				
Capital assets not being depreciated				
Land	\$ 32,155,535	\$ -	\$ -	\$ 32,155,535
Construction in progress	13,832,525	14,683,696	3,884,321	24,631,900
Total capital assets not being depreciated	45,988,060	14,683,696	3,884,321	56,787,435
Capital assets being depreciated				
Buildings	272,288,452	1,018,142	-	273,306,594
Improvements	898,356,412	2,628,506	-	900,984,918
Infrastructure	82,437	-	-	82,437
Machinery, Equipment and Vehicles	43,260,012	4,669,723	96,520	47,833,215
Total capital assets being depreciated	1,213,987,313	8,316,371	96,520	1,222,207,164
Less accumulated depreciation for:				
Buildings	108,244,108	5,585,858	-	113,829,966
Improvements	240,346,484	20,187,964	-	260,534,448
Infrastructure	1,649	1,649	-	3,298
Machinery, Equipment and Vehicles	32,620,665	2,566,340	96,520	35,090,485
Total accumulated depreciation	381,212,906	28,341,811	96,520	409,458,197
Total capital assets being depreciated, net	832,774,407	(20,025,440)	-	812,748,967
Business-type activities capital assets, net	\$ 878,762,467	\$ (5,341,744)	\$ 3,884,321	\$ 869,536,402

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

Governmental Activities

General Government	\$	1,257,947
Public Safety		3,698,968
Physical Environment		223,002
Transportation		981,451
Economic Environment		190,263
Culture and Recreation		5,316,357
Capital Assets held in the City's internal service funds are charged to general government		<u>6,188,729</u>
	\$	<u>17,856,717</u>

Business-type activities

Water and Sewer	\$	23,342,201
Sanitation		442,141
Parking System		1,086,555
Airport		2,609,866
Stormwater		<u>861,047</u>
	\$	<u>28,341,810</u>

This report includes all general infrastructure acquired or constructed since October 1, 1979 in accordance with GASB Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments."

The capital asset values include in-house built software and city acquired easements in accordance with GASB Statement No. 51, "Accounting and Financial Reporting for Intangible Assets".

8. INVESTMENT IN JOINT VENTURE

The City has agreements with the Performing Arts Center Authority (PACA) and the Downtown Development Authority (DDA) for the operation of a 950 space-parking garage in the Arts and Science District of the City. The City, as operating agent, has full and exclusive responsibility for operation and maintenance of the garage, which is being accounted for as a joint venture in the Parking System Fund using the equity method of accounting.

The City collects all revenues and pays all operating expenses for the garage and determines the allocation to each of the participants monthly. The increase in net position for the year of \$1,238,481 was derived exclusively from operations. The equity interests of the City, the PACA and the DDA totaled \$651,179, \$798,325, and \$422,242, respectively at September 30, 2016. Separate financial statements for the joint venture are available from the City's Finance Department.

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9. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The Insurance Fund is used to account for and finance both uninsured and insured risks of loss. Coverage is provided for workers' compensation, employment practices, public officials' liability, general liability, automobile liability, police professional liability, and certain medical benefits. The City has obtained insurance coverage for workers' compensation claims in excess of \$1.0 million for employees with statutory limits per occurrence. Property insurance has been purchased for City structures with a standard peril deductible of \$50,000 per loss, a named windstorm deductible of \$5,000,000 per loss on both the utility and non-utility property programs, and a flood deductible of either \$50,000 or \$5,000 per location, depending on the location. Commercial, specific, stop-loss insurance is also purchased for medical benefits claims in excess of \$275,000 per claim. The City also has insurance coverage for employment practices liability with a \$150,000 per claim deductible, public officials' liability coverage with a \$100,000 deductible and a \$4.0 million combined coverage limit for both policies. The City also obtained cyber liability insurance with a \$2.0 million coverage limit. Settlements have not exceeded the retention for each of the past twelve fiscal years.

All operating funds of the City participate in the program and make payments to the fund based on estimates of the amounts needed to pay prior and current claims and to provide fund equity for catastrophic losses. The estimated insurance claims payable at September 30, 2016 of \$33,558,197 (discounted at 3.8%) is based on the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues" as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that claims liabilities be based upon the estimated ultimate costs of settling the claims. The liability also includes incurred but not reported claims developed through actuarial analyses of loss history and non-incremental claims adjustment expenses. Changes in the balance of estimated insurance claims payable for the fiscal years ended September 30, 2015 and 2016 follow:

	Medical Benefits	Other	Total
Balance September 30, 2014	\$ 1,307,728	\$ 30,812,866	\$ 32,120,594
New Claims and Changes in Estimates	19,269,678	8,907,420	28,177,098
Claim Payments	(19,475,641)	(7,247,916)	(26,723,557)
Balance September 30, 2015	1,101,765	32,472,370	33,574,135
New Claims and Changes in Estimates	21,796,910	7,960,287	29,757,197
Claim Payments	(21,799,238)	(7,973,897)	(29,773,135)
Balance September 30, 2016	<u>\$ 1,099,437</u>	<u>\$ 32,458,760</u>	<u>\$ 33,558,197</u>

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10. LONG-TERM DEBT

Bonds outstanding at September 30, 2016 mature in varying amounts during succeeding fiscal years through 2041. Interest rates on fixed rate debt follow: 2.0% to 5.0% on general obligation bonds, 2.43% to 2.98% on special obligation loans, 2.1% to 5.1% on special obligation bonds, 2.0% to 5.0% on water and sewer revenue bonds, and 2.2% on state revolving fund loans.

The bond resolutions of the various revenue bond issues require that sufficient funds be available to meet the largest debt service requirement in any ensuing fiscal year. At September 30, 2016, funds available met the debt service requirements for revenue bonds.

The annual requirements to pay Governmental Activities principal and interest on the bonds, notes and loans outstanding at September 30, 2016 (in thousands) follow:

Year Ending September 30	Governmental Activities							
	General Obligation Bonds		Tax Increment Revenue Notes		Special Obligation Loans		Special Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 3,480	\$ 1,272	\$ 628	\$ 220	\$ 2,958	\$ 454	\$ 15,770	\$ 10,590
2018	1,025	1,191	648	200	3,036	377	16,130	10,227
2019	1,055	1,158	669	179	2,992	298	16,680	9,803
2020	1,090	1,121	690	157	2,669	225	17,565	9,311
2021	1,135	1,076	712	135	1,431	156	19,455	8,732
2022-2026	6,355	4,685	3,910	318	3,655	318	93,870	33,135
2027-2031	7,555	3,491	-	-	588	9	82,150	13,616
2032-2036	8,005	1,988	-	-	-	-	13,885	357
2037-2041	5,080	662	-	-	-	-	-	-
Total	\$ 34,780	\$ 16,644	\$ 7,257	\$ 1,209	\$ 17,329	\$ 1,837	\$ 275,505	\$ 95,771

General obligation bonds are secured by the full faith and credit of the City. The special obligation loans are secured by a pledge of non-ad valorem tax revenues and a covenant to budget and appropriate. The special obligation bonds are secured by a pledge of non-ad valorem tax revenues and a covenant to budget and appropriate.

Periodically, the City will issue conduit debt to fulfill a public need or purpose. These obligations are not reported as liabilities in the City's financial statements and the City is not obligated in any manner for repayment of the debt. As of September 30, 2016, the City had no conduit debt outstanding.

On October 29, 2010, the City issued a \$14,015,000 Special Obligation Refunding Loan, Series 2010A and a \$10,095,000 Special Obligation Refunding Loan, Series 2010B. The Series 2010A was the refunding of Special Obligation Refunding Bond, Series 2008A. This refinancing reduced the interest rate from 5.14% to 2.43%. The September 1, 2020 maturity date remained unchanged. The Series 2010B provides for semi-annual payments at a rate of 2.66%, maturing on June 1, 2022. As of September 30, 2016, the City's liability for the bonds totaled \$10,586,800.

The Series 2010B proceeds were used to reissue the City's Special Obligation Note, Series 2008B which had a principal balance of \$10,051,200. The issued debt in the amount of \$10,095,000 was for both the outstanding principal plus the cost of issuance. As of September 30, 2016, the City's liability for the 2010B loan totaled \$5,421,400.

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The City has pledged legally available non-ad valorem revenues to repay the Special Obligation Refunding Bonds, Series 2010A and 2010B. The non-ad valorem revenue used for the bonds consists of utility taxes, franchise taxes, licenses and permits, fines and forfeitures, intergovernmental, charges for services, and other. For the current year, principal and interest of \$2,419,887, was paid. Non-ad valorem revenues were \$195,688,323.

On September 9, 2011, the City issued Special Obligation Note, Series A for \$7,218,000 and Special Obligation Note, Series B for \$2,546,000. The proceeds for Series A are being used to finance certain governmental capital improvements. Series B proceeds are financing the 800MHZ microwave equipment. The Series A note provides for semi-annual interest payments at a rate of 2.98% and annual principal payments until maturity in 2027. The Series B note provides for semi-annual interest payments at a rate of 2.45% and annual principal payments until maturity in 2019. As of September 30, 2016, the City's liability for the loans totaled \$6,742,000.

The City has pledged legally available non-ad valorem revenues to repay the Special Obligation Note, Series A and B. The non-ad valorem revenue used for the bonds consists of utility taxes, franchise taxes, licenses and permits, fines and forfeitures, intergovernmental, charges for services, and other. For the current year, principal and interest of \$992,607, was paid. Non-ad valorem revenues were \$195,688,323.

On September 28, 2011, the City issued General Obligation Bonds, Series 2011A for \$20,000,000 and General Obligation Refunding Bonds, Series 2011B for \$13,980,000. The proceeds of Series A were used to finance upgrades to existing fire-rescue facilities and construction of new facilities. Series B proceeds were used to refund the City's General Obligation Refunding Bonds, Series 2002. The Series A bonds provide for semi-annual interest payments at an average rate of 3.45% and annual principal payments until maturity in 2041. The Series B bonds provide for semi-annual interest payments at an average rate of 2.58% and semi-annual principal payments until maturity in 2017. As of September 30, 2016, the City's liability for the bonds totaled \$20,150,000.

On October 3, 2012, the City issued Taxable Special Obligation Bonds, Series 2012 for \$337,755,000. The proceeds of Series 2012 were used to discharge a portion of the Unfunded Actuarial Accrued Liabilities (UAAL) of the pension plans, including, without limitation, a partial repayment to the City of its contribution to the Police and Firefighters' Pension Plan in fiscal year 2012 to prefund a portion of its UAAL for Fiscal Year 2013. The Series 2012 bonds provide for semi-annual interest payments at an average rate of 4.13% and annual principal payments until maturity in 2032. As of September 30, 2016, the City's liability for the bonds totaled \$275,505,000.

The City has designated revenues to repay the Taxable Special Obligation Bonds, Series 2012. The designated revenue used for the bonds consists of communications services tax, public services tax, guaranteed entitlement revenues, and business tax revenues. For the current year, principal and interest of \$26,358,764, was paid. Designated revenues were \$44,123,791.

On April 9, 2015, the City issued CRA Tax Increment Revenue Note, Series 2015 for \$7,603,000. The proceeds were used to pay for costs related to the design and construction of the North Loop of the Wave modern streetcar project, which is located in the Northwest-Progresso-Flagler Heights area of the CRA. The Series 2015 note provides for semi-annual interest payments at a rate of 3.17% and annual principal payments until maturity in 2025. As of September 30, 2016, the City's liability for the note totaled \$7,257,000.

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On August 11, 2015, the City issued General Obligation Refunding Bonds, Series 2015 for \$15,220,000. The proceeds were used to refund the City's General Obligation Bonds, Series 2005. The gross saving of the refunding was \$2,277,823, with a net present value savings of \$1,687,077. This refinancing reduced the average interest rate from 4.26% to 3.44%. The July 1, 2035 maturity date remained unchanged. The Series 2015 bonds provide for semi-annual interest payments at an average rate of 3.44% and annual principal payments until maturity in 2035. As of September 30, 2016, the City's liability for the bonds totaled \$14,630,000.

The annual requirements to pay business-type activities principal and interest on the bonds, notes and loans outstanding at September 30, 2016 (in thousands) follow:

Year Ending September 30	Business-Type Activities			
	Water and Sewer Revenue Bonds		State Revolving Fund Loans	
	Principal	Interest	Principal	Interest
2017	\$ 10,665	\$ 13,366	\$ 3,539	\$ 984
2018	11,190	12,840	3,619	904
2019	11,760	12,273	3,700	822
2020	12,360	11,678	3,784	739
2021	12,940	11,090	3,870	653
2022-2026	74,970	45,188	20,700	1,914
2027-2031	92,090	28,051	5,398	130
2032-2036	99,340	10,362	-	-
2037-2041	8,605	325	-	-
Total	\$ 333,920	\$ 145,173	\$ 44,610	\$ 6,146

All of the outstanding bonds of the Water and Sewer Fund are secured by the water and sewer net operating revenues.

In order to take advantage of low interest rates, the City is participating in the State of Florida revolving loan program to finance sewer system capital improvements and had five (5) loans, of loan agreements three, four and five were still outstanding as of September 30, 2016. The loan program operates on a reimbursement basis. When proceeds are issued, the loan accrues interest based upon the rate approved by the State at the date of closing. The liability due to the State is the original loan amount plus accrued interest until the date repayments commence, which is approximately three years from date of issue.

On May 5, 2005, the City entered into its third loan agreement for \$7,256,416, which carries an interest rate of 2.19% and provides for semi-annual principal and interest payments beginning in November 2006. The loan principal was increased to \$19,116,208 on August 23, 2005. The loan principal was decreased to \$17,384,060 on April 30, 2010. As of September 30, 2016, the City's liability for this loan totaled \$9,350,119.

On March 3, 2006, the City entered into its fourth loan agreement for \$20,393,500, which carries an interest rate of 2.1% and provides for semi-annual principal and interest payments beginning in May 2008. The loan principal was increased to \$40,619,300 on October 6, 2006. The additional principal amount of \$20,225,800 carried an interest rate of 2.24%. On February 15, 2008, the loan principal was decreased to \$35,606,400, with no effect on the interest rate. The loan principal was increased to \$45,334,292 in March 2009. The addition carries an interest rate of 2.65%. The loan principal was decreased to \$44,902,893 on September 20, 2011. As of September 30, 2016, the City's liability for this loan totaled \$28,723,939.

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On February 11, 2008, the City entered into its fifth loan agreement for \$10,032,200, which carries an interest rate of 2.24% and provides for semi-annual principal and interest payments beginning in November 2008. The loan principal was decreased to \$10,000,000 on September 20, 2011. As of September 30, 2016, the City's liability for this loan totaled \$6,536,025.

On May 16, 2012, the City sold \$64,585,000 Water and Sewer Revenue Refunding Bonds, Series 2012. The Series 2012 was the refunding of the Series 2003. The gross saving of the refunding was \$9,747,132, with a net present value savings of \$7,347,279. The issue provides for semi-annual principal and interest payments with interest rates ranging from 2% to 5% and a final maturity on September 1, 2031. This refinancing reduced the average interest rate from 4.52% to 4.12%. As of September 30, 2016, the City's liability for these bonds totaled \$56,125,000.

On November 18, 2014, the City sold \$121,520,000 Water and Sewer Revenue Refunding Bonds, Series 2014. The Series 2014 was the partial refunding of the Series 2006 and Series 2008 with an aggregate principal amount of \$31,865,000 and \$98,660,000, respectively. The gross saving of the refunding was \$19,168,610, with a net present value savings of \$11,520,607. The issue provides for semi-annual principal and interest payments with interest rates ranging from 4% to 5% and a final maturity on September 1, 2035. This refinancing reduced the average interest rate from 4.97% to 4.31%. As of September 30, 2016, the City's liability for these bonds totaled \$121,520,000.

On April 19, 2016, the City sold \$158,930,000 of Water and Sewer Revenue and Revenue Refunding Bonds, Series 2016. The Series 2016 was the full refunding of the Series 2006, Series 2008, Series 2010 and to prepay all amounts outstanding for two (2) loans obtained by the City from the State of Florida (the "Refunded SRF Loan") with aggregate principal amount of \$53,045,000, \$31,010,000, \$72,375,000 and \$18,156,248, respectively. The gross savings on the refunding was \$41,392,215, with a net present value savings of \$18,957,141. The issue provides for semi-annual principal and interest payments with interest rates ranging from 2.0% to 5.0% and a final maturity on September 1, 2038. This refinancing reduced the average coupon rate from 4.44% to 3.29%. As of September 30, 2016, the City's liability for these bonds totaled \$156,275,000.

Following is a summary of the changes in the City's long-term liabilities for the fiscal year ended September 30, 2016:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 38,230,000	\$ -	\$ (3,450,000)	\$ 34,780,000	\$ 3,480,000
Tax Increment Revenue Notes	7,603,000	-	(346,000)	7,257,000	628,000
Special Obligation Bonds	290,975,000	-	(15,470,000)	275,505,000	15,770,000
Special Obligation Loans	20,213,100	-	(2,884,300)	17,328,800	2,958,100
Unamortized Bond Premiums and Discounts	1,079,407	-	(137,572)	941,835	-
Lease Purchase Agreements	2,308,690	-	(440,188)	1,868,502	440,188
Estimated Claims Payable	33,574,135	29,757,197	(29,773,135)	33,558,197	7,898,340
Net Pension Liabilities	95,640,082	6,030,965	(9,981,974)	91,689,073	-
Net OPEB Liabilities	8,087,751	5,102,859	(3,266,418)	9,924,192	-
Compensated Absences and Longevity	27,362,988	21,720,919	(16,286,866)	32,797,041	4,457,729
Total Governmental Activities	\$ 525,074,153	\$ 62,611,940	\$ (82,036,453)	\$ 505,649,640	\$ 35,632,357

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	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities:					
Revenue Bonds	\$ 340,470,000	\$ 158,930,000	\$ (165,480,000)	\$ 333,920,000	\$ 10,665,000
State Revolving Fund Loans	66,984,695	-	(22,374,612)	44,610,083	3,538,769
Unamortized Bond Premiums and Discounts	22,520,739	10,474,300	(4,492,826)	28,502,213	-
Landfill Post-Closure Costs	914,216	-	(42,436)	871,780	43,446
Net Pension Liabilities	21,960,692	-	(6,110,197)	15,850,495	-
Net OPEB Liabilities	1,171	1,351,419	(314,582)	1,038,008	-
Compensated Absences and Longevity	4,930,880	4,130,355	(3,290,707)	5,770,528	878,577
Total Business-type Activities	\$ 457,782,393	\$ 174,886,074	\$ (202,105,360)	\$ 430,563,107	\$ 15,125,792

Internal service funds predominantly serve the governmental funds. Accordingly, their long-term liabilities totaling \$40.5 million are included as part of the above totals for governmental activities. Also, for the governmental activities, compensated absences and net OPEB obligations are generally liquidated by the General Fund.

The City advance refunds and/or defeases long-term debt primarily to reduce debt service requirements. As of September 30, 2016, the City has the following outstanding bonds, which were funded by the placement of assets in an irrevocable trust to be used for satisfying debt service requirements therefore the debt is not reported in the financial statements.

Description of Obligation	Year Defeased	Original Issue	Amount Defeased
Water and Sewer Revenue Bonds, Series 2008	2015	\$ 155,000,000	\$ 98,660,000
Water and Sewer Revenue Bonds, Series 2008	2016	155,000,000	29,070,000
Water and Sewer Revenue Bonds, Series 2010	2016	82,300,000	71,390,000
			<u>\$ 199,120,000</u>

11. CAPITAL LEASE

In June 2015 the City entered into a five-year lease agreement with Motorola Solutions for public safety radio equipment for \$2,308,690. The lease carries an interest rate of 2.39% with annual payments of principal and interest. The lease qualifies as capital leases for accounting purposes and, therefore has been recorded at the present value of the future lease payments as of the inception date in the Central Services Fund. The capital assets and depreciation thereon acquired under the lease is also accounted for in the Central Services Fund. As of September 30, 2016, there was no accumulated amortization for the capital lease obligation.

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The future (minimum) lease obligations and the net present value of capital lease payments as of September 30, 2016 are as follows:

GOVERNMENTAL ACTIVITIES	
Year Ending September 30	Total
2017	\$ 495,366
2018	495,366
2019	495,366
2020	495,365
Later Years	-
Total Lease Payments	1,981,463
Less: Amount of Interest	(112,961)
Present Value of Lease Payments	<u>\$ 1,868,502</u>

12. LANDFILL POST-CLOSURE COSTS

The Wingate landfill and incinerator was an active disposal site from 1954 to 1978. In 1990, the site was designated by the United States Environmental Protection Agency (USEPA) as a superfund site requiring the City to take remedial action. Based on the results of a 1994 Remedial Investigation and Feasibility Study, the USEPA agreed to various remedies including a single layer cap in 1996 in a final Record of Decision at an estimated remediation cost of \$20,500,000, which was recognized as a liability in the Sanitation Fund. In 1998, the City entered into an agreement with the Potentially Responsible Parties (PRPs), known as the Wingate Superfund Group, to oversee compliance with a 1998 Consent Decree between the City, the USEPA and the PRP's. As a result of the agreement, the City reduced its estimated remediation liability to \$10,000,000.

The consent decree provided for payment of expenses associated with the remediation, promoted cost effective response actions, allocated management and financial responsibilities and resolved claims for cost recovery between the parties. The consent decree was validated on December 28, 1999, allowing site remediation to commence. The agreement with the Wingate Superfund Group created a trust fund for collection and disbursement of funds for the remediation and limited the City's share of remediation costs to \$8,325,000, excluding ancillary costs. The Second Five-Year Review Report was issued by the USEPA in July 2011. Monitoring data suggest that cleanup levels are being achieved and O&M procedures are currently maintaining the effectiveness of the remedy. The remedy currently protects human health and the environment in the short term because the landfill cap construction is complete and the required institutional controls (groundwater and land use restrictions) are in place. Based upon a favorable USEPA report reducing the amount of required monitoring the liability was reduced by \$2,368,781. As of September 30, 2016, the liability is \$871,780 to provide for estimated post closure care costs.

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13. FUND BALANCES

In accordance with the requirements of GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions", the City classifies governmental fund balances as follows:

- (A) Nonspendable – includes fund balance amounts that cannot be spent because they are either not in spendable form or legal or contractually required to be maintained intact.
- (B) Restricted – includes fund balance amounts that are constrained to be spent only for specific purposes which are externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.
- (C) Committed – includes unrestricted fund balance amounts that can only be used for specific purposes pursuant to internal constraints imposed by the City's Code of Ordinances which can only be established, modified or rescinded through the passage of ordinances by the City Commission, the City's highest level of decision making authority.
- (D) Assigned – includes unrestricted fund balance amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Either the City Commission or the City Manager has the authority to assign amounts to a specific purpose. On September 17, 2013, City Commission by Resolution 13-179 authorized the City Manager to assign resources and ending fund balance.
- (E) Unassigned – includes the residual fund balance of the General Fund not included in the above nonspendable, restricted, committed or assigned categories. It may also include negative fund balances of other governmental funds resulting from expenditures for specific purposes, which exceeded restricted, committed or assigned amounts available for those purposes.

It is the City's policy to use restricted fund balances before unrestricted funds when both are available for a specific purpose unless contractual requirements, such as for a specific grant that requires dollar for dollar spending, prohibit doing so. In addition, the order of use for unrestricted fund balances available for a specific purpose is committed, assigned, and then unassigned amounts.

The Commission adopted a Fund Balance Policy by Resolution No.13-179 which is a financial standard to maintain the unrestricted fund balance for the General Fund at a level that is equivalent to two (2) months of operating expenditures and required transfers. Should the projected or actual unrestricted fund balance fall below this minimum, a plan will be submitted for consideration to achieve the minimum level within a three-year period. This plan will include a combination of cost reductions, revenue enhancements, and/or service reductions and should be submitted within 30 days of recognition of the fund shortfall.

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Use of fund balance below the recommended threshold is permitted only in case of an emergency, or in the case of an unanticipated economic downturn, which causes a material loss of revenues. Non-recurring revenues shall not be used to balance the annual budget for recurring expenditures.

The details of individual governmental fund balances by category at September 30, 2016 follow:

	<u>Nonmajor Governmental</u>					<u>Total</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Permanent</u>	
Nonspendable						
Inventories	\$ 21,391	\$ -	\$ -	\$ 6,750	\$ -	\$ 28,141
Endowments	-	-	-	-	14,307,756	14,307,756
Restricted For						
Debt Service	-	-	15,529,915	-	-	15,529,915
Inventories	-	2,772,261	-	-	-	2,772,261
Community Redevelopment	-	7,824,810	-	64,360,945	-	72,185,755
Building Code Enforcement	-	33,806,924	-	-	-	33,806,924
Law Enforcement	-	1,093,204	-	-	-	1,093,204
Capital Projects	-	-	-	26,583,426	-	26,583,426
Transportation	-	-	-	19,472	-	19,472
Endowments	-	-	-	-	12,581,765	12,581,765
Other Purposes	-	637,395	-	-	-	637,395
Committed To						
Grants and Special Programs	1,186,699	-	-	-	-	1,186,699
Beach Improvements	-	1,519,050	-	-	-	1,519,050
Assigned To						
Law Enforcement	-	1,464,017	-	-	-	1,464,017
Beach Improvements	-	66,064	-	-	-	66,064
Capital Projects	-	-	-	21,146,535	-	21,146,535
Transportation	-	-	-	332,370	-	332,370
Subsequent Year's Expenditures	2,962,640	-	-	-	-	2,962,640
Unassigned	72,551,458	-	-	-	-	72,551,458
Total Fund Balances	<u>\$76,722,188</u>	<u>\$49,183,725</u>	<u>\$15,529,915</u>	<u>\$112,449,498</u>	<u>\$26,889,521</u>	<u>\$280,774,847</u>

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14. EMPLOYEE RETIREMENT SYSTEMS

The City's pension plans are presented in accordance with GASB Statement No. 67, "Financial Reporting for Pension Plans" and GASB Statement No. 68, Accounting and Financial Reporting for Pensions. These statements replace GASB Statement No. 27, "Accounting for Pensions by State and Local Governmental Employers", and GASB Statement No. 50, "Pension Disclosures". GASB 68, enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI).

A) Defined Benefit Plans - Plan Descriptions and Funding Policies

1. General Employees' Retirement System

The General Employees' Retirement System is a single-employer defined benefit plan administered by an eight-member board of trustees, which covers City employees, except police and firefighters. Through collective bargaining with the general, supervisory and professional City employees, a new single-employer defined contribution pension plan was established for Teamster Union employees hired on or after October 1, 2007, Supervisory Union employees hired on or after November 7, 2007, and all other Non-Union employees hired on or after February 20, 2008. The General Employees Retirement System was then closed to new entrants. Under Ordinance No. C-11-34, adopted on December 6, 2011, a Bonus Incentive Program was offered to members eligible for either early or normal retirement as of December 1, 2011. Eligible members were granted 30 additional months of service for both benefit and eligibility purposes if, during the election period from December 7, 2011 through February 1, 2012, they elect to retire between December 14, 2011 and March 16, 2012. There were 134 members who elected to retire under the Bonus Incentive Program. The impact of the Bonus Incentive Program reflects the replacement of 20% of the members who retired under the program with promotions of the highest-paid remaining active members. The salaries of expected promoted members were increased by 5%. The City's payroll for employees covered by the plan after the plan change applicable to the September 30, 2013 actuarial valuation was approximately \$57,217,000. The total City payroll at that time was approximately \$158,475,000. As of the valuation date, employee membership data related to the pension plan was as follows:

Retirees and beneficiaries currently receiving benefits	1,359
Inactive, Non retired members	110
Active members	830
Total	<u>2,299</u>

Under the vesting provisions of the plan, employees are entitled to 100% of normal retirement benefits after 5 years of service. Members who terminate prior to vesting are entitled to a refund of employee contributions plus interest at 3% per year. Employees are eligible to retire after 30 years of service, regardless of age, or at age 55 with 5 years of service. Members who continue in employment past normal retirement may either accrue larger pensions or freeze their accrued benefit and enter the Deferred Retirement Option Plan (DROP). Each participant in the DROP has an account credited with benefits not received plus interest. Participation in the DROP must end no later than 36 months after normal retirement. Certain employees hired on or after October 1, 1983 electing reduced benefits are entitled to 100% of normal retirement benefits after 10 years of service beginning at age 65. These benefit provisions and all other requirements are established by City ordinance.

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Employees contribute from 4% to 6% of their earnings to the plan. The City is required to contribute the remaining amounts necessary to fund the plan, based on an amount determined by the plan's actuaries as of September 30 each year. For the current year, the City's contribution rate as a percentage of annual covered payroll was 27.0% or \$14,393,012.

Net Pension Liability

The City's net pension liability was measured as of September 30, 2016. The total pension liability used to calculate the net pension liability was determined as of that date. The components of the net pension liability of the City at September 30, 2016 were as follows:

Total Pension Liability	\$	629,028,556
Plan Fiduciary Net Position		<u>(587,283,771)</u>
City's Net Pension Liability	\$	<u>41,744,785</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		93.36%

Actuarial Assumptions: The total pension liability in the September 30, 2015 actuarial valuation updated to September 30, 2016 was determined using the following actuarial assumptions, applied to all periods in the measurements:

Inflation	3.00%
Salary Increases	4.00% to 9.50% depending on age, including inflation
Investment Rate of Return	7.50%

Mortality RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvements projected to all future years after 2000 using Scale AA.

The actuarial assumptions used in the September 30, 2015 valuation were based on the results of an actuarial experience study dated November 1, 2012 for the period from October 1, 2001 to September 30, 2011.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class.

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These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the targets asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic Equity	40.0%	6.5%
International Equity	15.0%	3.3%
Emerging Equity	12.0%	7.1%
Private Equity	5.0%	11.8%
Real Estate & Timber	10.0%	7.1%
Fixed Income	15.0%	2.7%
Cash Equivalents	3.0%	-0.8%
Total	100.0%	

Discount Rate: A single discount rate of 7.50% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on Pension Plan investments of 7.50%. The projection of cash flows used to determine this single discount rate assumed that Plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on Pension Plan investments (7.50%) was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate assumption changed from 7.55% to 7.50%.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2015	\$ 609,531,091	\$ 551,694,135	\$ 57,836,956
Changes for the year:			
Service Cost	9,940,115	-	9,940,115
Interest on Total Pension Liability	45,329,190	-	45,329,190
Differences between expected and actual experience on Total Pension Liability	(657,609)	-	(657,609)
Contributions - Employer	-	14,393,012	(14,393,012)
Contributions - Employee	-	3,152,504	(3,152,504)
Assumption Changes	3,054,924	-	3,054,924
Net Investment Income	-	56,764,958	(56,764,958)
Benefit Payments	(38,169,155)	(38,169,155)	-
Administrative Expense	-	(551,683)	551,683
Net Changes	19,497,465	35,589,636	(16,092,171)
Balances at September 30, 2016	\$ 629,028,556	\$ 587,283,771	\$ 41,744,785

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Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the City, calculated using the discount rate of 7.50%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	Current Single Discount		
	1% Decrease 6.50%	Rate Assumption 7.50%	1% Increase 8.50%
City's Net Pension Liability	\$ 108,497,285	\$ 41,744,785	\$ (14,913,116)

Pension expense and deferred outflows/inflows of resources related to pensions: For the year ended September 30, 2016, the City recognized a pension expense of \$22,605,891. At September 30, 2016, the City reported deferred outflows and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ -	\$ 2,181,402
Changes in Assumptions	3,530,376	-
Net Difference Between Projected and Actual Earnings on Pension Investments	28,387,758	
Total	<u>\$ 31,918,134</u>	<u>\$ 2,181,402</u>

Amounts reported as of deferred outflows of resources related to pension will be recognized in pension expense as follows:

Year ending September 30,	Net Deferred Outflows of Resources
2017	\$ 11,356,636
2018	10,966,588
2019	10,487,123
2020	(3,073,615)
2021	-
Thereafter	-
Total	<u>\$ 29,736,732</u>

Historical trend information is presented in required supplementary information schedules following these notes to show the changes in the net pension liability and the contributions to the plan. (See page 88).

The Plan issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained online at www.citypension.com or by writing the Board of Trustees:

Board of Trustees of the City of Fort Lauderdale General Employees' Retirement System
316 NE Fourth Street, Suite 2
Fort Lauderdale, FL 33301

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2. Police and Firefighters' Retirement System

The Police and Firefighters' Retirement System is a single-employer defined benefit plan administered by an eight-member board of trustees, which covers all police and firefighters.

Plan membership as of October 1, 2015:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	1,030
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	15
Active Plan Members	<u>776</u>
Total	<u>1,821</u>

Under the vesting provisions of the plan, employees are entitled to 100% of normal retirement benefits after 10 years of service. Members who terminate prior to vesting are entitled to a refund of employee contributions plus interest at 3% per year. Employees are eligible to retire after 20 years of service, regardless of age, or at age 55 with 10 years of service. Members who continue in employment after completion of 20 years of service may either accrue larger pensions or freeze their accrued benefit and enter the Deferred Retirement Option Plan (DROP). Each participant in the DROP has an account credited with benefits not received plus interest. Participation in the DROP must end no later than 60, 72, 84 or 96 months after normal retirement depending on years of service. These benefit provisions and all other requirements are established by City ordinance.

Employees hired on or before April 18, 2010 contribute 8% of their earnings to the plan. Employees hired after April 18, 2010 contribute 8.5% of their earnings to the plan. In addition, contributions in the amount of \$5,860,782 were received from the State of Florida from fire and casualty insurance premium taxes. These on-behalf payments were also recognized as tax revenues and public safety expenditures in the General Fund. The City is required to contribute the remaining amounts necessary to fund the plan, based on an amount determined by the plan's actuaries as of October 1 each year. For the current year, the City and State of Florida contribution rates as percentages of annual covered payroll were 17.96% (\$13,867,934) and 7.59% (\$5,860,782), respectively.

For measurement date 9/30/2016, as a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the assumption used by the Florida Retirement System for special risk employees. The inflation assumption rate was lowered from 3.00% to 2.30%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

Net Pension Liability

The City's net pension liability was measured as of September 30, 2016. The total pension liability used to calculate the net pension liability was determined as of that date. The components of the net pension liability of the City at September 30, 2016 were as follows:

Total Pension Liability	\$ 880,055,327
Plan Fiduciary Net Position	<u>(814,260,544)</u>
City's Net Pension Liability	<u>\$ 65,794,783</u>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.52%
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Actuarial Assumptions: The total pension liability was determined by an actuarial valuation as of October 1, 2015 updated to September 30, 2016 using the following actuarial assumptions applied to all measurement periods:

Inflation	2.30%
Salary Increases	0.50% - 3.00% Expected increase in annual salary in addition to 2.30% inflationary component.
Discount Rate	7.50%
Investment Rate of Return	7.50%

Mortality rates were based on the RP-2000 Table projected by Scale AA to 2012. Disability mortality rates RP-2000 Disabled Table projected by Scale AA to 2012. The significant assumptions are based upon the most recent actuarial experience study dated July 10, 2015.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic Equity	30.00%	7.10%
International Equity	15.00%	7.40%
Domestic Bonds	30.00%	2.10%
Real Estate	12.50%	4.50%
Other	12.50%	4.20%
Total	100.00%	

Discount Rate: The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current rate and that sponsor contribution will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2015	\$ 834,313,286	\$ 774,549,469	\$ 59,763,817
Changes for the year:			
Service Cost	19,199,538	-	19,199,538
Interest on Total Pension Liability	62,181,617	-	62,181,617
Share Plan Allocation	1,732,185	-	1,732,185
Assumption Changes	16,504,779	-	16,504,779
Differences between expected and actual experience on Total Pension Liability	(5,100,657)	-	(5,100,657)
Contributions - Employer	-	13,867,934	(13,867,934)
Contributions - State	-	5,860,782	(5,860,782)
Contributions - Employee	-	5,732,925	(5,732,925)
Contributions - Buy Back	73,763	73,763	-
Net Investment Income	-	63,676,001	(63,676,001)
Benefit Payments	(48,849,184)	(48,849,184)	-
Administrative Expense	-	(651,146)	651,146
Net Changes	45,742,041	39,711,075	6,030,966
Balances at September 30, 2016	<u>\$ 880,055,327</u>	<u>\$ 814,260,544</u>	<u>\$ 65,794,783</u>

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the City, calculated using the discount rate of 7.50%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1% point lower (6.50%) or 1% point higher (8.50%) than the current rate:

	1% Decrease 6.50%	Current Single Discount Rate Assumption 7.50%	1% Increase 8.50%
	City's Net Pension Liability	\$ 162,101,714	\$ 65,794,783

Pension expense and deferred outflows/inflows of resources related to pensions: For the year ended September 30, 2016, the City recognized a pension expense of \$30,407,315. At September 30, 2016 the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ -	\$ 8,471,958
Changes in Assumptions	13,203,824	1,316,988
Net Difference Between Projected and Actual Earnings on Pension Investments	26,274,096	-
Total	<u>\$ 39,477,920</u>	<u>\$ 9,788,946</u>

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Amounts reported as of deferred outflows of resources related to pension will be recognized in pension expense as follows:

Year ending September 30,	Net Deferred Outflows of Resources
2017	\$ 9,568,280
2018	9,568,282
2019	9,568,282
2010	984,130
2021	-
Thereafter	-
Total	<u>\$ 29,688,974</u>

Historical trend information is presented in required supplementary information schedules following these notes to show the changes in the net pension liability and the contributions to the plan. (See page 90).

Changes of benefit terms

For measurement date 9/30/15, amounts reported as changes of benefit terms were resulted from:

1) For Firefighters hired on or after October 1, 2014:

- a) The Average Monthly Earnings period will be increased from 2 to 5 years.
- b) The benefit accrual rate will be decreased from 3.38% to 3.0% for each year of Credited Service.
- c) The maximum accrual rate will be decreased from 81.0% to 75.0% of Average Monthly Earnings.
- d) For each month a Firefighter delays entry into DROP following completion of 25 years of Credited Service, the 96 month maximum DROP participation period shall be correspondingly reduced by one month.
- e) The Normal Form of Benefit will be changed from 60% joint and contingent survivor to 10-Year Certain and Life.

2) Eliminating the interest component on refunds of Member Contributions for all Firefighters who separate employment with the City on or after October 1, 2014.

3) Amending the definition of Salary to provide that pensionable earnings for Firefighters will be increased from 144 hours to 159 hours for each 21-day period.

4) Implementing a special formula to determine the amount of Chapter 175 premium tax revenues that the City will be able to utilize to offset its funding requirements, effective for the plan year beginning on October 1, 2014.

The Plan issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained online at www.ftlaudpfpension.com or by writing the Board of Trustees:

Board of Trustees of the City of Fort Lauderdale Police and Firefighters' Retirement System
888 S. Andrews Avenue, Suite 202
Fort Lauderdale, Florida 33316

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B) Defined Contribution Plans

1. General Employees Defined Contribution Plan

The General Employees Defined Contribution Plan is a single-employer defined contribution plan administered by ICMA Retirement Corporation (ICMA-RC), which covers all City employees hired on or after October 1, 2007, except police and fire. The City's current year payroll for employees covered by the plan was approximately \$29,875,932. The total City payroll for the year was approximately \$183,425,408.

The City contribution requirement of 9% on earnings of participants was paid on a biweekly basis and amounted to \$2,691,268 for the current year. Employee contributions are neither required nor permitted under the plan. Employees become fully vested in the plan upon entry. These benefit provisions and all other requirements are established by City ordinance.

2. General Employees Special Class Plan

The General Employees Special Class Plan is a single-employer defined contribution plan administered by ICMA-RC. It is available to City employees (except police and firefighters) as an alternative to participation in the General Employees' Retirement System. The City's current year payroll for employees covered by the plan was approximately \$49,096. The total City payroll for the year was approximately \$183,425,408.

The City contribution requirement of 29.59% on earnings of participants was paid on a biweekly basis and amounted to \$14,528 for the current year. Employee contributions are neither required nor permitted under the plan. Employees become fully vested in the plan upon entry. These benefit provisions and all other requirements are established by City ordinance. This plan is no longer available to new entrants.

17. Non-classified Employees Retirement Plan

The Non-classified Employees Retirement Plan is a single-employer defined contribution plan administered by ICMA-RC, which covers certain non-classified City employees who have elected not to participate in the City's General Employees' Retirement System. The City's current year payroll for employees covered by the plan was approximately \$2,305,705. The total City payroll for the year was approximately \$183,425,408.

The City contribution requirement of 19.39% on earnings of participants was paid on a biweekly basis and amounted to \$446,483 for the current year. Employee contributions are neither required nor permitted under the plan. Employees become fully vested in the plan upon entry. These benefit provisions and all other requirements are established by City ordinance. Effective October 1, 2012 the plan was closed to new entrants.

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15. OTHER POST-EMPLOYMENT BENEFITS

The City's Other Post-Employment Benefits (OPEB) is presented in accordance with GASB Statement 45, "Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions". The provisions of this pronouncement were implemented prospectively with the actuarially determined liability of \$43,578,232 at the October 1, 2007 date of transition being amortized over 30 years. Accordingly, for financial statement purposes, this liability is not reported at the transition date.

Benefit Description and Funding Policy

The City provides a single employer defined benefit post-employment health insurance benefit to its general employees, sworn police officers and certified firefighters. Employees are paid from \$100 to \$400 per month upon normal retirement for the purchase of health insurance. Non-Union Management and Confidential employees hired on or after October 1, 2012 shall not be eligible for any contribution from the City. Employees hired under the Fraternal Order of Police and the Federation of Public Employees on or after April 1, 2014, are no longer eligible for this contribution. Furthermore, Teamsters employees hired on or after December 17, 2014, and employees hired under the International Association of Firefighters hired on or after June 16, 2015, are not eligible.

The benefit continues until age 65 and is funded on a pay-as-you-go basis. In addition, pursuant to Section 112.0801, Florida Statutes, general employees and certified firefighters who retire from the City may continue their participation in a City sponsored health and/or dental insurance plan at the same premiums applicable to active employee. Since retiree claims are expected to result in higher costs to the plans, on average, than those for active employees on an actuarial basis, there is an implicit subsidy included in the premiums for the retirees.

Benefit provisions and City contribution requirements are established and may be amended by the City Commission through collective bargaining. As of September 30, 2016, there were 799 retired employees receiving a monthly benefit with an additional 2,046 employees eligible for participation in the future. Payments totaled \$3,902,000 for the year, of which retiree implicit subsidies amounted to \$257,854 of that total.

The Other Post-Employment Benefits (OPEB) Trust is administered by the City of Fort Lauderdale Commission as the Board of Trustees with a Trust Administrator responsible for the day-to-day administration. The Trust was established on September 16, 2014 and covers former City employees who are eligible for certain post-employment benefits. As of September 30, 2016, \$12,806,790 was invested in the OPEB Trust fund.

Annual OPEB Cost, Funding Status and Funding Progress

Annual OPEB Cost (AOC) is a measure of the periodic cost of an employer's participation in a defined benefit OPEB plan. Details of the City's AOC and Net OPEB Obligation (NOO) for the year ended September 30, 2016 follow:

Annual Required Contribution	\$	6,572,000
Interest on NOO		554,000
Amortization of NOO		(499,000)
Annual OPEB Cost (AOC)		6,627,000
Actual Contributions Made to Plan		(3,581,000)
Increase in NOO		3,046,000
NOO Beginning of Year		7,916,200
NOO End of Year	\$	10,962,200

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The City's annual OPEB cost, the percentage of annual OPEB cost contributed and the net OPEB obligation for the last three fiscal years follow:

Fiscal Year Ended In	AOC	Contribution	Percent Contributed	NOO
2016	\$ 6,627,000	\$ 3,581,000	54.0%	\$ 10,962,200
2015	4,962,000	5,892,821	118.8%	7,916,200
2014	5,276,000	11,158,466	211.5%	8,847,021

As of October 1, 2015, the date of the most recent valuation, the plan was 20.8% funded, the actuarial accrued liability for benefits was \$56,706,000 and the actuarial value of assets was \$11,806,000, resulting in an unfunded actuarial accrued liability of \$44,900,000. The payroll for active participating employees for that period was approximately \$147,574,000 and the unfunded actuarial accrued liability as a percentage of payroll was 30.0%.

Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the funding status of benefits and the annual required contributions of the City are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefits between the City and participants. The actuarial methods and assumptions used include techniques that are designed to reduce the effects 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 the annual required contributions for the current year and the information disclosed above about the plan's funded status. The City's current year contribution is based upon a valuation done for the plan as of September 30, 2016.

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Percentage - Closed
Remaining Amortization Period	22 Years
Investment Rate of Return/ Discount Rate	7.00%
Projected Salary Increases	3.00%
Medical Trend Rate	7.00%
Rate of Inflation	3.00%

Three year historical trend information is presented in a required supplementary information schedule following these notes (see page 92). Separately issued financial statements for the benefits are not available.

CITY OF FORT LAUDERDALE, FLORIDA

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16. DEFERRED COMPENSATION PLAN

The City offers a deferred compensation plan to its employees in addition to the pension plans. Participation is optional. The City has adopted the provisions of IRS Code Section 457(g) and GASB Statement No. 32, "Accounting and Financial Reporting for IRS Code Section 457 Deferred Compensation Plans". Under these provisions, all assets and income of the plan are held in trust for the exclusive benefit of participants. Accordingly, the assets and liabilities of the plan are not reported within the City's financial statements.

17. OPERATING LEASES

On September 1, 1962, the City entered into a lease agreement as lessor with Bahia Mar Yachting Center, Inc. (Bahia Mar) for the purpose of constructing and operating a restaurant, lounge, yacht club, motel/hotel, convention hall, marine facilities and other similar businesses. The cost of the property at the inception of the lease was \$552,000. On June 30, 1994, this lease was assumed by RAHN Bahia Mar, LTD. and, as amended, will terminate on August 31, 2062, at which time, all additions to the property originally leased to Bahia Mar will revert to the City. The lease agreement provides for a minimum guaranteed annual rental of \$300,000 per year. In addition, the City receives contingent rentals (\$1,518,946 in 2016) based upon escalating percentages of gross receipts for the duration of the agreement. Minimum future rentals on this lease as of September 30, 2016 follow:

Fiscal Year Ending in:	Bahia Mar Lease
2017	\$ 300,000
2018	300,000
2019	300,000
2020	300,000
2021	300,000
Later Years	12,300,000
	<u>\$ 13,800,000</u>

The City has various aviation leases and non-aviation land leases, which are accounted for as operating leases in the Airport Fund. The cost and carrying amount of the property at the inception of the leases were \$2,677,713. Minimum future rentals on these leases as of September 30, 2016 follow:

Fiscal Year Ending in:	Aviation Leases	Land Leases	Total
2017	\$ 2,863,021	\$ 3,207,656	\$ 6,070,677
2018	2,798,850	3,207,656	6,006,506
2019	2,747,924	3,207,656	5,955,580
2020	2,684,828	3,207,656	5,892,484
2021	2,679,155	3,207,656	5,886,811
Later Years	36,594,530	58,214,142	94,808,672
	<u>\$ 50,368,308</u>	<u>\$ 74,252,422</u>	<u>\$ 124,620,730</u>

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18. COMMITMENTS AND CONTINGENT LIABILITIES

The City has outstanding encumbrances in the governmental funds, as well as, other significant commitments in the various enterprise funds. The following is a summary of these commitments at September 30, 2016:

Governmental Funds	
General Fund	\$ 2,962,642
Nonmajor Governmental Funds	
Special Revenue Funds	
Law Enforcement Confiscated Property Fund	677,564
Community Redevelopment Agency Fund	80,526
Beach Business Improvement District	20,906
Building Fund	3,254,658
Nuisance Abatement Fund	203
	<u>4,033,857</u>
Capital Projects Funds	
General Capital Projects Fund	4,402,934
Gas Tax	103,361
General Obligation Construction 2005 and 2011A Fund	693,841
Special Obligation Construction 2008B Fund	1,228,175
Special Obligation Construction 2011A	144,785
Community Redevelopment Agency Projects Fund	4,067,478
Park Impact Fee Projects Fund	920,054
	<u>11,560,628</u>
Enterprise Funds	
Water and Sewer	7,234,341
Nonmajor Enterprise Funds	
Sanitation Fund	1,036,269
Parking System Fund	780,571
Airport Fund	631,694
Stormwater Fund	5,606,337
	<u>8,054,871</u>
Total Commitments and Contingent Liabilities	<u>\$ 33,846,339</u>

In FY2015, the City recognized a liability of \$187,101 in the General Fund for a lawsuit filed by Albion Staffing Solutions (Albion). Albion alleges the City owes for temporary staffing services. The investigation by the City Auditor found that the department was paying this vendor above the contracted rate for the temporary services. Some of the temporary staffing positions used by the department were not in accordance with the terms of the contract. A settlement has been tentatively reached and a formal agreement is expected to be signed in April 2017.

Various substantial lawsuits have been filed against the City including personal injury claims, liability claims related to police activities and general liability claims. The estimated liabilities related to the various claims have been accrued in the City's insurance internal service funds. In the opinion of City management, the expected liability for these claims would not materially exceed the amounts recorded in the financial statements.

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19. NEW ACCOUNTING PRONOUNCEMENTS

Implemented

In February 2015, the GASB issued Statement No. 72, "Fair Value Measurement and Application". This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. Also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The provisions of this Statement are effective for the City's fiscal year ending September 30, 2016. The impact of this Statement can be found on Note 4.

In June 2015, the GASB issued Statement No. 73, "Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68". This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, Accounting and Financial Reporting for Pensions, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, Financial Reporting for Pension Plans, and Statement 68 for pension plans and pensions that are within their respective scopes. The requirements of this Statements are effective for the City's financial year ending September 30, 2016. There was no impact to the City.

In June 2015, the GASB issued Statement No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments". The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement supersedes Statement No. 55, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. The requirements of this Statement are effective for the City's financial year ending September 30, 2016, and should be applied retroactively. Earlier application is permitted. There was no impact to the City.

In December 2015, the GASB issued Statement No. 78, "Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans". The objective of this Statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. The provisions of this Statement are effective for financial statements for the City's financial year ending September 30, 2017. There was no impact to the City.

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In December 2015, the GASB issued Statement No. 79, "Certain External Investment Pools and Pool Participants". The objective of this Statement is to address for certain external investment pools and their participants the accounting and financial reporting implications that result from changes in the regulatory provisions referenced by previous accounting and financial reporting standards. Those provisions were based on the Investment Company Act of 1940, Rule 2A7. Rule 2A7 contains the Securities and Exchange Commission's regulations that apply to money market funds and were significantly amended in 2014. The provisions of this Statement are effective for financial statements for the City's financial year ending September 30, 2016, except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing which are effective for financial statements for the City's financial year ending September 30, 2016. There was no impact to the City.

In March 2016, the GASB issued Statement No. 82, "Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73". The objective of this Statement is to address certain issues that have been raised with respect to this Statements. Specifically, the issue regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard Practice for financial reporting purposes, and (3) the classification of payments made by the employers to satisfy employee (plan member) contribution requirements. The provisions of this statement are effective for the City's financial year ending September 30, 2017. PFRS early implemented however, GERS will be implementing in FY2017.

Not Yet Implemented

In June 2015, the GASB issued Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans". This Statement establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. This Statement replaces Statements No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, as amended, Statement 43, and Statement No. 50, Pension Disclosures. The requirements of this Statement are effective for the City's financial year ending September 30, 2017.

In June 2013, the GASB issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB. Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, establishes new accounting and financial reporting requirements for OPEB plans. The requirements of this Statement are effective for the City's financial year ending September 30, 2018.

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September 30, 2016

In August 2015, the GASB issued Statement No. 77, "Tax Abatement Disclosures". Financial statements prepared by state and local governments in conformity with generally accepted accounting principles provide citizens and taxpayers, legislative and oversight bodies, municipal bond analysts, and others with information they need to evaluate the financial health of governments, make decisions, and assess accountability. This information is intended, among other things, to assist these users of financial statements in assessing (1) whether a government's current-year revenues were sufficient to pay for current-year services (known as interperiod equity), (2) whether a government complied with finance-related legal and contractual obligations, (3) where a government's financial resources come from and how it uses them, and (4) a government's financial position and economic condition and how they have changed over time. The requirements of this Statement are effective for the City's financial year ending September 30, 2017.

In January 2016, the GASB issued Statement No. 80, "Blending Requirements for Certain Component Units, an amendment of GASB Statement No. 14". The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, The Financial Reporting Entity, as amended. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, Determining Whether Certain Organizations Are Component Units. The provisions of this statement are effective for the City's financial year ending September 30, 2017.

In November 2016, the GASB issued Statement No. 83, "Certain Asset Retirement Obligation". This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. It requires the measurement of an ARO to be based on the best estimate of the current value of outlays expected to be incurred, and requires the current value of a government's AROs to be adjusted for the effects of general inflation or deflation at least annually. The provisions of this Statement are effective for financial statements for the City's financial year ending September 30, 2019.

In January 2017, the GASB issued Statement No. 84, "Fiduciary Activities". The objective of this GASB is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The focus of the criteria is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. The provisions of this Statement are effective for financial statements for the City's financial year ending September 30, 2019.

Management has not determined what impact these GASB statements might have on its financial statements.

20. SUBSEQUENT EVENTS

On January 5, 2017, the City entered into a tax-exempt lease purchase agreement in the amount of \$2,055,750 with Banc of America Public Capital Corp. to finance the City's energy savings performance project. The proceeds of the financing were placed into an escrow deposit account with the escrow agent. The lease agreement carries an interest rate of 1.978% and has a 12 year term with annual debt service payments and expires on January 5, 2029.



Required Supplementary
Information



CITY OF FORT LAUDERDALE

CITY OF FORT LAUDERDALE, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended September 30, 2016

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Ad Valorem	\$ 112,824,562	\$ 112,824,562	\$ 112,954,202	\$ 129,640
Utility Service	37,062,850	37,837,850	37,517,371	(320,479)
Franchise Fees	23,100,000	23,100,000	22,389,618	(710,382)
Insurance Premium	6,167,319	6,374,769	5,563,314	(811,455)
Total Taxes	179,154,731	180,137,181	178,424,505	(1,712,676)
Licenses and Permits:				
Business Tax Receipts	2,888,300	2,898,400	2,968,455	70,055
Other Licenses and Permits	190,000	190,000	218,822	28,822
Total Licenses and Permits	3,078,300	3,088,400	3,187,277	98,877
Intergovernmental Revenues:				
State				
State Revenue Sharing	5,191,316	5,191,316	5,254,873	63,557
Half Cent Sales Tax	11,469,508	11,469,508	11,295,855	(173,653)
State Other	628,000	628,000	632,356	4,356
Local				
County Shared Gas Tax	2,641,637	2,679,969	2,824,957	144,988
County Business Tax Receipts	175,000	175,000	180,646	5,646
Total Intergovernmental Revenues	20,105,461	20,143,793	20,188,687	44,894
Charges for Services:				
General Government Charges	1,915,130	1,915,130	2,189,066	273,936
Public Safety Charges				
Police Service Fees	97,500	97,500	139,733	42,233
Alarm Fees	1,321,500	1,521,500	1,529,294	7,794
Fire Fees	2,071,800	2,071,800	2,338,095	266,295
EMS Transport Fees	9,386,274	9,386,274	9,493,060	106,786
Culture/Recreation Charges				
Auditorium	1,003,000	1,003,000	931,458	(71,542)
Stadium	70,000	89,000	72,130	(16,870)
Swimming Pools	439,000	439,000	646,338	207,338
Tennis Courts	654,000	654,000	654,047	47
Parks	486,900	510,900	418,784	(92,116)
Docks	3,256,622	3,256,622	3,705,911	449,289
Program Fees	1,130,700	1,130,700	906,585	(224,115)
Special Events	50,000	50,000	67,971	17,971
Miscellaneous	342,900	342,900	226,244	(116,656)
Total Charges for Services	22,225,326	22,468,326	23,318,716	850,390
Fines and Forfeitures:				
Court Fines and Forfeitures	1,486,113	1,486,113	1,261,134	(224,979)
Code Enforcement Fines	953,600	953,600	928,846	(24,754)
Other Fines and Forfeitures	55,000	55,000	33,714	(21,286)
Total Fines and Forfeitures	2,494,713	2,494,713	2,223,694	(271,019)
Miscellaneous Revenue:				
Assessments and Other Fees	33,593,382	33,768,382	33,721,236	(47,146)
Investment Income	1,205,269	1,722,819	1,996,110	273,291
Rents and Concession	4,246,936	4,246,936	4,274,148	27,212
Interfund Service Charges	42,370,165	42,976,219	42,754,473	(221,746)
Other Miscellaneous	3,131,947	3,246,947	4,116,993	870,046
Total Miscellaneous Revenue	84,547,699	85,961,303	86,862,960	901,657
Total Revenues	311,606,230	314,293,716	314,205,839	(87,877)

Continued

CITY OF FORT LAUDERDALE, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended September 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
EXPENDITURES				
General Government:				
City Attorney	\$ 4,698,039	\$ 4,871,465	\$ 3,997,140	\$ 874,325
City Auditor	1,115,341	1,084,183	1,049,843	34,340
City Clerk	989,925	979,925	868,657	111,268
City Commission	1,188,171	1,188,171	1,169,458	18,713
City Manager	6,137,186	6,127,833	5,670,187	457,646
Finance	5,255,648	5,255,648	5,191,126	64,522
Human Resources	3,874,859	3,874,859	3,308,611	566,248
Parks and Recreation	5,202,808	5,202,808	5,162,552	40,256
Public Works	1,144,445	1,147,193	1,106,793	40,400
Sustainable Development	5,694,586	5,672,034	5,181,337	490,697
Other General Government	19,836,480	19,835,430	18,744,178	1,091,252
Total General Government	55,137,488	55,239,549	51,449,882	3,789,667
Public Safety:				
Code Enforcement	3,053,372	3,206,925	3,081,611	125,314
Fire-Rescue	68,108,171	68,897,984	68,137,020	760,964
Police	95,101,220	96,712,667	95,576,379	1,136,288
Other Public Safety	89,695	52,808	38,652	14,156
Total Public Safety	166,352,458	168,870,384	166,833,662	2,036,722
Physical Environment:				
Parks and Recreation	129,261	129,261	110,357	18,904
Public Works	5,896,410	6,152,410	5,373,146	779,264
Total Physical Environment	6,025,671	6,281,671	5,483,503	798,168
Transportation:				
Parks and Recreation	4,232,016	4,232,016	4,079,428	152,588
Transportation and Mobility	3,263,869	3,326,588	3,025,959	300,629
Total Transportation	7,495,885	7,558,604	7,105,387	453,217
Economic Environment:				
Sustainable Development	1,470,173	1,311,485	1,141,158	170,327
Housing Grant Operations	18,099	18,099	70,271	(52,172)
Total Economic Environment	1,488,272	1,329,584	1,211,429	118,155
Culture/Recreation:				
Parks and Recreation	29,283,901	29,481,574	29,537,693	(56,119)
Total Culture/Recreation	29,283,901	29,481,574	29,537,693	(56,119)
Total Expenditures	265,783,675	268,761,366	261,621,556	7,139,810
Excess of Revenues Over Expenditures	45,822,555	45,532,350	52,584,283	7,051,933

Continued

CITY OF FORT LAUDERDALE, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended September 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
OTHER FINANCING SOURCES (USES)				
Transfers Out:				
Community Redevelopment Agency Projects	\$ (5,386,884)	\$ (5,399,483)	\$ (5,411,481)	\$ (11,998)
Miscellaneous Grants Fund	(1,250,000)	(1,436,987)	(944,340)	492,647
Special Obligation Bonds Fund	(21,404,663)	(21,404,663)	(21,404,663)	-
Special Obligation Loans Fund	(3,019,995)	(3,019,995)	(3,019,995)	-
General Capital Projects Fund	(8,785,340)	(8,882,817)	(8,745,254)	137,563
Gas Tax Fund	(50,000)	(50,000)	(50,000)	-
General Obligation Construction Fund	-	(850,000)	(850,000)	-
Sanitation Fund	(4,148,539)	(4,148,539)	(4,148,539)	-
Airport Fund	(1,319,459)	(1,342,735)	(1,342,735)	-
Central Services Fund	(2,336,696)	(2,336,685)	(2,336,685)	-
Total Transfers Out	(47,701,576)	(48,871,904)	(48,253,692)	618,212
Total Other Financing Sources (Uses)	(47,701,576)	(48,871,904)	(48,253,692)	618,212
Net Change in Fund Balances	(1,879,021)	(3,339,554)	4,330,591	7,670,145
Fund Balance - Beginning of Year	67,638,461	61,540,451	67,549,945	6,009,494
Encumbrances at September 30, 2015	1,879,010	1,879,010	1,879,010	-
Fund Balance - End of Year	\$ 67,638,450	\$ 60,079,907	\$ 73,759,546	\$ 13,679,639

Statement of revenues, expenditures and changes in fund balance – page 24	\$ 76,722,188
Basis of accounting adjustments	
encumbrances as of September 30, 2016	<u>(2,962,642)</u>
Statement of revenues, expenditures and changes in fund balance – budget and actual	<u>\$ 73,759,546</u>

CITY OF FORT LAUDERDALE, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS -
GENERAL EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS***

	2016	2015	2014
Total Pension Liability			
Service Cost	\$ 9,940,115	\$ 9,917,828	\$ 10,774,138
Interest	45,329,190	44,655,792	43,346,733
Differences between Actual and Expected Experience	(657,609)	(6,253,927)	-
Assumption Changes	3,054,924	5,940,974	-
Benefit Payments, Including Refunds of Employee Contributions	(38,169,155)	(37,095,194)	(36,240,606)
Net Change in Total Pension Liability	19,497,465	17,165,473	17,880,265
Total Pension Liability - Beginning	609,531,091	592,365,618	574,485,353
Total Pension Liability - Ending (a)	<u>\$ 629,028,556</u>	<u>\$ 609,531,091</u>	<u>\$ 592,365,618</u>
Plan Fiduciary Net Position			
Contributions - Employer	\$ 14,393,012	\$ 15,501,180	\$ 15,061,353
Contributions - Employee	3,152,504	3,200,689	3,264,583
Net Investment Income	56,764,958	(22,561,456)	59,588,725
Benefit Payments, Including Refunds of Member Contributions	(38,169,155)	(37,095,194)	(36,240,606)
Administrative Expense	(551,683)	(398,274)	(469,862)
Net Change in Plan Fiduciary Net Position	35,589,636	(41,353,055)	41,204,193
Plan Fiduciary Net Position - Beginning	551,694,135	593,047,190	551,842,997
Plan Fiduciary Net Position - Ending (b)	<u>\$ 587,283,771</u>	<u>\$ 551,694,135</u>	<u>\$ 593,047,190</u>
City's Net Pension Liability - Ending (a) - (b)	\$ 41,744,785	\$ 57,836,956	\$ (681,572)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	93.36%	90.51%	100.12%
Covered-employee Payroll	\$ 53,951,321	\$ 57,804,651	\$ 59,303,500
City's Net Position Liability as a Percentage of Covered-employee Payroll	77.37%	100.06%	1.15%

*This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available. The discount rate assumption assumption changed from 7.55% to 7.50%.

CITY OF FORT LAUDERDALE, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF CONTRIBUTIONS
GENERAL EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS***

	2016	2015	2014
Actuarially Determined Contribution	\$ 14,393,012	\$ 15,501,180	\$ 15,061,353
Actual Contribution	14,393,012	15,501,180	15,061,353
Contribution Deficiency (Excess)	\$ -	\$ -	-
Covered-employee Payroll	\$ 53,951,321	\$ 57,804,651	\$ 59,303,500
Contributions as a Percentage of Covered-employee Payroll	26.68%	26.82%	25.40%

Notes to Schedule:

Valuation Date: 9/30/2014

Actuarially determined contribution rates are calculated as of September 30, which is two year(s) prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	28 years
Asset Valuation Method	5-year smoothed market
Inflation	3.00%
Salary Increases	4.00% to 9.50% depending on age, including inflation
Investment Rate of Return	7.55%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvements projected to all future years after 2000 using Scale AA.
Other Information	See Summary of Valuation Results from the September 30, 2014 Actuarial Valuation Report. Effective in the September 30, 2015 Actuarial Valuation Report, the investment return assumption was lowered from 7.55% to 7.50%.

Termination, Disability and Salary Rate Tables

Age	% Terminating During the Year	% Becoming	
		Disabled During the Year	Average Salary Increase
20	18.6%	0.14%	7.8%
30	11.0%	0.18%	6.3%
40	9.2%	0.30%	5.4%

*Note: This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

CITY OF FORT LAUDERDALE, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
POLICE AND FIREFIGHTERS' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS***

	2016	2015	2014	2013
Total Pension Liability				
Service Cost	\$ 19,199,538	\$ 18,531,300	\$ 18,025,712	\$ 16,768,104
Interest	62,181,617	60,367,031	57,797,227	55,119,489
Change in Excess State Money	-	-	(1,223,158)	-
Share Plan Allocation	1,732,185	1,826,197	2,561,814	-
Changes of Benefit Terms	-	1,097,988	-	-
Differences between Expected and Actual Experience	(5,100,657)	(7,319,054)	-	-
Assumption Changes	16,504,779	(2,194,981)	-	-
Contributions - Buy Back	73,763	43,865	-	-
Contributions - Transfer from General Plan	-	26,692	-	-
Benefit Payments, Including Refunds of Employee Contributions	(48,849,184)	(46,660,430)	(44,137,555)	(31,351,671)
Net Change in Total Pension Liability	45,742,041	25,718,608	33,024,040	40,535,922
Total Pension Liability - Beginning	834,313,286	808,594,678	775,570,638	735,034,716
Total Pension Liability - Ending (a)	\$ 880,055,327	\$ 834,313,286	\$ 808,594,678	\$ 775,570,638
Plan Fiduciary Net Position				
Contributions - Employer	\$ 13,867,934	\$ 15,599,916	\$ 14,498,457	\$ 11,219,401
Contributions - State	5,860,782	5,799,229	5,875,363	6,053,952
Contributions - Employee	5,732,925	5,584,263	5,581,044	4,113,451
Contributions - Buy Back	73,763	43,865	-	-
Contributions - Transfer from General Plan	-	26,692	-	-
Net Investment Income	63,676,001	5,969,880	59,358,824	69,488,348
Benefit Payments, Including Refunds of Member Contributions	(48,849,184)	(46,660,430)	(44,137,555)	(31,351,671)
Administrative Expense	(651,146)	(692,348)	(647,397)	(507,376)
Other	-	-	4,000,034	-
Net Change in Plan Fiduciary Net Position	39,711,075	(14,328,933)	44,528,770	59,016,105
Plan Fiduciary Net Position - Beginning	774,549,469	788,878,402	744,349,632	685,333,527
Plan Fiduciary Net Position - Ending (b)	\$ 814,260,544	\$ 774,549,469	\$ 788,878,402	\$ 744,349,632
City's Net Pension Liability - Ending (a) - (b)	\$ 65,794,783	\$ 59,763,817	\$ 19,716,276	\$ 31,221,006
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.52%	92.84%	97.56%	95.97%
Covered Payroll	\$ 69,470,181	\$ 68,064,001	\$ 67,279,327	\$ 65,886,733
City's Net Position Liability as a Percentage of Covered Payroll	94.71%	87.81%	29.31%	47.39%

*Note: This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available. The covered payroll figures shown are in compliance with GASB 82.

Changes of assumptions: For measurement date 9/30/2016, as a result of Charter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the assumptions used by the Florida Retirement System for special risk employees. The inflation assumption rate was lowered from 3.0% to 2.3%, matching the long-term inflation assumption utilized by the Plan's investment consultant. For measurement date 9/30/2015, amounts reported as assumption changes were resulted from an actuarial experience study dated July 10, 2015 the Board approved numerous changes to the actuarial assumptions and methods in conjunction with the 10/01/2015 Valuation. The following assumptions/methods have been changed, and the specifics of the approved assumptions are displayed in the actuarial assumptions and methods section of the 10/01/2015 Valuation. 1) Asset Valuation Method (with a "Fresh Start"), 2) Retirement Rates, 3) Withdrawal Rates, and 4) Disability Rates (Police only).

For measurement date 9/30/2015, amounts reported as changes of benefit terms were resulted from:

- 1) For Firefighters hired on or after October 1, 2014:
 - a) The Average Monthly Earnings period will be increased from 2 to 5 years.
 - b) The benefit accrual rate will be decreased from 3.38% to 3.0% for each year of Credited Service.
 - c) The maximum accrual rate will be decreased from 81.0% to 75.0% of Average Monthly Earnings.
 - d) For each month a Firefighter delays entry into DROP following completion of 25 years of Credited Service, the 96 month maximum DROP participation period shall be correspondingly reduced by one month.
 - e) The Normal Form of Benefit will be changed from 60% joint and contingent survivor to 10-Year Certain and Life.
- 2) Eliminating the interest component on refunds of Member Contributions for all Firefighters who separate employment with the City on or after October 1, 2014.
- 3) Amending the definition of Salary to provide that pensionable earnings for Firefighters will be increased from 144 hours to 159 hours for each 21-day period.
- 4) Implementing a special formula to determine the amount of Chapter 175 premium tax revenues that the City will be able to utilize to offset its funding requirements, effective for the plan year beginning on October 1, 2014.

CITY OF FORT LAUDERDALE, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF CONTRIBUTIONS
POLICE AND FIREFIGHTERS' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS***

	2016	2015	2014	2013
Actuarially Determined Contribution	\$ 17,665,942	\$ 18,913,469	\$ 19,012,474	\$ 14,208,593
Actual Contribution	17,996,531	18,913,469	19,012,474	14,208,593
Contribution Deficiency (Excess)	\$ (330,589)	\$ -	\$ -	\$ -
Covered Payroll	\$ 69,470,181	\$ 68,064,001	\$ 67,279,327	\$ 65,886,733
Contributions as a Percentage of Covered Payroll	25.91%	27.79%	28.26%	21.57%

Valuation Date: 10/1/2014 (AIS 9/10/2015)

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding method: Entry Age Normal Actuarial Cost Method
 Amortization method: Level Percentage of Pay, Closed
 Remaining amortization period: 20 Years
 Mortality: RP - 2000 Table projected by Scale AA to 2012.
 Disability rates: RP - 2000 Disable Table projected by Scale AA to 2012.
 Interest rate: 7.50% per year compounded annually, net of investment related expenses.
 Retirement Rates:

Service	Probability of Retirement (Police)	Probability of Retirement (Fire)
20-22	45%	40%
23-24	50%	30%
25-30	15%	15%
30+	100%	100%

No Members are expected to take early retirement.

Salary Increases:	Annual % Increase
Service 1-6	3.00%
7-10	2.50%
11-25	1.00%
26+	0.50%

Expected increase in annual salary in addition to 2.75% inflammatory component.

Cost of Living: None
 Payroll Increases: 2.0% per year.
 Marital Status: All employed members and all retired members are assumed to be married. Females are assumed to be 3 years younger than males.
 Actuarial Value of Assets: The Actuarial Value of Assets is calculated by recognizing 20% of the difference between the Market Value of Assets and the expected Actuarial Value of Assets.

*Note: This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available. The covered payroll figures are in compliance with GASB 82.
 Actual contributions include certain Chapter 175/185 nonemployer contributing entity amounts.

CITY OF FORT LAUDERDALE, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

**OTHER POST-EMPLOYMENT BENEFITS
LAST THREE FISCAL YEARS
(IN MILLIONS)**

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Projected Unit Cost	Unfunded AAL (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a % of Covered Payroll
10/1/2015	\$ 11.8	\$ 56.7	\$ 44.9	20.8%	\$ 147.6	30.4%
10/1/2014	8.6	49.9	38.1	23.6%	142.8	26.7%
10/1/2013	-	56.6	48.0	15.2%	141.6	33.9%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ended In	AOC	Contribution	Percent Contributed	NOO
2016	\$ 6.6	\$ 3.9	58.9%	\$ 10.6
2015	4.9	5.9	118.8%	7.9
2014	5.3	11.2	211.5%	8.8

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION:

Budgetary Data

The City Commission follows these procedures in establishing the budgetary data reflected in the financial statements:

- (1) Prior to August 1, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing on October 1. The operating budget includes proposed expenditures and the means of financing them.
- (2) Public hearings are conducted.
- (3) Prior to October 1, the budget is legally enacted.
- (4) The level of control (level at which expenditures may not exceed budget) is the department. The City Manager is authorized to transfer budgeted amounts within departments of any fund. The City Commission must approve any revisions that alter the total expenditures of any department.
- (5) Annual budgets are adopted for all governmental and proprietary funds except for the capital project funds. The original and final budgets, as presented, include re-appropriated encumbrances of the prior year. The budgets have been adopted on a basis consistent with GAAP with the following exceptions: Budgetary expenditures include GAAP expenditures adjusted for encumbrances at September 30, 2016 and principal on the long-term debt of proprietary funds. Unencumbered balances of appropriations lapse at year-end.

The reported budgetary data represents the final approved budget after amendments adopted by the City Commission with one exception. Budgets for grants and shared revenues from other governmental units which do not lapse at year-end are only reported to the extent of revenues recognized and expenditures incurred for the current year. Individual amendments were not material in relation to the original adopted budget.



CITY OF FORT LAUDERDALE



Combining Financial
Statements

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than debt service or major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

Law Enforcement Confiscated Property Fund – to account for the proceeds from court awarded forfeitures of currency and personal property that are restricted to expenditure for law enforcement purposes.

Community Redevelopment Agency Fund – to account for the operation of the agency overseeing the financing and redevelopment of the designated redevelopment areas.

State Housing Initiative Partnership Fund – to account for revenues from the State Housing Initiative Partnership restricted to expenditure for low income housing.

Intergovernmental Revenue Fund – to account for revenues from Federal, State and local governments restricted to expenditure for specific current operating purposes or the acquisition of capital assets.

Beach Business Improvement District Fund – to account for the services and improvements to a portion of the beach area funded through assessments imposed on the businesses within that area.

Building Fund – to account for revenues derived from building permit fees restricted to expenditures associated with the enforcement of the Florida Building Code.

School Crossing Guards Fund – to account for revenues derived from parking citation surcharges restricted to expenditures related to the school crossing guard program.

Nuisance Abatement Fund – to account for fines collected due to public nuisance violations.

Special Assessment Fund – to account for revenues derived from special assessments fees restricted to expenditures related to the WAVE Modern Streetcar project.

Debt Service Funds

Debt Service funds are used to account for resources that are restricted, committed or assigned to payment of principal, interest and other expenditures on general long-term debt, other than bonds payable from the operations of the enterprise funds.

General Obligation Bonds Fund – to accumulate monies for payment of the Series 1997, 1998, 2002, 2005 and 2011 General Obligation Bonds with remaining principal and interest due in varying amounts until maturity in 2041.

Special Obligation Bonds Fund – to accumulate monies for payment of the Special Obligation Bonds with remaining principal and interest due in varying amounts until maturity in 2032.

CITY OF FORT LAUDERDALE, FLORIDA

COMBINING FINANCIAL STATEMENTS

Special Obligation Loans Fund – to accumulate monies for payment of the Special Obligation Loans with remaining principal and interest due in varying amounts until maturity in 2026.

Tax Increment Revenue Notes – to accumulate monies for payment of the Tax Increment Revenue Notes with remaining principal and interest due in varying amounts until maturity in 2025.

Capital Projects Funds

Capital projects funds are used to account for financial resources segregated for the acquisition or construction of major capital facilities other than those financed by enterprise operations.

General Capital Projects Fund – to account for the acquisition or construction of, or improvements to, major capital facilities.

General Obligation Construction Fund 2005 and 2011A – to account for the construction of, or improvements to fire rescue facilities financed through the issuance of long-term debt.

Excise Tax Construction Fund 1998C – to account for the acquisition or construction of, or improvements to, major capital facilities financed through the issuance of long-term debt.

Special Obligation Construction 2008B – to account for the acquisition or construction of, or improvements to, major capital facilities financed through the issuance of long-term debt.

Special Obligation Construction 2011A – to account for the acquisition or construction of, or improvements to, major capital facilities financed through the issuance of long-term debt.

Community Redevelopment Agency Projects Fund – to account for the construction of, or improvements to infrastructure within the designated redevelopment areas of the Community Redevelopment Agency.

Gas Tax Fund – to account for the construction of, or improvements to, streets and highways financed by county-shared gas tax revenues.

Parks Impact Fee Projects – to account for the construction of, or improvements to, parks facilities financed by impact fees.

Permanent Fund

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

Perpetual Care Fund – to account for a portion of the lot sale proceeds of the City's cemeteries to be used for maintenance of the cemetery grounds and lots.

CITY OF FORT LAUDERDALE, FLORIDA

COMBINING FINANCIAL STATEMENT

**COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
September 30, 2016**

	Special Revenue Funds				
	Law Enforcement Confiscated Property	Community Redevelopment Agency	State Housing Initiative Partnership	Intergovernmental Revenue	Beach Business Improvement District
ASSETS					
Cash and Cash Equivalents	\$ 3,020,198	\$ 481,575	\$ 603,596	\$ -	\$ 1,616,852
Investments	-	105,071	-	-	-
Accounts Receivable (Net)	-	2,356	-	271,778	19
Accrued Interest Receivable	-	-	-	-	-
Due from Other Governments	-	-	-	4,432,252	-
Inventories	-	-	16,667	2,755,594	-
Property Held for Resale	-	7,208,292	-	-	-
Deposits	-	-	-	-	-
Total Assets	3,020,198	7,797,294	620,263	7,459,624	1,616,871
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 450,051	\$ 304,084	\$ 39,571	\$ 1,676,708	\$ 31,738
Accrued Liabilities	12,926	18,873	-	10,552	-
Due to Other Governments	-	-	-	2,142	-
Due to Other Funds	-	-	-	361,842	-
Deposits	-	-	-	6,508	-
Unearned Revenue	-	-	564,025	162,223	19
Total Liabilities	462,977	322,957	603,596	2,219,975	31,757
Deferred Inflows					
Unavailable Property Tax Revenues	-	-	-	-	-
Unavailable Assessment Revenues	-	-	-	-	-
Unavailable Grant Revenues	-	-	-	2,133,582	-
Total Deferred Inflows	-	-	-	2,133,582	-
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	1,093,204	7,474,337	16,667	3,106,067	-
Committed	-	-	-	-	1,519,050
Assigned	1,464,017	-	-	-	66,064
Total Fund Balances	2,557,221	7,474,337	16,667	3,106,067	1,585,114
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 3,020,198	\$ 7,797,294	\$ 620,263	\$ 7,459,624	\$ 1,616,871

CITY OF FORT LAUDERDALE, FLORIDA

COMBINING FINANCIAL STATEMENT

Special Revenue Funds				Debt Service Funds	
Building	School Crossing Guards	Nuisance Abatement	Special Assessment	General Obligation Bonds	Special Obligation Bonds
\$ 34,624,811	\$ 431,652	\$ 342,845	\$ 466,523	\$ 772,683	\$ 14,280,049
-	-	-	-	-	-
-	-	-	21,183	100,088	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>34,624,811</u>	<u>431,652</u>	<u>342,845</u>	<u>487,706</u>	<u>872,771</u>	<u>14,280,049</u>
\$ 506,371	\$ 119,512	\$ 17,649	\$ -	\$ -	\$ -
116,586	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
194,930	-	-	466,464	-	-
-	-	-	21,183	-	-
<u>817,887</u>	<u>119,512</u>	<u>17,649</u>	<u>487,647</u>	<u>-</u>	<u>-</u>
-	-	-	-	99,626	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	<u>99,626</u>	<u>-</u>
-	-	-	-	-	-
33,806,924	312,140	325,196	59	773,145	14,280,049
-	-	-	-	-	-
-	-	-	-	-	-
<u>33,806,924</u>	<u>312,140</u>	<u>325,196</u>	<u>59</u>	<u>773,145</u>	<u>14,280,049</u>
\$ 34,624,811	\$ 431,652	\$ 342,845	\$ 487,706	\$ 872,771	\$ 14,280,049

CITY OF FORT LAUDERDALE, FLORIDA

COMBINING FINANCIAL STATEMENT

**COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS - Continued
September 30, 2016**

	Debt Service Funds		Capital Projects Funds		
	Special Obligation Loans	Tax Increment Revenue Notes	General Capital Projects	General Obligation Construction 2005 and 2011A	Special Obligation Construction 2008B
ASSETS					
Cash and Cash Equivalents	\$ 17,867	\$ 458,854	\$ 21,712,346	\$ 827,696	\$ -
Investments	-	-	-	12,509,596	2,711,814
Accounts Receivable (Net)	-	-	329,979	-	-
Accrued Interest Receivable	-	-	-	-	-
Due from Other Governments	-	-	-	-	-
Inventories	-	-	6,750	-	-
Property Held for Resale	-	-	-	-	-
Deposits	-	-	87,450	-	-
Total Assets	17,867	458,854	22,136,525	13,337,292	2,711,814
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ -	\$ -	\$ 534,220	\$ 78,684	\$ 348,733
Accrued Liabilities	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Deposits	-	-	29,876	-	-
Unearned Revenue	-	-	173,209	-	-
Total Liabilities	-	-	737,305	78,684	348,733
Deferred Inflows					
Unavailable Property Tax Revenues	-	-	-	-	-
Unavailable Assessment Revenues	-	-	245,935	-	-
Unavailable Grant Revenues	-	-	-	-	-
Total Deferred Inflows	-	-	245,935	-	-
Fund Balances:					
Nonspendable	-	-	6,750	-	-
Restricted	17,867	458,854	-	13,258,608	2,363,081
Committed	-	-	-	-	-
Assigned	-	-	21,146,535	-	-
Total Fund Balances	17,867	458,854	21,153,285	13,258,608	2,363,081
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 17,867	\$ 458,854	\$ 22,136,525	\$ 13,337,292	\$ 2,711,814

CITY OF FORT LAUDERDALE, FLORIDA

COMBINING FINANCIAL STATEMENT

Capital Projects Funds				Permanent	
Special Obligation Construction 2011A	Community Redevelopment Agency Projects	Gas Tax	Parks Impact Fee Projects	Perpetual Care	Total Nonmajor Governmental Funds
\$ -	\$ 3,180,372	\$ 348,809	\$ 7,821,756	\$ 4,801	\$ 91,013,285
3,174,440	61,266,868	-	-	27,025,839	106,793,628
-	-	-	-	-	725,403
-	-	-	-	75,645	75,645
-	159,884	59,167	-	-	4,651,303
-	-	-	-	-	2,779,011
-	-	-	-	-	7,208,292
-	-	-	-	-	87,450
<u>3,174,440</u>	<u>64,607,124</u>	<u>407,976</u>	<u>7,821,756</u>	<u>27,106,285</u>	<u>213,334,017</u>
\$ 25,723	\$ 246,179	\$ 56,134	\$ 8,736	\$ 215,190	\$ 4,659,283
-	-	-	-	-	158,937
-	-	-	-	-	2,142
-	-	-	-	1,574	363,416
-	-	-	-	-	697,778
-	-	-	-	-	920,659
<u>25,723</u>	<u>246,179</u>	<u>56,134</u>	<u>8,736</u>	<u>216,764</u>	<u>6,802,215</u>
-	-	-	-	-	99,626
-	-	-	-	-	245,935
-	-	-	-	-	2,133,582
-	-	-	-	-	2,479,143
-	-	-	-	14,307,756	14,314,506
3,148,717	64,360,945	19,472	7,813,020	12,581,765	165,210,117
-	-	-	-	-	1,519,050
-	-	332,370	-	-	23,008,986
<u>3,148,717</u>	<u>64,360,945</u>	<u>351,842</u>	<u>7,813,020</u>	<u>26,889,521</u>	<u>204,052,659</u>
<u>\$ 3,174,440</u>	<u>\$ 64,607,124</u>	<u>\$ 407,976</u>	<u>\$ 7,821,756</u>	<u>\$ 27,106,285</u>	<u>\$ 213,334,017</u>

CITY OF FORT LAUDERDALE, FLORIDA

COMBINING FINANCIAL STATEMENT

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2016**

	Special Revenue Funds				
	Law Enforcement Confiscated Property	Community Redevelopment Agency	State Housing Initiative Partnership	Intergovern- mental Revenue	Beach Business Improvement District
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	1,000
Intergovernmental Revenues	-	9,566,657	848,433	14,110,106	-
Charges for Services	277,512	-	-	-	-
Fines and Forfeitures	2,256,533	-	-	-	-
Miscellaneous Revenues:					
Assessments and Other Fees	-	-	-	-	788,584
Investment Income	26,463	67,445	12,823	9,588	21,762
Rents and Concessions	-	-	-	160,000	-
Contributions and Donations	-	-	-	-	-
Other Miscellaneous	18,233	127,139	25,485	538,660	-
Total Revenues	2,578,741	9,761,241	886,741	14,818,354	811,346
EXPENDITURES					
Current:					
General Government	\$ -	\$ -	\$ -	22,912	\$ -
Public Safety	1,954,793	-	-	401,175	-
Physical Environment	-	-	-	-	-
Transportation	-	-	-	1,223,979	-
Economic Environment	-	3,200,410	886,741	9,407,486	634,826
Culture/Recreation	-	-	-	221,615	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Capital Outlay	278,736	-	-	1,527,500	-
Total Expenditures	2,233,529	3,200,410	886,741	12,804,667	634,826
Excess (Deficiency) of Revenues Over (Under) Expenditures	345,212	6,560,831	-	2,013,687	176,520
OTHER FINANCING SOURCES (USES)					
Transfers In	-	5,411,481	-	1,231,184	-
Transfers (Out)	(14,930)	(14,333,574)	-	(99,622)	-
Total Other Financing Sources (Uses)	(14,930)	(8,922,093)	-	1,131,562	-
Net Change in Fund Balances	330,282	(2,361,262)	-	3,145,249	176,520
Fund Balances - Beginning	2,226,939	9,835,599	16,667	(39,182)	1,408,594
Fund Balances - Ending	\$ 2,557,221	\$ 7,474,337	\$ 16,667	\$ 3,106,067	\$ 1,585,114

CITY OF FORT LAUDERDALE, FLORIDA

COMBINING FINANCIAL STATEMENT

Special Revenue Funds				Debt Service Funds	
Building	School Crossing Guards	Nuisance Abatement	Special Assessment	General Obligation Bonds	Special Obligation Bonds
\$ -	\$ -	\$ -	\$ -	\$ 4,823,936	\$ -
18,043,304	-	-	-	-	-
-	-	-	-	-	-
110,508	-	120,131	-	-	-
-	1,083,621	-	-	-	-
-	-	-	1,886,843	-	-
377,214	3,112	3,615	307	685	-
-	-	-	-	-	-
-	-	-	-	-	-
48,692	-	156,442	-	-	-
18,579,718	1,086,733	280,188	1,887,150	4,824,621	-
\$ -	\$ 930,376	\$ 316,060	\$ -	\$ -	\$ 10,970
13,181,852	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,887,091	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	3,450,000	15,470,000
-	-	-	-	1,310,891	10,888,764
68,251	-	-	-	-	-
13,250,103	930,376	316,060	1,887,091	4,760,891	26,369,734
5,329,615	156,357	(35,872)	59	63,730	(26,369,734)
-	-	150,000	-	-	26,358,764
(638,945)	-	-	-	-	-
(638,945)	-	150,000	-	-	26,358,764
4,690,670	156,357	114,128	59	63,730	(10,970)
29,116,254	155,783	211,068	-	709,415	14,291,019
\$ 33,806,924	\$ 312,140	\$ 325,196	\$ 59	\$ 773,145	\$ 14,280,049

CITY OF FORT LAUDERDALE, FLORIDA

COMBINING FINANCIAL STATEMENT

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
ALL NONMAJOR GOVERNMENTAL FUNDS - Continued
For the Year Ended September 30, 2016**

	Debt Service Funds		Capital Projects Funds		
	Special Obligation Loans	Tax Increment Revenue Notes	General Capital Projects	General Obligation Construction 2005 and 2011A	Special Obligation Construction 2008B
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-
Intergovernmental Revenues	-	-	389,267	-	-
Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Miscellaneous Revenues:					
Assessments and Other Fees	-	-	129,926	-	-
Investment Income	-	2,013	244,756	1,406	23,629
Rents and Concessions	-	-	-	-	-
Contributions and Donations	-	-	80,818	-	-
Other Miscellaneous	-	-	3,813	-	-
Total Revenues	-	2,013	848,580	1,406	23,629
EXPENDITURES					
Current:					
General Government	\$ -	\$ -	\$ 1,393	\$ 111	\$ 1,441
Public Safety	-	-	-	-	-
Physical Environment	-	-	-	-	-
Transportation	-	-	-	-	-
Economic Environment	-	-	-	-	-
Culture/Recreation	-	-	-	-	-
Debt Service:					
Principal Retirement	2,884,300	346,000	-	-	-
Interest and Fiscal Charges	528,194	235,957	-	-	-
Capital Outlay	-	-	4,279,384	473,820	1,122,493
Total Expenditures	3,412,494	581,957	4,280,777	473,931	1,123,934
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,412,494)	(579,944)	(3,432,197)	(472,525)	(1,100,305)
OTHER FINANCING SOURCES (USES)					
Transfers In	3,416,494	582,531	8,745,254	850,000	-
Transfers (Out)	-	-	(479,744)	-	-
Total Other Financing Sources (Uses)	3,416,494	582,531	8,265,510	850,000	-
Net Change in Fund Balances	4,000	2,587	4,833,313	377,475	(1,100,305)
Fund Balances - Beginning	13,867	456,267	16,319,972	12,881,133	3,463,386
Fund Balances - Ending	\$ 17,867	\$ 458,854	\$ 21,153,285	\$ 13,258,608	\$ 2,363,081

CITY OF FORT LAUDERDALE, FLORIDA

COMBINING FINANCIAL STATEMENT

Capital Projects Funds					Permanent	
Special Obligation Construction 2011A	Community Redevelopment Agency Projects	Gas Tax	Parks Impact Fee Projects	Perpetual Care	Total Nonmajor Governmental Funds	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,823,936	
-	-	-	-	-	18,044,304	
-	159,884	710,000	-	-	25,784,347	
-	-	-	-	-	508,151	
-	-	-	-	-	3,340,154	
-	-	-	1,533,012	-	4,338,365	
24,432	462,602	3,694	88,780	2,434,264	3,808,590	
-	-	-	-	-	160,000	
-	-	-	-	-	80,818	
-	-	-	-	685,722	1,604,186	
<u>24,432</u>	<u>622,486</u>	<u>713,694</u>	<u>1,621,792</u>	<u>3,119,986</u>	<u>62,492,851</u>	
\$ 188	\$ -	\$ 301	\$ 170	\$ -	\$ 1,283,922	
-	-	-	-	-	15,537,820	
-	-	-	-	1,004,475	1,004,475	
-	-	-	-	-	3,111,070	
-	-	-	-	-	14,129,463	
-	-	-	-	-	221,615	
-	-	-	-	-	22,150,300	
-	-	-	-	-	12,963,806	
165,868	4,954,899	690,227	866,651	70,182	14,498,011	
<u>166,056</u>	<u>4,954,899</u>	<u>690,528</u>	<u>866,821</u>	<u>1,074,657</u>	<u>84,900,482</u>	
(141,624)	(4,332,413)	23,166	754,971	2,045,329	(22,407,631)	
-	13,580,879	50,000	-	-	60,376,587	
-	-	-	-	-	(15,566,815)	
-	13,580,879	50,000	-	-	44,809,772	
(141,624)	9,248,466	73,166	754,971	2,045,329	22,402,141	
3,290,341	55,112,479	278,676	7,058,049	24,844,192	181,650,518	
<u>\$ 3,148,717</u>	<u>\$ 64,360,945</u>	<u>\$ 351,842</u>	<u>\$ 7,813,020</u>	<u>\$ 26,889,521</u>	<u>\$ 204,052,659</u>	

Nonmajor Enterprise Funds and Internal Service Funds

Enterprise Funds

Each of the enterprise funds accounts for all activities necessary to provide the respective services of the fund, including but not limited to, administration, operations, maintenance, financing and related debt service.

Sanitation Fund – to account for the provision of solid waste disposal services to City residents, including collection and disposal of solid waste, curbside recycling, street sweeping, lot clearing and canal cleaning.

Parking System Fund - to account for the operations of various parking facilities throughout the City.

Airport Fund - to account for the operation of the Fort Lauderdale Executive Airport.

Stormwater Fund - to account for the development and operation of the City's stormwater management program.

Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department or fund to the other departments or funds of the City on a cost reimbursement basis.

City Insurance Fund - to account for the costs of insuring the City in the areas of general liability, auto liability, workers' compensation, police professional liability, employment practices and medical benefits. The City is primarily self-insured in these areas. Other funds are billed to cover actual costs of premiums and claims and to maintain an adequate balance in fund equity.

Central Services Fund - to account for the costs of providing communications and printing services to other departments. The other departments are billed at actual cost.

Vehicle Rental Fund - to account for the costs of operating a maintenance facility for City vehicles. Departments are billed to cover operating costs and to provide for future replacement of the vehicles. Funding for the initial purchase of vehicles is provided by the user departments.

CITY OF FORT LAUDERDALE, FLORIDA

COMBINING STATEMENT OF NET POSITION

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
September 30, 2016

	Sanitation	Parking System	Airport	Stormwater	Total Nonmajor Enterprise Funds
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 7,146,168	\$ 22,019,265	\$ 18,908,262	\$ 15,185,373	\$ 63,259,068
Restricted Cash and Cash Equivalents	1,012,460	32,358	839,695	-	1,884,513
Accounts Receivable - (Net)	1,535,636	-	473,044	1,617,772	3,626,452
Due from Other Governments	57,904	300	133,338	353,812	545,354
Prepaid Items	-	-	212,519	-	212,519
Total Current Assets	9,752,168	22,051,923	20,566,858	17,156,957	69,527,906
Noncurrent Assets:					
Restricted Assets:					
Cash and Cash Equivalents	-	1,374	1,738,663	-	1,740,037
Total Restricted Assets	-	1,374	1,738,663	-	1,740,037
Investment in Joint Venture	-	651,179	-	-	651,179
Capital Assets:					
Land	1,006,568	14,679,983	2,677,713	6,052,071	24,416,335
Construction in Progress	-	2,580,394	292,114	1,923,263	4,795,771
Building	685,014	28,532,749	9,241,518	-	38,459,281
Improvements	2,117,586	4,440,723	59,475,891	13,858,697	79,892,897
Infrastructure	-	82,437	-	-	82,437
Machinery, Equipment and Vehicles	3,261,725	7,980,463	2,550,466	1,832,777	15,625,431
Less: Accumulated Depreciation	(2,991,872)	(28,223,223)	(37,699,999)	(8,367,020)	(77,282,114)
Total Capital Assets (Net)	4,079,021	30,073,526	36,537,703	15,299,788	85,990,038
Total Noncurrent Assets	4,079,021	30,726,079	38,276,366	15,299,788	88,381,254
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflows for Pensions	1,643,784	1,161,820	472,389	695,815	3,973,808
Total Deferred Outflows of Resources	1,643,784	1,161,820	472,389	695,815	3,973,808
Total Assets and Deferred Outflows of Resources	15,474,973	53,939,822	59,315,613	33,152,560	161,882,968
LIABILITIES					
Current Liabilities:					
Accounts Payable	868,950	440,540	365,755	521,667	2,196,912
Accrued Liabilities	99,050	73,656	27,673	30,073	230,452
Unearned Revenues	-	-	-	341,417	341,417
Compensated Absences Payable	122,237	58,962	56,105	42,659	279,963
Landfill Post-Closure Costs	43,446	-	-	-	43,446
Current Liabilities Payable from Restricted Assets:					
Deposits	1,012,460	32,358	839,695	-	1,884,513
Total Current Liabilities	2,146,143	605,516	1,289,228	935,816	4,976,703
Noncurrent Liabilities:					
Net Pension Liabilities	2,149,856	1,519,510	617,823	910,036	5,197,225
Net OPEB Obligation	221,707	170,712	46,172	58,507	497,098
Compensated Absences Payable	681,091	461,982	231,313	211,467	1,585,853
Landfill Post-Closure Costs	828,334	-	-	-	828,334
Total Noncurrent Liabilities	3,880,988	2,152,204	895,308	1,180,010	8,108,510
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows for Pensions	112,342	79,403	32,285	47,555	271,585
Total Deferred Inflows of Resources	112,342	79,403	32,285	47,555	271,585
Total Liabilities and Deferred Inflows of Resources	6,139,473	2,837,123	2,216,821	2,163,381	13,356,798
NET POSITION					
Net Investment in Capital Assets	4,079,021	30,073,526	36,537,703	15,299,788	85,990,038
Restricted:					
Renewal and Replacement	-	1,374	-	-	1,374
Capital Improvements	-	-	1,738,663	-	1,738,663
Unrestricted	5,256,479	21,027,799	18,822,426	15,689,391	60,796,095
Total Net Position	\$ 9,335,500	\$ 51,102,699	\$ 57,098,792	\$ 30,989,179	\$ 148,526,170

CITY OF FORT LAUDERDALE, FLORIDA

COMBINING STATEMENT OF NET POSITION

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
For The Year Ended September 30, 2016**

	Sanitation	Parking System	Airport	Stormwater	Total Nonmajor Enterprise Funds
Operating Revenues:					
Charges for Services	\$ 15,006,391	\$ 13,602,882	\$ 3,385,786	\$ 8,797,088	\$ 40,792,147
Equity in Joint Venture	-	174,627	-	-	174,627
Parking Citations	-	3,671,762	-	-	3,671,762
Land Leases	-	-	3,423,366	-	3,423,366
Miscellaneous Income	230,127	276,113	330,618	9,709	846,567
Total Operating Revenues	15,236,518	17,725,384	7,139,770	8,806,797	48,908,469
Operating Expenses:					
Personal Services	7,797,789	5,690,957	1,853,146	2,714,698	18,056,590
Material, Supplies, and Operating expenses	15,066,814	9,535,741	6,069,584	3,730,163	34,402,302
Depreciation	442,141	1,086,555	2,609,866	861,047	4,999,609
Total Operating Expenses	23,306,744	16,313,253	10,532,596	7,305,908	57,458,501
Operating Income (Loss)	(8,070,226)	1,412,131	(3,392,826)	1,500,889	(8,550,032)
Nonoperating Revenues:					
Interest Income	170,638	263,304	256,436	219,796	910,174
Sale of Capital Assets	-	7,873	-	-	7,873
Gain (Loss) on Disposal	15,329	-	-	-	15,329
Total Nonoperating Revenues (Expenses)	185,967	271,177	256,436	219,796	933,376
Income Before Contributions and Transfers	(7,884,259)	1,683,308	(3,136,390)	1,720,685	(7,616,656)
Capital Contributions	-	-	502,934	699,239	1,202,173
Transfers In	4,148,539	99,622	1,342,735	-	5,590,896
Transfers (Out)	(675,330)	(586,277)	(174,395)	(202,754)	(1,638,756)
Change in Net Position	(4,411,050)	1,196,653	(1,465,116)	2,217,170	(2,462,343)
Net Position - Beginning	13,746,550	49,906,046	58,563,908	28,772,009	150,988,513
Net Position - Ending	\$ 9,335,500	\$ 51,102,699	\$ 57,098,792	\$ 30,989,179	\$ 148,526,170

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

CITY OF FORT LAUDERDALE, FLORIDA

COMBINING STATEMENT OF NET POSITION

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For The Year Ended September 30, 2016

	Sanitation	Parking System	Airport	Stormwater	Total Nonmajor Enterprise Funds
Cash Flows from Operating Activities					
Receipts from Customers and Users	\$ 15,445,748	\$ 17,549,742	\$ 7,772,177	\$ 8,101,907	\$ 48,869,574
Payments to Suppliers	(14,688,618)	(3,888,588)	(2,514,701)	(1,732,237)	(22,824,144)
Payments to Employees	(7,117,531)	(5,196,849)	(1,966,614)	(2,533,727)	(16,814,721)
Payments to Other Funds	(500,047)	(5,709,156)	(3,476,845)	(1,909,912)	(11,595,960)
Net Cash Provided (Used) by Operating Activities	(6,860,448)	2,755,149	(185,983)	1,926,031	(2,365,251)
Cash Flows from Noncapital Financing Activities					
Transfers from Other Funds	4,148,539	99,622	1,342,735	-	5,590,896
Transfers (to) Other Funds	(675,330)	(586,277)	(174,395)	(202,754)	(1,638,756)
Net Cash Provided (Used) by Noncapital Financing Activities	3,473,209	(486,655)	1,168,340	(202,754)	3,952,140
Cash Flows from Capital and Related Financing Activities					
Acquisition/Construction of Capital Assets	(1,600,263)	(1,121,466)	(1,608,319)	(2,307,695)	(6,637,743)
Contributions	-	-	502,934	699,239	1,202,173
Investment in Joint Venture	-	222,220	-	-	222,220
Proceeds from Sale of Capital Assets	15,329	-	-	-	15,329
Net Cash (Used) Provided by Capital and Related Financing Activities	(1,584,934)	(899,246)	(1,105,385)	(1,608,456)	(5,198,021)
Cash Flows from Investing Activities					
Interest Income on Investments	170,638	263,304	256,436	219,796	910,174
Net Cash Provided by Investing Activities	170,638	263,304	256,436	219,796	910,174
Net Increase (Decrease) in Cash and Cash Equivalents	(4,801,535)	1,632,552	133,408	334,617	(2,700,958)
Cash and Cash Equivalents at Beginning of Year	12,960,163	20,420,445	21,353,212	14,850,756	69,584,576
Cash and Cash Equivalents at End of Year	\$ 8,158,628	\$ 22,052,997	\$ 21,486,620	\$ 15,185,373	\$ 66,883,618
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities					
Operating Income (Loss)	\$ (8,070,226)	\$ 1,412,131	\$ (3,392,826)	\$ 1,500,889	\$ (8,550,032)
Depreciation	442,141	1,086,555	2,609,866	861,047	4,999,609
Equity in Earnings on Unconsolidated Joint Venture	-	(174,627)	-	-	(174,627)
Change in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	166,860	-	203,948	(481,084)	(110,276)
Decrease in Due from Other Governments	14,014	(300)	(70,854)	(322,855)	(379,995)
(Increase) in Prepaid Expenses	-	-	1,101	-	1,101
Increase (Decrease) in Accounts Payable	(79,415)	(62,003)	76,937	29,715	(34,766)
Increase in Accrued Liabilities	(132,048)	(114,249)	(39,166)	(54,187)	(339,650)
Increase (Decrease) in Unearned Revenues	-	-	(31,561)	99,049	67,488
Increase (Decrease) in Deposits	28,356	(715)	530,874	-	558,515
(Decrease) in Pension Liabilities	(828,747)	(585,755)	(238,164)	(350,810)	(2,003,476)
Decrease in Deferred Outflows	713,253	504,124	204,973	301,922	1,724,272
Increase in Deferred Inflows	538,457	380,580	154,741	227,930	1,301,708
(Decrease) in Net OPEB Obligation	224,133	169,749	47,949	58,299	500,130
Increase (Decrease) in Compensated Absences and Longevity	165,210	139,659	(243,801)	56,116	117,184
(Decrease) in Landfill Post-Closure Costs	(42,436)	-	-	-	(42,436)
Total Adjustments	1,209,778	1,343,018	3,206,843	425,142	6,184,781
Net Cash Provided by (Used in) Operating Activities	\$ (6,860,448)	\$ 2,755,149	\$ (185,983)	\$ 1,926,031	\$ (2,365,251)

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

CITY OF FORT LAUDERDALE, FLORIDA

COMBINING STATEMENT OF NET POSITION

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
September 30, 2016**

	City Insurance	Central Services	Vehicle Rental	Total
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 39,282,212	\$ 8,991,717	\$ 13,980,311	\$ 62,254,240
Accounts Receivable (Net)	282	16,042	15,075	31,399
Inventory	-	71,125	-	71,125
Deposits	25,000	-	-	25,000
Total Current Assets	39,307,494	9,078,884	13,995,386	62,381,764
Capital Assets:				
Construction in Progress	-	225,632	107,410	333,042
Buildings	-	-	962,879	962,879
Improvements	-	3,464,148	724,255	4,188,403
Machinery, Equipment and Vehicles	176,385	9,746,483	54,481,338	64,404,206
Less Accumulated Depreciation	(145,185)	(8,491,363)	(44,372,122)	(53,008,670)
Total Capital Assets (Net)	31,200	4,944,900	11,903,760	16,879,860
DEFERRED OUTFLOWS OF RESOURCES				
Accumulated Decrease in Fair Value of				
Derivative Instruments	-	-	16,792	16,792
Change in Pension Assumptions	26,478	246,420	6,708	279,606
Loss on Pension Investments	212,909	1,981,465	53,937	2,248,311
Total Deferred Outflows of Resources	239,387	2,227,885	77,437	2,544,709
Total Assets and Deferred Outflows of Resources	39,578,081	16,251,669	25,976,583	81,806,333
LIABILITIES				
Current Liabilities:				
Accounts Payable	607,437	637,700	741,356	1,986,493
Accrued Liabilities	21,804	131,973	5,827	159,604
Derivative Instruments	-	-	16,792	16,792
Capital Leases Payable	-	440,188	-	440,188
Estimated Claims Payable	7,898,340	-	-	7,898,340
Compensated Absences and Longevity	30,929	161,268	3,195	195,392
Total Current Liabilities	8,558,510	1,371,129	767,170	10,696,809
Noncurrent Liabilities:				
Capital Leases Payable	-	1,428,314	-	1,428,314
Estimated Claims Payable	25,659,857	-	-	25,659,857
Net Pension Liabilities	313,086	2,913,786	79,315	3,306,187
Net OPEB Obligation	8,839	200,316	8,137	217,292
Compensated Absences Payable	211,393	1,111,186	26,670	1,349,249
Total Noncurrent Liabilities	26,193,175	5,653,602	114,122	31,960,899
DEFERRED INFLOWS OF RESOURCES				
Difference Between Expected and				
Actual Experience	16,361	152,262	4,145	172,768
Total Deferred Inflows of Resources	16,361	152,262	4,145	172,768
Total Liabilities and Deferred Inflows of Resources	34,768,046	7,176,993	885,437	42,830,476
NET POSITION				
Net Investment in Capital Assets	31,200	3,076,398	11,903,760	15,011,358
Unrestricted	4,778,835	5,998,278	13,187,386	23,964,499
Total Net Position	\$ 4,810,035	\$ 9,074,676	\$ 25,091,146	\$ 38,975,857

CITY OF FORT LAUDERDALE, FLORIDA

COMBINING STATEMENT OF NET POSITION

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2016**

	<u>City Insurance</u>	<u>Central Services</u>	<u>Vehicle Rental</u>	<u>Total</u>
Operating Revenues:				
Charges for Services	\$ 41,096,258	\$ 19,206,128	\$ 15,725,661	\$ 76,028,047
Miscellaneous Revenues	-	25,163	1,042,714	1,067,877
Total Operating Revenues	41,096,258	19,231,291	16,768,375	77,095,924
Operating Expenses:				
Personal Services	1,680,413	9,114,247	365,701	11,160,361
Current Expenses	38,779,562	7,225,967	10,968,520	56,974,049
Depreciation	10,400	1,045,918	5,132,411	6,188,729
Total Operating Expenses	40,470,375	17,386,132	16,466,632	74,323,139
Operating Income (Loss)	625,883	1,845,159	301,743	2,772,785
Nonoperating Revenues (Expenses)				
Interest Income	455,263	73,908	158,334	687,505
Interest Expense	-	(55,178)	-	(55,178)
Gain (Loss) on Disposal	-	-	96,823	96,823
Total Nonoperating Revenues (Expenses)	455,263	18,730	255,157	729,150
Income Before Transfers	1,081,146	1,863,889	556,900	3,501,935
Transfers In	-	4,562,500	-	4,562,500
Transfers (Out)	(280,070)	(1,095,119)	(98,498)	(1,473,687)
Change in Net Position	801,076	5,331,270	458,402	6,590,748
Net Position - Beginning	4,008,959	3,743,406	24,632,744	32,385,109
Net Position - Ending	\$ 4,810,035	\$ 9,074,676	\$ 25,091,146	\$ 38,975,857

CITY OF FORT LAUDERDALE, FLORIDA

COMBINING STATEMENT OF NET POSITION

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For The Year Ended September 30, 2016**

	City Insurance	Central Services	Vehicle Rental	Total
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 41,096,128	\$ 19,231,759	\$ 16,764,337	\$ 77,092,224
Payments to Suppliers	(37,357,570)	(5,489,695)	(12,092,027)	(54,939,292)
Payments to Employees	(1,546,350)	(8,272,858)	(348,910)	(10,168,118)
Payments to Other Funds	(1,307,170)	(1,497,139)	(536,258)	(3,340,567)
Net Cash Provided by Operating Activities	885,038	3,972,067	3,787,142	8,644,247
Cash Flows from Noncapital Financing Activities				
Transfers from Other Funds	-	4,562,500	-	4,562,500
Transfers (to) Other Funds	(280,070)	(1,095,119)	(98,498)	(1,473,687)
Net Cash Used in Noncapital Financing Activities	(280,070)	3,467,381	(98,498)	3,088,813
Cash Flows from Capital and Related Financing Activities				
Acquisition/Construction of Capital Assets	-	(978,392)	(7,308,776)	(8,287,168)
Principal Paid on Capital Debt	-	(440,188)	-	(440,188)
Interest Paid on Capital Debt	-	(55,178)	-	(55,178)
Proceeds from Sales of Capital Assets	-	-	96,823	96,823
Net Cash Used in Capital and Related Financing Activities	-	(1,473,758)	(7,211,953)	(8,685,711)
Cash Flows from Investing Activities				
Interest Income on Investments	455,264	73,908	158,334	687,506
Net Cash Provided By Investing Activities	455,264	73,908	158,334	687,506
Net Increase in Cash and Cash Equivalents	1,060,232	6,039,598	(3,364,975)	3,734,855
Cash and Cash Equivalents at Beginning of Year	38,221,980	2,952,119	17,345,286	58,519,385
Cash and Cash Equivalents at End of Year	\$ 39,282,212	\$ 8,991,717	\$ 13,980,311	\$ 62,254,240
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities				
Operating Income (Loss)	\$ 625,883	\$ 1,845,159	\$ 301,743	\$ 2,772,785
Depreciation	10,400	1,045,918	5,132,411	6,188,729
Change in Assets and Liabilities:				
(Increase) in Accounts Receivable	(130)	468	(4,038)	(3,700)
(Increase) in Inventories	-	(38,945)	-	(38,945)
(Decrease) in Prepaid Items	-	5,295	-	5,295
Increase (Decrease) in Accounts Payable	130,760	272,783	(1,659,765)	(1,256,222)
Increase in Accrued Liabilities	(32,734)	(213,148)	(8,116)	(253,998)
(Decrease) in Net Pension Liabilities	(120,691)	(1,123,234)	(30,575)	(1,274,500)
Increase in Deferred Outflows	103,871	966,700	26,314	1,096,885
Increase in Deferred Inflows	78,416	729,793	19,865	828,074
(Decrease) in Net OPEB Obligation	23,835	177,685	10,604	212,124
Increase (Decrease) in Compensated Absences and Longevity	81,366	303,593	(1,301)	383,658
Increase in Claims Payable	(15,938)	-	-	(15,938)
Total Adjustments	259,155	2,126,908	3,485,399	5,871,462
Net Cash Provided by Operating Activities	\$ 885,038	\$ 3,972,067	\$ 3,787,142	\$ 8,644,247

Fiduciary Funds

Trust Funds

The trust funds are used to account for assets held by the government in a trustee capacity. They are accounted for in essentially the same manner as enterprise funds since capital maintenance is critical.

Pension Trust Funds

General Employees' Fund - is used to account for the accumulation of resources to be used for retirement benefit payments to City employees, except police and fire. Resources are contributed by employees at rates fixed by law and by the City at amounts determined by annual actuarial valuations.

Police and Firefighters' Fund - is used to account for the accumulation of resources to be used for retirement benefit payments to police and fire employees. Resources are contributed by employees at rates fixed by law and by the City at amounts determined by annual actuarial valuations.

Other Post-Employment Benefits Trust Fund - is used to account for the future liability of costs for medical/prescription/dental coverage, extended life insurance coverage and benefits under the Employee Assistance Program available to retirees and their dependents.

Agency Fund

Agency funds are used to account for assets held by the government as an agent for individuals, private organizations and other governmental units. They are custodial in nature and do not involve the measurement of results of operations.

Arts and Science District Garage Fund - to account for the operations of the Arts and Science District Garage.

CITY OF FORT LAUDERDALE, FLORIDA

COMBINING STATEMENT OF NET POSITION

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
September 30,2016**

	Pension Trust Funds		Other Post- Employment Benefits	Total
	General Employees'	Police and Firefighters'		
ASSETS				
Cash and Cash Equivalents	\$ -	\$ 3,257	\$ -	\$ 3,257
Investments				
Money Market Funds	-	16,380,057	12,806,790	29,186,847
U.S. Treasury Securities	6,806,402	59,279,747	-	66,086,149
U.S. Government Agency Obligations	43,478,341	5,692,406	-	49,170,747
Corporate Bonds and Other Fixed Income	17,191,146	140,079,793	-	157,270,939
Index Funds & Other	-	155,983,301	-	155,983,301
Mutual Funds & Other	111,165,975	-	-	111,165,975
Fund of Funds	-	37,490,893	-	37,490,893
Common Stock	217,389,110	116,508,169	-	333,897,279
Commingled Funds	136,583,450	158,793,079	-	295,376,529
Real Estate	54,998,643	110,760,032	-	165,758,675
Private Equity	2,342,032	-	-	2,342,032
Venture Capital & Partnerships	-	8,694,330	-	8,694,330
Total Investments	589,955,099	809,661,807	12,806,790	1,412,423,696
Receivables:				
Unsettled Trades	1,831,176	7,358,653	-	9,189,829
Accrued Interest and Dividends	448,037	2,354,260	-	2,802,297
Contributions	-	166,387	-	166,387
Deposits	2,401	-	-	2,401
Capital Assets (Net of Accumulated Depreciation)	3,308	-	-	3,308
Total Assets	592,240,021	819,544,364	12,806,790	1,424,591,175
LIABILITIES				
Unsettled Trades	1,582,459	3,020,842	-	4,603,301
Accounts Payable	695,535	335,828	-	1,031,363
Accrued Liabilities	3,103	5,118	-	8,221
Due to Primary Government	2,662,751	1,922,032	-	4,584,783
Deposits	12,402	-	-	12,402
Total Liabilities	4,956,250	5,283,820	-	10,240,070
Net Position - Restricted for Pensions and Assets Held in Trust for OPEB Benefits	\$ 587,283,771	\$ 814,260,544	\$ 12,806,790	\$ 1,414,351,105

CITY OF FORT LAUDERDALE, FLORIDA

COMBINING STATEMENT OF NET POSITION

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended September 30, 2016**

	Pension Trust Funds		Other Post- Employment Benefits	Total Pension
	General Employees'	Police and Firefighters'		
ADDITIONS				
Contributions:				
City	\$ 14,393,012	\$ 13,867,934	\$ 1,000,000	\$ 29,260,946
Employee	3,152,504	5,806,688	-	8,959,192
State	-	5,860,782	-	5,860,782
Total Contributions	17,545,516	25,535,404	1,000,000	44,080,920
Investment Income:				
Net Appreciation in Fair Value of Investments	49,399,181	47,348,768	-	96,747,949
Interest and Dividends	8,580,476	13,374,054	1,140	21,955,670
Real Estate Income	1,565,496	5,391,787	-	6,957,283
Other	18,060	2,758	-	20,818
Total Investment Income (Loss)	59,563,213	66,117,367	1,140	125,681,720
Less: Investment Expenses	2,798,255	2,441,366	-	5,239,621
Total Investment Expenses	2,798,255	2,441,366	-	5,239,621
Net Investment Income (Loss)	56,764,958	63,676,001	1,140	120,442,099
Total Additions	74,310,474	89,211,405	1,001,140	164,523,019
DEDUCTIONS				
Benefits:				
Retirement	35,007,454	43,896,931	-	78,904,385
Disability	361,130	1,076,737	-	1,437,867
Death	2,661,965	3,745,992	-	6,407,957
Total Benefits	38,030,549	48,719,660	-	86,750,209
Refunds	138,606	129,524	-	268,130
Administrative Expense	551,683	651,146	-	1,202,829
Total Deductions	38,720,838	49,500,330	-	88,221,168
Change in Net Position	35,589,636	39,711,075	1,001,140	76,301,851
Net Position - Beginning of Year	551,694,135	774,549,469	11,805,650	1,338,049,254
Net Position - End of Year	\$ 587,283,771	\$ 814,260,544	\$ 12,806,790	\$ 1,414,351,105

CITY OF FORT LAUDERDALE, FLORIDA

COMBINING STATEMENT OF NET POSITION

**STATEMENT OF CHANGE IN ASSETS AND LIABILITIES
ARTS AND SCIENCE DISTRICT GARAGE AGENCY FUND
For the Year Ended September 30, 2016**

	Balance Beginning of Period	Additions	Deletions	Balance End of Period
ASSETS				
Cash and Cash Equivalents	\$ 55,988	\$ 1,807,690	\$ 1,817,580	\$ 46,098
Due from Other Governments	3,306	-	3,306	-
Total Assets	\$ 59,294	\$ 1,807,690	\$ 1,820,886	\$ 46,098
LIABILITIES				
Accounts Payable	\$ 50,734	\$ 40,736	\$ 49,763	\$ 41,707
Accrued Liabilities	4,111	4,391	4,111	4,391
Compensated Absences	4,449	-	4,449	-
Total Liabilities	\$ 59,294	\$ 45,127	\$ 58,323	\$ 46,098





CITY OF FORT LAUDERDALE

CITY OF FORT LAUDERDALE, FLORIDA

OTHER FINANCIAL INFORMATION

**BUDGETARY COMPARISON SCHEDULE
LAW ENFORCEMENT CONFISCATED PROPERTY
For Fiscal Year Ended September 30, 2016**

	Final Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Charges for Services	\$ 370,016	\$ 277,512	\$ (92,504)
Fines and Forfeitures	-	2,256,533	2,256,533
Miscellaneous:			
Investment Income	5,000	26,463	21,463
Other Miscellaneous Revenues	-	18,233	18,233
Total Revenues	375,016	2,578,741	2,203,725
EXPENDITURES			
Current:			
Public Safety	2,631,912	2,157,549	474,363
Capital Outlay	661,086	753,544	(92,458)
Total Expenditures	3,292,998	2,911,093	381,905
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,917,982)	(332,352)	2,585,630
OTHER FINANCING (USES)			
Transfers (Out)	(14,930)	(14,930)	-
Total Other Financing (Uses)	(14,930)	(14,930)	-
Net change in Fund Balance	\$ (2,932,912)	(347,282)	\$ 2,585,630
Fund Balance - Beginning		2,226,939	
Fund Balance - Ending		\$ 1,879,657	
Combining Statement of Revenues, Expenditures and changes in Fund Balance – page 102		\$ 2,557,221	
Basis of accounting adjustments encumbrances as of September 30, 2016		(677,564)	
Budgetary Comparison Schedule		\$ 1,879,657	

CITY OF FORT LAUDERDALE, FLORIDA

OTHER FINANCIAL INFORMATION

**BUDGETARY COMPARISON SCHEDULE
COMMUNITY REDEVELOPMENT AGENCY
For Fiscal Year Ended September 30, 2016**

	Final Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Intergovernmental Revenues	\$ 9,713,118	\$ 9,566,657	\$ (146,461)
Miscellaneous:			
Investment Income	60,372	67,445	7,073
Other Miscellaneous Revenues	131,204	127,139	(4,065)
Total Revenues	9,904,694	9,761,241	(143,453)
EXPENDITURES			
Current:			
Economic Environment	4,817,381	3,280,936	1,536,445
Total Expenditures	4,817,381	3,280,936	1,536,445
Excess of Revenues Over Expenditures	5,087,313	6,480,305	1,392,992
OTHER FINANCING SOURCES (USES)			
Transfers In	5,399,483	5,411,481	11,998
Transfers (Out)	(12,568,121)	(14,333,574)	(1,765,453)
Total Other Financing (Uses)	(7,168,638)	(8,922,093)	(1,753,455)
Net change in Fund Balance	\$ (2,081,325)	(2,441,788)	\$ (360,463)
Fund Balance - Beginning		9,835,599	
Fund Balance - Ending		\$ 7,393,811	
Combining Statement of Revenues, Expenditures and changes in Fund Balance – page 102		\$ 7,474,337	
Basis of accounting adjustments encumbrances as of September 30, 2016		(80,526)	
Budgetary Comparison Schedule		\$ 7,393,811	

CITY OF FORT LAUDERDALE, FLORIDA

OTHER FINANCIAL INFORMATION

**BUDGETARY COMPARISON SCHEDULE
BEACH BUSINESS IMPROVEMENT DISTRICT
For Fiscal Year Ended September 30, 2016**

	Final Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Licenses and Permits	\$ -	\$ 1,000	\$ 1,000
Miscellaneous:			
Assessments and Other Fees	776,784	788,584	11,800
Investment Income	6,977	21,762	14,785
Total Revenues	<u>783,761</u>	<u>811,346</u>	<u>27,585</u>
EXPENDITURES			
Current:			
Economic Environment	832,088	655,732	176,356
Total Expenditures	<u>832,088</u>	<u>655,732</u>	<u>176,356</u>
Net change in Fund Balance	<u>\$ (48,327)</u>	155,614	<u>\$ (148,771)</u>
Fund Balance - Beginning		<u>1,408,594</u>	
Fund Balance - Ending		<u>\$ 1,564,208</u>	
Combining Statement of Revenues, Expenditures and changes in Fund Balance – page 102		\$ 1,585,114	
Basis of accounting adjustments encumbrances as of September 30, 2016		<u>(20,906)</u>	
Budgetary Comparison Schedule		<u>\$ 1,564,208</u>	

CITY OF FORT LAUDERDALE, FLORIDA

OTHER FINANCIAL INFORMATION

**BUDGETARY COMPARISON SCHEDULE
BUILDING FUND
For Fiscal Year Ended September 30, 2016**

	Final Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Licenses and Permits	\$ 17,438,400	\$ 18,043,304	\$ 604,904
Charges for Services	138,600	110,508	(28,092)
Miscellaneous:			
Investment Income	176,654	377,214	200,560
Other Miscellaneous Revenues	51,550	48,692	(2,858)
Total Revenues	<u>17,805,204</u>	<u>18,579,718</u>	<u>774,514</u>
EXPENDITURES			
Current:			
Public Safety	15,102,459	13,203,680	1,898,779
Capital Outlay	1,642,058	3,301,081	(1,659,023)
Total Expenditures	<u>16,744,517</u>	<u>16,504,761</u>	<u>239,756</u>
Excess of Revenues Over Expenditures	<u>1,060,687</u>	<u>2,074,957</u>	<u>1,014,270</u>
OTHER FINANCING (USES)			
Transfers (Out)	(638,945)	(638,945)	-
Total Other Financing (Uses)	<u>(638,945)</u>	<u>(638,945)</u>	<u>-</u>
Net change in Fund Balance	<u>\$ 421,742</u>	1,436,012	<u>\$ 1,014,270</u>
Fund Balance - Beginning		<u>29,116,254</u>	
Fund Balance - Ending		<u>\$ 30,552,266</u>	
Combining Statement of Revenues, Expenditures and changes in Fund Balance – page 103		\$ 33,806,924	
Basis of accounting adjustments encumbrances as of September 30, 2016		<u>(3,254,658)</u>	
Budgetary Comparison Schedule		<u>\$ 30,552,266</u>	

CITY OF FORT LAUDERDALE, FLORIDA

OTHER FINANCIAL INFORMATION

**BUDGETARY COMPARISON SCHEDULE
SCHOOL CROSSING GUARDS FUND
For Fiscal Year Ended September 30, 2016**

	Final Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Fines and Forfeitures	\$ 850,000	\$ 1,083,621	\$ 233,621
Miscellaneous:			
Investment Income	1,029	3,112	2,083
Total Revenues	<u>851,029</u>	<u>1,086,733</u>	<u>235,704</u>
EXPENDITURES			
Current:			
General Government	943,036	930,376	12,660
Total Expenditures	<u>943,036</u>	<u>930,376</u>	<u>12,660</u>
Net Change in Fund Balance	<u>\$ (92,007)</u>	156,357	<u>\$ 248,364</u>
Fund Balance - Beginning		<u>155,783</u>	
Fund Balance - Ending		<u>\$ 312,140</u>	

CITY OF FORT LAUDERDALE, FLORIDA

OTHER FINANCIAL INFORMATION

**BUDGETARY COMPARISON SCHEDULE
NUISANCE ABATEMENT FUND
For Fiscal Year Ended September 30, 2016**

	Final Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Charges for Services	\$ -	\$ 120,131	\$ 120,131
Miscellaneous:			
Investment Income	-	3,615	3,615
Other Miscellaneous Revenues	-	156,442	156,442
Total Revenues	-	280,188	280,188
EXPENDITURES			
Current:			
General Government	544,744	316,263	228,481
Total Expenditures	544,744	316,263	228,481
Excess (Deficiency) of Revenues Over Expenditures	(544,744)	(36,075)	508,669
OTHER FINANCING SOURCES			
Transfers In	150,000	150,000	-
Total Other Financing Sources	150,000	150,000	-
Net Change in Fund Balance	\$ (394,744)	113,925	\$ 508,669
Fund Balance - Beginning		211,068	
Fund Balance - Ending		\$ 324,993	
Combining Statement of Revenues, Expenditures and changes in Fund Balance – page 103		\$ 325,196	
Basis of accounting adjustments encumbrances as of September 30, 2016		(203)	
Budgetary Comparison Schedule		\$ 324,993	

CITY OF FORT LAUDERDALE, FLORIDA

OTHER FINANCIAL INFORMATION

**BUDGETARY COMPARISON SCHEDULE
SPECIAL ASSESSMENT FUND
For Fiscal Year Ended September 30, 2016**

	Final Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Miscellaneous:			
Assessments and Other Fees	\$ 2,110,000	\$ 1,886,843	\$ (223,157)
Investment Income	-	307	307
Total Revenues	2,110,000	1,887,150	(222,850)
EXPENDITURES			
Current:			
Transportation	2,110,000	1,887,091	222,909
Total Expenditures	2,110,000	1,887,091	222,909
Net Change in Fund Balance	\$ -	59	\$ 59
Fund Balance - Beginning		-	
Fund Balance - Ending		\$ 59	

CITY OF FORT LAUDERDALE, FLORIDA

OTHER FINANCIAL INFORMATION

**BUDGETARY COMPARISON SCHEDULE
GENERAL OBLIGATION BONDS DEBT SERVICE FUND
For Fiscal Year Ended September 30, 2016**

	Final Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Taxes	\$ 4,764,575	\$ 4,823,936	\$ 59,361
Miscellaneous:			
Investment Income	-	685	685
Total Revenues	<u>4,764,575</u>	<u>4,824,621</u>	<u>60,046</u>
EXPENDITURES			
Debt Service:			
Principal Retirement	3,450,000	3,450,000	-
Interest and Fiscal Charges	1,306,878	1,310,891	(4,013)
Total Expenditures	<u>4,756,878</u>	<u>4,760,891</u>	<u>(4,013)</u>
Net Change in Fund Balance	<u>\$ 7,697</u>	63,730	<u>\$ 56,033</u>
Fund Balance - Beginning		<u>709,415</u>	
Fund Balance - Ending		<u>\$ 773,145</u>	

CITY OF FORT LAUDERDALE, FLORIDA

OTHER FINANCIAL INFORMATION

**BUDGETARY COMPARISON SCHEDULE
SPECIAL OBLIGATION BONDS DEBT SERVICE FUND
For Fiscal Year Ended September 30, 2016**

	Final Budget	Actual Amounts	Variance with Budget - Positive (Negative)
EXPENDITURES			
Current:			
General Government	\$ -	\$ 10,970	\$ (10,970)
Debt Service:			
Principal Retirement	15,470,000	15,470,000	-
Interest and Fiscal Charges	10,890,764	10,888,764	2,000
Total Expenditures	<u>26,360,764</u>	<u>26,369,734</u>	<u>(8,970)</u>
OTHER FINANCING SOURCES			
Transfers In	26,358,764	26,358,764	-
Total Other Financing Sources	<u>26,358,764</u>	<u>26,358,764</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (2,000)</u>	<u>(10,970)</u>	<u>\$ (8,970)</u>
Fund Balance - Beginning		<u>14,291,019</u>	
Fund Balance - Ending		<u>\$ 14,280,049</u>	

CITY OF FORT LAUDERDALE, FLORIDA

OTHER FINANCIAL INFORMATION

**BUDGETARY COMPARISON SCHEDULE
SPECIAL OBLIGATION LOANS DEBT SERVICE FUND
For Fiscal Year Ended September 30, 2016**

	Final Budget	Actual Amounts	Variance with Budget - Positive (Negative)
EXPENDITURES			
Debt Service:			
Principal Retirement	\$ 2,884,300	\$ 2,884,300	\$ -
Interest and Fiscal Charges	532,194	528,194	4,000
Total Expenditures	3,416,494	3,412,494	4,000
OTHER FINANCING SOURCES			
Transfers In	3,416,494	3,416,494	-
Total Other Financing Sources	3,416,494	3,416,494	-
Net Change in Fund Balance	\$ -	4,000	\$ 4,000
Fund Balance - Beginning		13,867	
Fund Balance - Ending		\$ 17,867	

CITY OF FORT LAUDERDALE, FLORIDA

OTHER FINANCIAL INFORMATION

**BUDGETARY COMPARISON SCHEDULE
TAX INCREMENT REVENUE NOTES DEBT SERVICE FUND
For Fiscal Year Ended September 30, 2016**

	Final Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Miscellaneous:			
Investment Income	\$ -	\$ 2,013	\$ 2,013
Total Revenues	<u>-</u>	<u>2,013</u>	<u>2,013</u>
EXPENDITURES			
Debt Service:			
Principal Retirement	346,000	346,000	-
Interest and Fiscal Charges	236,531	235,957	574
Total Expenditures	<u>582,531</u>	<u>581,957</u>	<u>574</u>
OTHER FINANCING SOURCES			
Transfers In	582,531	582,531	-
Total Other Financing Sources	<u>582,531</u>	<u>582,531</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>2,587</u>	<u>\$ 2,587</u>
Fund Balance - Beginning		<u>456,267</u>	
Fund Balance - Ending		<u>\$ 458,854</u>	

CITY OF FORT LAUDERDALE, FLORIDA

OTHER FINANCIAL INFORMATION

**BUDGETARY COMPARISON SCHEDULE
PERPETUAL CARE FUND
For Fiscal Year Ended September 30, 2016**

	Final Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Miscellaneous:			
Investment Income	\$ 1,820,000	\$ 2,434,264	\$ 614,264
Other Miscellaneous Revenues	600,600	685,722	85,122
Total Revenues	<u>2,420,600</u>	<u>3,119,986</u>	<u>699,386</u>
EXPENDITURES			
Current:			
Physical Environment	873,671	1,004,475	(130,804)
Capital Outlay	(350,000)	70,182	(420,182)
Total Expenditures	<u>523,671</u>	<u>1,074,657</u>	<u>(550,986)</u>
Excess of Revenues Over Expenditures	<u>1,896,929</u>	<u>2,045,329</u>	<u>148,400</u>
Net Change in Fund Balance	<u>\$ 1,896,929</u>	<u>2,045,329</u>	<u>\$ 148,400</u>
Fund Balance - Beginning		<u>24,844,192</u>	
Fund Balance - Ending		<u>\$ 26,889,521</u>	

CITY OF FORT LAUDERDALE, FLORIDA

OTHER FINANCIAL INFORMATION

SCHEDULE OF SOURCES AND USES GENERAL OBLIGATION CONSTRUCTION FUND 2005 AND 2011A For Fiscal Year Ended September 30, 2016

	<u>INCEPTION TO DATE</u>
SOURCES	
Earnings on Investments	\$ 1,406
Transfers from Other Funds	
General Fund	<u>850,000</u>
Total Sources	<u>851,406</u>
USES	
Bond Issue and Other Expenses	111
Cost of Municipal Improvements	
Fire Station No. 13 Replacement	24,716
Fire Station No. 54 Replacement	204,471
Fire Station Southeast	244,009
Miscellaneous Costs	<u>624</u>
Total Uses	<u>473,931</u>
Net Change in Fund Balance	377,475
Fund Balance - Beginning	<u>12,881,133</u>
Fund Balance - Ending	<u>\$ 13,258,608</u>

CITY OF FORT LAUDERDALE, FLORIDA

OTHER FINANCIAL INFORMATION

**SCHEDULE OF SOURCES AND USES
SPECIAL OBLIGATION CONSTRUCTION 2008B
For Fiscal Year Ended September 30, 2016**

	INCEPTION TO DATE
SOURCES	
Earnings on Investments	<u>\$ 23,629</u>
Total Sources	<u>23,629</u>
USES	
Bond Issue and Other Expenses	1,441
Cost of Municipal Improvements	
Parks and Recreation Infrastructure/Recapitalization	50,510
South Side School Restoration	678,905
Street Improvements	247,434
Bidge Replacement	140,524
Waterway Improvements	5,120
Total Uses	<u>1,123,934</u>
Net Change in Fund Balance	(1,100,305)
Fund Balance - Beginning	<u>3,463,386</u>
Fund Balance - Ending	<u><u>\$ 2,363,081</u></u>

CITY OF FORT LAUDERDALE, FLORIDA

OTHER FINANCIAL INFORMATION

**SCHEDULE OF SOURCES AND USES
SPECIAL OBLIGATION CONSTRUCTION 2011A
For Fiscal Year Ended September 30, 2016**

	INCEPTION TO DATE
SOURCES	
Earnings on Investments	<u>\$ 24,432</u>
Total Sources	<u>24,432</u>
USES	
Bond Issue and Other Expenses	188
Cost of Municipal Improvements	
Parks and Recreation Infrastructure/Recapitalization	56,700
Street Improvements	26
Las Olas Transportation improvement	<u>109,142</u>
Total Uses	<u>166,056</u>
Net Change in Fund Balance	(141,624)
Fund Balance - Beginning	<u>3,290,341</u>
Fund Balance - Ending	<u><u>\$ 3,148,717</u></u>



CITY OF FORT LAUDERDALE





CITY OF FORT LAUDERDALE

CITY OF FORT LAUDERDALE, FLORIDA

STATISTICAL SECTION

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

Schedule 1

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities										
Net Investment in Capital Assets	\$ 192,894,698	\$ 199,485,665	\$ 210,703,404	\$ 209,995,876	\$ 197,493,944	\$ 229,157,486	\$ 229,209,092	\$ 231,859,356	\$ 244,833,932	\$ 272,571,968
Restricted	17,776,682	15,771,651	16,676,117	18,730,959	101,595,733	93,174,479	112,606,985	121,536,470	136,960,627	151,264,589
Unrestricted	136,745,995	159,037,505	168,153,605	165,280,575	86,644,564	60,526,663	39,341,968	67,787,529	(250,427,231)	(239,678,219)
Total Governmental Activities Net Position	\$ 347,417,375	\$ 374,294,821	\$ 395,533,126	\$ 394,007,410	\$ 385,734,241	\$ 382,858,628	\$ 381,158,045	\$ 421,183,355	\$ 131,367,328	\$ 184,158,338
Business-Type Activities										
Net Investment in Capital Assets	\$ 434,102,107	\$ 440,451,256	\$ 450,050,617	\$ 440,499,100	\$ 463,595,323	\$ 464,782,345	\$ 457,764,458	\$ 450,945,828	\$ 464,460,151	\$ 485,584,168
Restricted	20,146,498	32,244,774	33,339,230	40,013,546	39,871,075	38,675,081	41,523,435	47,597,178	46,302,379	34,938,766
Unrestricted	109,920,156	124,040,567	129,307,321	160,208,714	167,504,551	157,686,486	164,873,395	170,519,457	169,592,885	159,939,002
Total Business-Type Activities Net Position	\$ 564,168,761	\$ 596,736,597	\$ 612,697,168	\$ 640,721,360	\$ 670,970,949	\$ 661,143,912	\$ 664,161,288	\$ 669,062,463	\$ 680,355,415	\$ 680,461,936
Primary Government										
Net Investment in Capital Assets	\$ 626,996,805	\$ 639,936,921	\$ 660,754,021	\$ 650,494,976	\$ 661,089,267	\$ 693,939,831	\$ 686,973,550	\$ 682,805,184	\$ 709,294,083	\$ 758,156,136
Restricted	37,923,180	48,016,425	50,015,347	58,744,505	141,466,808	131,849,560	154,130,420	169,133,648	183,263,006	186,203,355
Unrestricted	246,666,151	283,078,072	297,460,926	325,489,289	254,149,115	218,213,149	204,215,363	238,306,986	(80,834,346)	(79,739,217)
Total Primary Government Net Position	\$ 911,586,136	\$ 971,031,418	\$ 1,008,230,294	\$ 1,034,728,770	\$ 1,056,705,190	\$ 1,044,002,540	\$ 1,045,319,333	\$ 1,090,245,818	\$ 811,722,743	\$ 864,620,274

Source: City of Fort Lauderdale Finance Department

CITY OF FORT LAUDERDALE, FLORIDA

STATISTICAL SECTION

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

Schedule 2

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental Activities:										
General Government	\$ 45,029,336	\$ 43,145,739	\$ 42,893,044	\$ 41,228,117	\$ 44,571,363	\$ 40,616,650	\$ 53,453,789	\$ 47,638,285	\$ 47,395,226	\$ 50,656,373
Public Safety	154,935,987	165,091,013	166,442,120	181,863,251	187,107,876	186,551,543	176,890,393	168,966,981	180,656,741	190,327,750
Physical Environment	8,178,965	8,908,460	9,835,224	9,130,582	9,957,967	17,783,853	14,237,347	6,506,045	7,619,199	6,622,172
Transportation	6,676,614	12,463,589	7,842,119	8,455,954	7,258,157	5,272,203	6,123,784	9,613,093	15,477,780	10,368,546
Economic Environment	17,984,059	17,174,238	22,281,381	23,598,717	21,428,604	20,712,653	20,163,000	16,892,110	25,252,594	14,783,066
Culture/Recreation	37,650,692	38,828,494	40,801,321	38,792,196	41,781,558	41,690,222	39,033,256	32,492,486	35,648,804	34,616,954
Interest on Long-Term Debt	4,297,933	3,665,826	3,535,247	3,500,713	2,783,207	3,459,160	12,237,720	15,395,203	14,091,458	12,813,208
Total Governmental Activities Expenses	274,753,586	289,277,359	293,630,456	306,569,530	314,888,732	316,086,284	322,139,289	297,504,203	326,141,802	320,188,069
Business-Type Activities:										
Water and Sewer	63,316,413	68,791,000	86,644,340	80,645,935	80,320,657	117,297,963	122,377,140	113,328,841	125,512,106	130,552,179
Sanitation	19,448,837	20,944,976	21,780,670	22,585,575	20,812,922	18,942,048	18,693,306	19,865,246	20,589,557	23,210,957
Parking System	8,635,470	11,199,791	10,814,893	11,268,044	10,659,494	11,199,789	13,616,470	13,460,653	14,448,572	16,218,135
Airport	7,528,128	6,740,363	7,500,584	10,745,183	8,025,774	9,229,152	11,248,312	9,565,904	10,565,745	10,506,172
Stormwater	2,850,726	3,739,948	4,261,529	3,983,439	4,178,998	5,023,104	6,052,945	6,699,394	7,842,585	7,280,190
Total Business-Type Activities Expenses	101,779,574	111,416,078	131,002,016	129,228,176	123,997,845	161,692,056	171,988,173	162,920,038	178,958,565	187,767,633
Total Primary Government Expenses	\$ 376,533,160	\$ 400,693,437	\$ 424,632,472	\$ 435,797,706	\$ 438,886,577	\$ 477,778,340	\$ 494,127,462	\$ 460,424,241	\$ 505,100,367	\$ 507,955,702
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 16,371,640	\$ 15,687,344	\$ 16,717,807	\$ 16,766,802	\$ 21,387,521	\$ 32,724,249	\$ 42,061,226	\$ 41,712,589	\$ 52,027,432	\$ 43,803,099
Public Safety	42,736,277	43,187,187	41,368,726	43,184,612	49,288,543	50,363,213	56,197,480	71,520,670	78,909,741	77,673,557
Culture/Recreation	8,022,930	10,357,702	7,915,653	8,383,214	8,796,433	8,913,252	11,130,441	10,198,340	10,693,165	10,112,876
Other Activities	5,597,025	6,582,097	6,823,977	5,949,294	6,454,891	7,075,575	5,399,364	5,055,200	6,225,490	5,431,933
Operating Grants and Contributions	28,738,123	26,545,136	25,520,014	32,685,788	27,940,257	31,914,087	29,449,425	26,684,588	27,817,570	26,028,189
Capital Grants and Contributions	6,088,182	5,486,309	12,038,395	5,129,927	14,329,115	7,657,685	6,005,562	3,524,355	3,576,522	1,288,377
Total Governmental Activities Program Revenues	107,554,177	107,845,775	110,384,572	112,099,637	128,196,760	138,648,061	150,243,498	158,695,742	179,249,920	164,338,031
Business-Type Activities:										
Charges for Services										
Water and Sewer	77,983,185	84,838,237	94,554,904	105,959,129	105,395,277	105,836,231	114,751,699	115,526,727	130,246,541	132,486,929
Sanitation	23,594,514	23,061,312	20,112,154	20,206,509	22,084,671	18,821,045	23,290,471	15,447,550	20,769,944	15,236,518
Parking System	10,751,079	12,248,308	11,487,377	11,804,349	12,489,487	12,995,922	14,515,603	15,989,047	16,718,485	17,725,384
Airport	6,031,077	6,748,592	6,163,142	6,587,136	6,983,850	7,202,801	7,754,684	7,953,789	7,452,387	7,139,770
Stormwater	4,136,551	4,263,776	4,500,095	4,899,289	5,221,319	5,350,352	5,465,978	5,595,624	6,158,848	8,806,797
Operating Grant and Contributions	323,946	374,424	658,598	2,757,142	282,568	1,091,104	305,515	-	-	-
Capital Grants and Contributions	5,416,946	8,070,020	6,726,808	3,592,719	1,460,595	1,071,475	3,111,006	6,191,282	5,628,385	3,295,733
Total Business-Type Activities Program Revenues	128,237,298	139,604,669	144,203,078	155,806,273	153,917,767	152,368,930	169,194,956	166,704,019	186,974,590	184,691,131
Total Primary Government Program Revenues	\$ 235,791,475	\$ 247,450,444	\$ 254,587,650	\$ 267,905,910	\$ 282,114,527	\$ 291,016,991	\$ 319,438,454	\$ 325,399,761	\$ 366,224,510	\$ 349,029,162

CITY OF FORT LAUDERDALE, FLORIDA

STATISTICAL SECTION

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

Schedule 2

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net (Expense)/Revenue										
Governmental Activities	\$ (167,199,409)	\$ (181,431,584)	\$ (183,245,884)	\$ (194,469,893)	\$ (186,691,972)	\$ (177,438,223)	\$ (171,895,791)	\$ (138,808,461)	\$ (146,891,882)	\$ (155,850,038)
Business-Type Activities	26,457,724	28,188,591	13,201,062	26,578,097	29,919,922	(9,323,126)	(2,793,217)	3,783,981	8,016,025	(3,076,502)
Total Primary Government Net Expense	\$ (140,741,685)	\$ (153,242,993)	\$ (170,044,822)	\$ (167,891,796)	\$ (156,772,050)	\$ (186,761,349)	\$ (174,689,008)	\$ (135,024,480)	\$ (138,875,857)	\$ (158,926,540)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	\$ 138,197,801	\$ 128,014,149	\$ 124,802,652	\$ 113,605,675	\$ 104,294,035	\$ 96,406,857	\$ 98,984,027	\$ 102,025,080	\$ 108,204,896	\$ 117,360,476
Other Taxes	57,463,229	57,390,103	57,910,367	57,795,756	55,900,742	56,578,945	57,614,553	64,353,245	67,177,642	65,470,303
Grants and Contributions	17,031,731	15,664,768	14,387,834	14,327,166	15,057,706	14,750,825	14,918,403	15,799,049	16,688,285	17,183,084
Investment Earnings	14,960,660	5,496,984	5,578,518	4,318,825	1,523,212	4,602,310	2,551,761	4,446,765	3,367,863	6,469,794
Other	1,243,208	1,151,167	1,647,348	2,312,406	560,208	510,270	1,179,201	1,144,192	2,567,015	2,512,498
Transfers	1,043,787	591,859	157,470	584,349	1,082,900	1,713,406	(5,092,222)	1,289,249	(679,271)	(355,107)
Total Governmental Activities	229,940,416	208,309,030	204,484,189	192,944,177	178,418,803	174,562,613	170,155,723	189,057,580	197,326,430	208,641,048
Business-Type Activities:										
Investment Earnings	8,746,189	4,971,104	2,916,979	2,030,444	1,412,567	1,209,495	718,371	1,706,443	2,305,463	2,820,043
Miscellaneous	-	-	-	-	-	-	-	700,000	49,048	7,873
Transfers	(1,043,787)	(591,859)	(157,470)	(584,349)	(1,082,900)	(1,713,406)	5,092,222	(1,289,249)	679,271	355,107
Total Business-Type Activities	7,702,402	4,379,245	2,759,509	1,446,095	329,667	(503,911)	5,810,593	1,117,194	3,033,782	3,183,023
Total Primary Government	\$ 237,642,818	\$ 212,688,275	\$ 207,243,698	\$ 194,390,272	\$ 178,748,470	\$ 174,058,702	\$ 175,966,316	\$ 190,174,774	\$ 200,360,212	\$ 211,824,071
Change in Net Position										
Governmental Activities	\$ 62,741,007	\$ 26,877,446	\$ 21,238,305	\$ (1,525,716)	\$ (8,273,169)	\$ (2,875,610)	\$ (1,740,068)	\$ 50,249,119	\$ 50,434,548	\$ 52,791,010
Business-Type Activities	34,160,126	32,567,836	15,960,571	28,024,192	30,249,589	(9,827,037)	3,017,376	4,901,175	11,049,807	106,521
Total Primary Government	\$ 96,901,133	\$ 59,445,282	\$ 37,198,876	\$ 26,498,476	\$ 21,976,420	\$ (12,702,647)	\$ 1,277,308	\$ 55,150,294	\$ 61,484,355	\$ 52,897,531

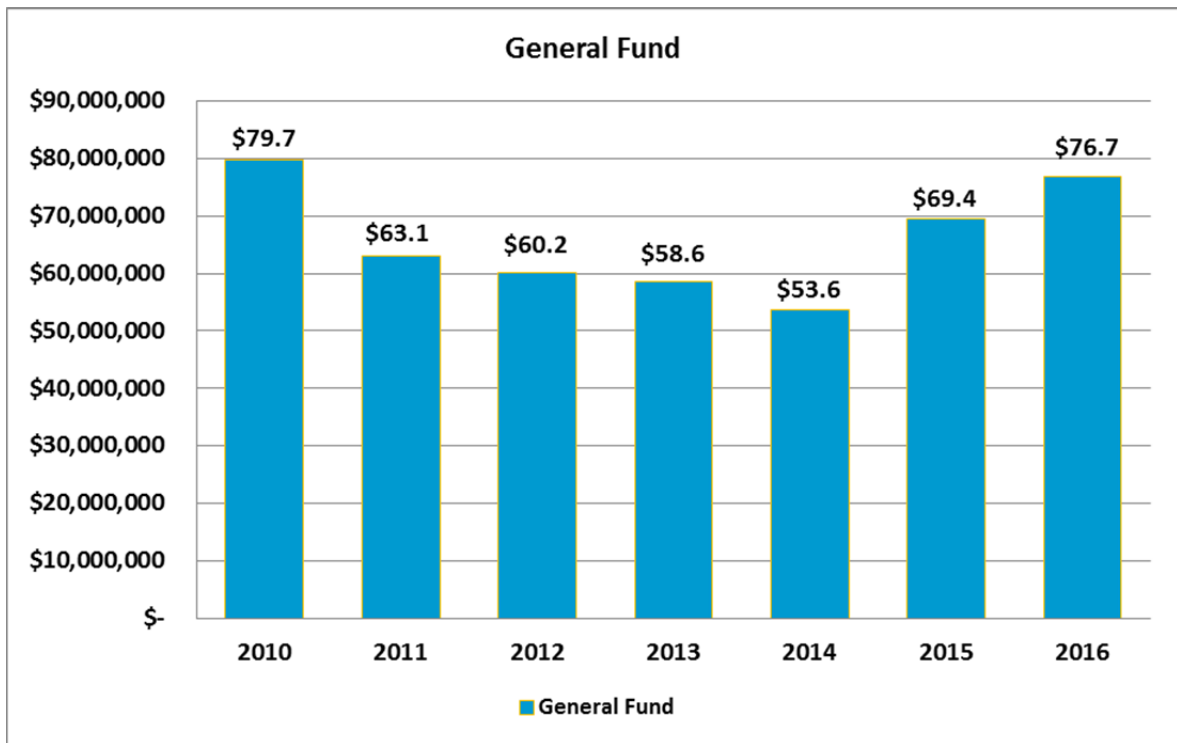
CITY OF FORT LAUDERDALE, FLORIDA

STATISTICAL SECTION

FUND BALANCES - GOVERNMENTAL FUNDS
LAST SEVEN FISCAL YEARS *

Schedule 3

	2010	2011	2012	2013	2014	2015	2016
General Fund							
Nonspendable	\$ 58,191	\$ 15,077,422	\$ 28,159,409	\$ 13,339,582	\$ 59,258	\$ 57,129	\$ 21,391
Spendable							
Restricted	-	-	-	204,044	198,619	208,264	-
Unrestricted							
Committed	1,915,988	464,915	457,372	509,216	520,610	1,052,813	1,186,699
Assigned	19,204,828	10,915,133	10,859,209	4,812,365	2,055,809	1,879,010	2,962,640
Unassigned	58,525,369	36,615,702	20,738,503	39,748,283	50,781,064	66,231,739	72,551,458
Total General Fund	\$ 79,704,376	\$ 63,073,172	\$ 60,214,493	\$ 58,613,490	\$ 53,615,360	\$ 69,428,955	\$ 76,722,188
All Other Governmental Funds							
Nonspendable	\$ 10,694,362	\$ 11,272,512	\$ 11,879,453	\$ 12,464,216	\$ 13,028,052	\$ 13,629,215	\$ 14,314,506
Spendable							
Restricted	85,965,422	126,997,499	117,345,677	128,486,763	137,160,860	151,154,962	165,210,117
Unrestricted							
Committed	7,831,215	7,395,146	132,818	453,443	889,489	1,365,292	1,519,050
Assigned	22,433,404	19,141,809	7,190,316	6,395,624	10,066,752	18,295,825	23,008,986
Unassigned	-	-	-	(6,272,275)	(3,904,111)	(2,794,776)	-
Total All Other Governmental Funds	\$ 126,924,403	\$ 164,806,966	\$ 136,548,264	\$ 141,527,771	\$ 157,241,042	\$ 181,650,518	\$ 204,052,659



* Years prior to fiscal year 2010 have not been presented due to the implementation of GASB 54, which provided for new categories for classifying governmental fund balances.

CITY OF FORT LAUDERDALE, FLORIDA

STATISTICAL SECTION

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

Schedule 4

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Property Taxes	\$ 138,103,588	\$ 127,981,444	\$ 124,597,389	\$ 112,811,703	\$ 101,787,647	\$96,617,851	\$ 99,537,136	\$ 102,486,128	\$ 108,207,671	\$ 117,778,138
Utility Taxes	33,343,709	33,935,730	35,441,037	34,754,319	34,725,638	35,386,473	35,881,608	37,005,171	37,622,717	37,517,371
Franchise Fees	18,246,991	18,192,005	18,059,429	18,224,861	16,439,174	15,871,932	15,380,127	22,022,134	22,908,805	22,389,618
Insurance Premium Taxes	5,872,529	5,262,368	4,409,901	4,816,576	4,735,930	5,320,538	6,352,818	5,325,940	6,646,120	5,563,314
Licenses and Permits	13,350,790	10,993,869	8,374,250	8,031,790	13,733,542	14,913,015	17,374,859	17,291,687	23,167,102	21,231,581
Intergovernmental	50,649,813	42,314,742	49,338,512	50,969,453	50,170,757	51,665,965	42,816,219	47,636,208	45,647,574	45,973,034
Charges for Services	19,012,859	17,792,259	16,746,172	17,858,717	19,639,134	20,400,813	20,651,441	21,611,965	23,591,237	23,826,867
Fines and Forfeitures	3,630,280	6,642,582	2,518,229	2,534,228	3,769,263	3,536,739	5,019,265	5,406,387	5,186,029	5,563,848
Other	51,638,304	50,606,239	53,414,160	52,771,901	51,915,172	67,503,130	76,084,253	90,253,708	104,706,588	96,854,919
Total Revenues	333,848,863	313,721,238	312,899,079	302,773,548	296,916,257	311,216,456	319,097,726	349,039,328	377,683,843	376,698,690
Expenditures										
General Government	44,396,739	40,491,020	40,364,222	39,618,402	40,330,403	38,769,414	196,114,107	50,500,327	46,447,512	51,432,952
Public Safety	158,659,250	165,436,737	167,391,135	176,169,662	180,280,486	180,884,679	330,274,787	169,190,561	172,856,946	180,694,607
Physical Environment	8,284,747	8,637,526	9,281,905	9,097,912	9,647,825	17,725,318	13,881,279	6,482,876	7,157,725	6,291,941
Transportation	5,070,122	3,860,924	3,795,541	3,339,100	3,316,948	3,208,041	4,917,264	8,717,894	14,640,346	9,916,376
Economic Environment	15,171,424	15,429,392	19,736,991	21,013,746	19,384,209	19,877,012	20,004,271	16,683,659	24,921,198	15,115,142
Culture/Recreation	32,358,082	33,745,058	34,400,119	32,964,316	32,001,841	33,727,300	29,536,861	28,338,669	29,870,327	29,452,695
Debt Service:										
Bond Principal Retirement	11,644,228	9,675,345	8,166,361	5,319,175	6,445,419	7,175,050	36,615,638	21,010,400	21,315,800	22,150,300
Interest and Fiscal Charges	4,605,876	3,384,245	3,252,722	2,951,548	2,634,451	2,626,852	11,431,300	13,616,029	13,327,596	12,963,806
Debt Issuance Costs	-	-	-	-	-	-	-	-	264,725	-
Capital Outlay	31,152,965	20,107,032	27,490,445	20,361,391	27,951,054	29,736,544	16,894,501	15,722,671	17,119,175	15,541,577
Total Expenditures	311,343,433	300,767,279	313,879,441	310,835,252	321,992,636	333,730,210	659,670,008	330,263,086	347,921,350	343,559,396
Excess of Revenues Over (Under) Expenditures	22,505,430	12,953,959	(980,362)	(8,061,704)	(25,076,379)	(22,513,754)	(340,572,282)	18,776,242	29,762,493	33,139,294
Other Financing Sources (Uses)										
Debt Proceeds	-	183,850	25,514,081	-	68,917,156	-	337,755,000	-	22,823,000	-
Discount on Bonds	-	-	-	-	-	-	(770,749)	-	-	-
Bond Issuance Costs	-	-	-	-	-	-	(998,368)	-	-	-
Transfers In	31,834,831	20,865,609	32,214,791	15,680,731	63,854,172	40,364,573	44,336,537	51,471,962	59,308,509	60,376,587
Transfers (Out)	(25,973,041)	(20,399,689)	(32,091,665)	(15,065,330)	(62,421,263)	(34,623,200)	(36,371,634)	(49,309,254)	(56,668,948)	(63,820,507)
Payments to Refunding Escrow Agent	-	-	-	-	-	(14,345,000)	-	-	(15,717,849)	-
Current Debt Repayment	-	-	(15,410,001)	-	(24,022,327)	-	-	-	-	-
Premium on Refunding bonds	-	-	-	-	-	-	-	-	715,866	-
Total Other Financing Sources (Uses)	5,861,790	649,770	10,227,206	615,401	46,327,738	(8,603,627)	343,950,786	2,162,708	10,460,578	(3,443,920)
Net Change in Fund Balances	\$ 28,367,220	\$ 13,603,729	\$ 9,246,844	\$ (7,446,303)	\$ 21,251,359	\$ (31,117,381)	\$ 3,378,504	\$ 20,938,950	\$ 40,223,071	\$ 29,695,374
Debt Service as a Percentage of Noncapital Expenditures	5.71%	4.54%	3.91%	2.79%	3.01%	3.19%	7.45%	10.83%	10.59%	11.26%

Source: City of Fort Lauderdale Finance Department

CITY OF FORT LAUDERDALE, FLORIDA

STATISTICAL SECTION

**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

Schedule 5

FISCAL YEAR	TAX ROLL YEAR**	RESIDENTIAL PROPERTY	COMMERCIAL PROPERTY	INDUSTRIAL PROPERTY	ALL OTHER PROPERTIES	TOTAL ASSESSED VALUE**	LESS: EXEMPTIONS					TOTAL TAXABLE ASSESSED VALUE	TOTAL DIRECT TAX RATE
							HOMESTEAD	GOVERNMENTAL	INSTITUTIONAL	SAVE OUR HOMES	OTHER		
2016	2015	\$ 29,552,584,370	\$ 8,670,201,030	\$ 1,545,119,010	\$ 559,618,308	\$ 40,327,522,718	\$ 1,026,490,672	\$ 2,951,981,251	\$ 1,090,265,520	\$ 4,383,793,570	\$ 2,368,058,340	\$ 28,506,933,365	4.2952
2015	2014	26,752,798,810	7,746,229,920	1,380,804,370	485,197,953	36,365,031,053	1,027,493,956	2,856,137,278	1,040,756,651	3,360,045,740	1,886,094,484	26,194,502,944	4.3151
2014	2013	23,746,859,350	6,732,685,850	1,363,515,100	1,519,957,369	33,363,017,669	1,031,920,885	2,687,774,382	1,001,905,571	2,526,022,580	1,469,887,791	24,645,506,460	4.3263
2013	2012	21,264,182,970	6,436,516,200	1,285,317,820	2,761,461,438	31,747,478,428	1,044,673,967	2,587,668,731	1,082,003,307	2,010,753,780	1,313,145,125	23,709,233,518	4.3342
2012	2011	19,725,697,430	6,328,094,510	1,268,644,800	4,417,187,842	31,739,624,582	1,065,298,485	2,713,895,113	1,052,217,075	2,160,422,730	1,257,149,858	23,490,641,321	4.2888
2011	2010	19,516,645,480	6,496,097,520	1,260,821,960	5,573,129,580	32,846,694,540	1,092,050,541	2,726,130,832	1,053,661,814	2,226,829,360	1,157,436,098	24,590,585,895	4.3366
2010	2009	19,971,276,110	7,046,764,320	1,388,063,510	9,045,911,355	37,452,015,295	1,111,967,564	2,715,484,570	1,125,944,388	3,694,693,873	1,147,579,150	27,656,345,750	4.2536
2009	2008	23,989,228,770	7,364,478,220	1,542,409,500	9,370,403,541	42,266,520,031	1,139,384,963	2,684,215,740	1,048,082,000	5,882,957,177	1,002,072,203	30,509,807,948	4.2495
2008	2007	31,911,017,420	6,676,046,380	1,371,873,980	3,977,400,822	43,936,338,602	1,002,229,190	2,601,151,780	909,169,645	7,980,212,270	122,045,892	31,321,529,825	4.2482
2007	2006	29,227,062,360	5,659,182,700	1,271,704,860	3,828,669,983	39,986,619,903	995,285,660	2,180,471,780	773,484,362	7,584,788,110	83,554,370	28,369,035,621	5.0826

* State Law requires that assessed values be established at 100% of estimated actual value.

** Assessed values are as of January 1 of each year.

Source: State of Florida Department of Revenue

CITY OF FORT LAUDERDALE, FLORIDA

STATISTICAL SECTION

**PROPERTY TAX MILLAGE RATES*
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**

Schedule 6

FISCAL YEAR	TAX ROLL	FORT LAUDERDALE			BROWARD COUNTY		OTHER TAXING AGENCIES			TOTAL CITY-WIDE	SPECIAL DISTRICTS**			
		OPERATING	DEBT SERVICE	TOTAL CITY	BROWARD COUNTY	BROWARD COUNTY SCHOOLS	S. FLORIDA WATER MGMT. DISTRICT	FLORIDA INLAND NAVIGATION DISTRICT	BROWARD CHILDREN'S SERVICES COUNCIL		DOWNTOWN DEV. AUTH. OPERATING	DEBT SERVICE	N. BROWARD HOSPITAL DISTRICT	HILLSBORO INLET
2016	2015	4.1193	0.1759	4.2952	5.7230	7.2740	0.3551	0.0320	0.4882	18.1675	0.5173	0.5232	1.4425	0.0860
2015	2014	4.1193	0.1958	4.3151	5.7230	7.4380	0.3842	0.0345	0.4882	18.3830	0.5882	0.5366	1.5939	0.0860
2014	2013	4.1193	0.2070	4.3263	5.7230	7.4800	0.4110	0.0345	0.4882	18.4630	0.5080	0.5366	1.7554	0.0860
2013	2012	4.1193	0.2149	4.3342	5.5530	7.4560	0.4289	0.0345	0.4902	18.2968	0.5020	0.5302	1.8564	0.0860
2012	2011	4.1193	0.1695	4.2888	5.5530	7.4180	0.4363	0.0345	0.4789	18.2095	0.5171	0.4489	1.8750	0.0860
2011	2010	4.1193	0.2173	4.3366	5.5530	7.6310	0.6240	0.0345	0.4696	18.6487	0.4970	0.4313	1.8750	0.0860
2010	2009	4.1193	0.1343	4.2536	5.3889	7.4310	0.6240	0.0345	0.4243	18.1563	0.4970	0.4313	1.7059	0.0860
2009	2008	4.1193	0.1302	4.2495	5.3145	7.4170	0.6240	0.0345	0.3754	18.0149	0.4802	0.4289	1.7059	0.0860
2008	2007	4.1193	0.1289	4.2482	5.2868	7.6484	0.6240	0.0345	0.3572	18.1991	0.4933	0.6089	1.6255	0.0860
2007	2006	4.8066	0.2760	5.0826	6.0661	7.8687	0.6970	0.0385	0.4073	20.1602	0.6150	0.4800	1.8317	0.1170

* State law requires all counties to assess at 100% valuation and limits millage for operating purposes to ten mills.

** Overlapping rates are those of local and county governments that apply to property owners within the City. Not all Overlapping rates apply to all City property owners (e.g. the rates for special districts apply only to the proportion of the City's property owners whose property is located within the geographic boundaries of the special districts).

Source: Broward County Property Appraiser.

CITY OF FORT LAUDERDALE, FLORIDA

STATISTICAL SECTION

**PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

Schedule 7

TAXPAYER	TYPE OF BUSINESS	2015			2006		
		TAXABLE ASSESSED VALUE	RANK	PERCENT OF TOTAL ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	PERCENT OF TOTAL ASSESSED VALUE
HARBOR BEACH PROPERTY LLC % THE MACK CO	Hospitality	\$ 162,121,720	1	0.61%			
FLORIDA POWER & LIGHT CO PROPERTY TAX DEPARTMENT	Power Energy Utility	151,149,073	2	0.53%	\$ 99,430,709	5	0.37%
RAR2 - LAS OLAS CENTRE LLC %RREEF - RYAN LLC TAX COMPLIANCE	Real Estate	139,634,970	3	0.56%			
401 EAST LAS OLAS LLC	Real Estate	129,356,830	4	0.50%			
KEYSTONE-FLORIDA PROPERTY HOLD	Real Estate	110,896,410	5	0.55%	87,711,430	7	0.33%
DIAMONDROCK FL OWNER LLC	Hospitality	109,008,170	6	0.47%			
FTL 500 CORP	Real Estate	99,991,030	7	0.41%			
SUNRISE HARBOUR MULTIFAMILY INC % MARVIN F POER & CO	Real Estate	93,045,840	8	0.40%	92,522,668	6	0.35%
CRP INSITE CLIPPER LLC % THE CARLYLE GROUP	Real Estate	91,975,910	9	0.42%			
PRII SR 200 EAST LAS OLAS OWNER LLC % PRUDENTIAL REAL ESTATE	Real Estate	87,156,000	10	0.34%			
CAPRI HOTEL LLC %RRERF FL HOTEL LLC - M WINSTON	Hospitality	86,900,000	11	0.34%			
RRERF FL CONDO OWNER LLC %RELATED RL EST RECOVERY FUND LP	Real Estate	84,178,200	12	0.32%			
CFLB PARTNERSHIP LLC % JOSE E CABANAS	Real Estate	83,552,330	13	0.38%			
THE LAS OLAS COMPANY INC	Real Estate	81,423,340	14	0.38%			
FL GRANDE LLC % WHM LLC	Real Estate	78,885,000	15	0.35%	70,146,030	9	0.26%
T-C THE MANOR AT FLAGLER VILLAGE LLC	Real Estate	77,131,600	16	0.36%			
CAMDEN SUMMIT PARTNERSHIP LP	Real Estate	69,382,159	17	0.33%			
2301 SE 17 ST LTD % PIER 66 HOTEL & MARINA	Hospitality	69,007,870	18	0.31%			
PEARL FLAGLER VILLAGE LLC	Real Estate	63,016,416	19	0.29%			
CWI-GG RCFL PROPERTY OWNER LLC %RYAN LLC ATTN M CINEFRA	Real Estate	61,703,590	20	0.25%			
MARRIOTT OWNERSHIP RESORTS, INC	Timeshare Management				111,969,203	1	0.42%
NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY	Insurance				109,854,150	2	0.41%
FIFTH AVENUE PARTNERS LTD	Real Estate				102,841,750	3	0.39%
SOUTHERN BELL TEL CO	Telecommunication				99,975,191	4	0.37%
ELO ASSOCIATES II LTD	Real Estate				73,362,940	8	0.27%
PIER PROPERTIES INC	Real Estate				64,858,750	10	0.24%
		<u>\$ 1,929,516,458</u>		<u>8.10%</u>	<u>\$ 912,672,821</u>		<u>3.41%</u>

Source: Broward County Property Appraiser.

CITY OF FORT LAUDERDALE, FLORIDA

STATISTICAL SECTION

**PROPERTY LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Schedule 8

FISCAL YEAR	TAXES LEVIED FOR THE FISCAL YEAR		COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS	COLLECTIONS TO DATE	
	AMOUNT	PERCENTAGE OF LEVY	AMOUNT	PERCENTAGE OF LEVY		AMOUNT	PERCENTAGE OF LEVY
2016	\$ 117,615,644		\$ 116,905,478	99.4%	\$ -	\$ 116,905,478	99.4%
2015	108,085,092		107,040,848	99.0%	38,983	107,079,831	99.1%
2014	101,135,579		100,961,341	99.8%	-	100,961,341	99.8%
2013	97,265,832		97,055,209	99.8%	-	97,055,209	99.8%
2012	96,205,050		95,670,313	99.4%	83,489	95,753,802	99.5%
2011	100,485,419		98,916,252	98.4%	231,016	99,147,268	98.7%
2010	112,960,028		110,925,089	98.2%	1,072,137	111,997,226	99.1%
2009	125,137,680		123,421,092	98.6%	1,152,958	124,574,050	99.5%
2008	128,954,993		127,212,927	98.6%	645,464	127,858,391	99.1%
2007	135,607,404		134,386,183	99.1%	679,855	135,066,038	99.6%

Source: Broward County Revenue Collector.

CITY OF FORT LAUDERDALE, FLORIDA

STATISTICAL SECTION

**RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Schedule 9

(Dollars in thousands except per Capita)

FISCAL YEAR	GOVERNMENTAL ACTIVITIES									BUSINESS-TYPE ACTIVITIES			TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA ⁽²⁾
	GENERAL OBLIGATION BONDS	EXCISE TAX BONDS	TAX INCREMENT BONDS/NOTES ⁽¹⁾	SUNSHINE STATE LOANS	FLORIDA GOVERNMENTAL LOANS	SPECIAL OBLIGATION LOANS	SPECIAL OBLIGATION BONDS	CAPITAL LEASES	WATER & SEWER REVENUE BONDS	SANITATION REVENUE BONDS	STATE REVOLVING FUND LOANS				
2016	\$ 35,782	\$ -	\$ 7,257	\$ -	\$ -	\$ 17,329	\$ 275,444	\$ 1,869	\$ 362,422	\$ -	\$ 44,610	\$ 744,713	1.14%	4243.38	
2015	39,377	-	7,603	-	-	20,213	290,908	2,309	362,991	-	66,985	790,385	1.12	4398.36	
2014	42,164	-	-	-	-	23,024	305,545	-	369,034	-	71,853	811,620	1.13	4506.50	
2013	45,492	-	-	-	-	25,764	320,552	-	379,532	-	76,607	847,947	1.15	4700.37	
2012	49,121	-	12,461	-	-	28,979	-	-	385,938	-	81,248	557,747	0.77	3370.07	
2011	66,493	-	13,843	-	-	31,408	-	7,111	395,372	-	84,693	598,920	0.79	3603.61	
2010	33,855	-	15,120	-	-	24,022	-	8,425	404,381	-	89,193	574,997	0.73	3381.04	
2009	36,156	-	16,352	-	-	25,433	-	9,750	326,612	2,870	89,131	506,305	0.63	2951.46	
2008	38,373	3,520	17,544	6,110	9,373	-	-	2,639	333,328	3,265	72,316	486,468	0.60	2777.87	
2007	40,507	6,900	18,691	7,075	10,085	-	-	3,657	180,736	3,635	61,236	332,522	0.39	1881.34	

(1) Tax Increment Revenue Bonds Series 2004A and B were paid off in 2012. Tax Increment Revenue Note Series 2015 were issued in 2015.

(2) See Schedule 13 for Demographic and Economic Statistics personal income for population data.

CITY OF FORT LAUDERDALE, FLORIDA

STATISTICAL SECTION

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Schedule 10

FISCAL YEAR	GENERAL OBLIGATION BONDS	LESS SINKING FUND	NET GENERAL BONDED DEBT	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY*	PER CAPITA**
2016	\$ 35,782,337	\$ 773,145	\$ 35,009,192	0.12%	\$ 198.08
2015	39,376,788	709,415	38,667,373	0.15	220.80
2014	42,164,024	634,599	41,529,425	0.17	239.36
2013	45,492,290	602,401	44,889,889	0.19	259.70
2012	49,121,497	510,975	48,610,522	0.21	292.48
2011	66,492,754	16,045,899	50,446,855	0.21	304.81
2010	33,855,473	328,438	33,527,035	0.12	185.85
2009	36,156,265	628,426	35,527,839	0.12	197.27
2008	38,373,225	628,769	37,744,456	0.12	210.04
2007	40,506,993	586,703	39,920,290	0.14	227.47

* See Schedule 5 for Assessed Value and Actual Value of Taxable Property for property value data.

** See Schedule 13 for Demographic and Economic Statistics personal income for population data.

CITY OF FORT LAUDERDALE, FLORIDA

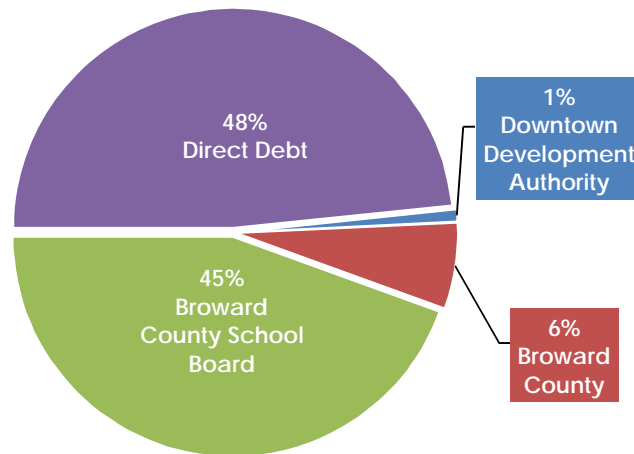
STATISTICAL SECTION

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
September 30, 2016**

Schedule 11

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	ESTIMATED SHARE OF OVERLAPPING NET DEBT
Debt Repaid with Property Taxes			
Downtown Development Authority	\$ 6,352,018	100.00%	\$ 6,352,018
Broward County ⁽¹⁾	232,035,000	18.93%	43,924,226
Broward County School Board ⁽¹⁾	1,642,405,000 *	18.93%	<u>310,907,267</u>
Subtotal Overlapping Debt			361,183,511
City of Fort Lauderdale Direct Debt	337,681,137	100.00%	<u>337,681,137</u>
Total Direct and Overlapping Deb			<u><u>\$ 698,864,648</u></u>

Direct and Overlapping Debt



(1) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using gross taxable property values. Applicable percentages were estimated by dividing the City's gross taxable property values (\$28,506,933,365) by the County's gross taxable property values (\$150,623,153,459).

* Debt outstanding as of June 30, 2016.

Legal Debt Margin: The amount of debt the City of Fort Lauderdale can issue is not limited by either the City of Fort Lauderdale charter or code, nor the Florida State Statues.

Sources: Assessed 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 FORT LAUDERDALE, FLORIDA

STATISTICAL SECTION

**PLEDGE REVENUE COVERAGE
LAST TEN FISCAL YEARS**
(Dollars in Thousands)

Schedule 12

SPECIAL OBLIGATION BONDS								
FISCAL YEAR	GROSS REVENUE	OPERATING EXPENSES*	NET AVAILABLE		DEBT SERVICE		TOTAL	COVERAGE
			REVENUE	PRINCIPAL	INTEREST			
2016	\$ 44,681	\$ -	\$ 44,681	\$ 15,470	\$ 10,889	\$ 26,359	\$ 1.66	
2015	43,222	-	43,222	15,230	11,130	26,360	1.64	
2014	42,815	-	42,815	15,070	11,291	26,361	1.62	
2013	42,044	-	42,044	16,480	8,469	24,949	1.69	
2012	-	-	-	-	-	-	-	
2011	-	-	-	-	-	-	-	
2010	-	-	-	-	-	-	-	
2009	-	-	-	-	-	-	-	

SPECIAL OBLIGATION LOANS								
FISCAL YEAR	GROSS REVENUE	OPERATING EXPENSES*	NET AVAILABLE		DEBT SERVICE		TOTAL	COVERAGE
			REVENUE	PRINCIPAL	INTEREST			
2016	\$ 195,688	\$ -	\$ 195,688	\$ 2,884	\$ 528	\$ 3,412	\$ 57.35	
2015	204,526	-	204,526	2,811	601	3,412	59.94	
2014	186,847	-	186,847	2,740	672	3,412	54.76	
2013	164,902	-	164,902	3,215	754	3,969	41.55	
2012	153,629	-	153,629	2,429	547	2,976	51.62	
2011	141,866	-	141,866	2,466	862	3,328	42.63	
2010	144,696	-	144,696	1,410	1,262	2,672	54.15	
2009	144,779	-	144,779	81	906	987	146.69	

WATER AND SEWER REVENUE BONDS								
FISCAL YEAR	GROSS REVENUE	OPERATING EXPENSES*	NET AVAILABLE		DEBT SERVICE		TOTAL	COVERAGE
			REVENUE	PRINCIPAL	INTEREST			
2016	\$ 134,407	\$ 71,085	\$ 63,322	\$ 9,050	\$ 13,273	\$ 22,323	\$ 2.84	
2015	131,913	64,546	67,367	9,945	16,252	26,197	2.57	
2014	117,552	58,085	59,467	9,590	16,590	26,180	2.27	
2013	121,076	56,652	64,424	9,345	16,874	26,219	2.46	
2012	106,017	57,299	48,718	9,100	16,783	25,883	1.88	
2011	105,231	50,958	54,273	8,805	17,849	26,654	2.04	
2010	103,156	55,207	47,949	6,885	15,663	22,548	2.13	
2009	92,071	52,576	39,495	6,645	14,821	21,466	1.84	
2008	85,741	50,296	35,445	3,495	11,925	15,420	2.30	
2007	82,804	48,749	34,055	2,830	7,935	10,765	3.16	

WATER AND SEWER STATE REVOLVING FUND LOANS										
FISCAL YEAR	GROSS REVENUE	OPERATING EXPENSES*	REVENUE BOND DEBT SERVICE		NET AVAILABLE		STATE LOANS DEBT SERVICE		TOTAL	COVERAGE
			PRINCIPAL	INTEREST	REVENUE	PRINCIPAL	INTEREST			
2016	\$ 136,490	\$ 76,829	\$ 9,050	\$ 13,273	\$ 37,338	\$ 4,218	\$ 1,326	\$ 6.73		
2015	134,923	69,475	9,945	16,252	39,251	4,869	1,697	5.98		
2014	119,196	62,816	9,590	16,590	30,200	4,753	1,812	4.60		
2013	123,905	60,927	9,345	16,874	36,759	4,641	1,882	5.64		
2012	107,398	75,037	9,100	16,782	6,479	3,445	1,993	1.19		
2011	107,049	58,869	8,805	17,849	21,526	4,500	2,081	3.27		
2010	107,784	62,466	6,885	15,663	22,770	4,286	2,138	3.54		
2009	97,376	60,169	6,645	14,821	15,741	4,663	1,956	2.38		
2008	90,701	57,364	3,495	11,925	17,917	3,006	1,792	3.73		
2007	89,077	56,208	2,830	7,935	22,104	2,074	925	7.37		

TAX INCREMENT REVENUE NOTE*					
FISCAL YEAR	GROSS REVENUE	DEBT SERVICE		TOTAL	COVERAGE
		PRINCIPAL	INTEREST		
2016	\$ 7,702	\$ 628	\$ 220	\$ 848	9.08
2015	5,858	628	220	848	6.91

* Note issued in fiscal year 2015

CITY OF FORT LAUDERDALE, FLORIDA

STATISTICAL SECTION

**DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Schedule 13

FISCAL YEAR	FORT LAUDERDALE POPULATION	BROWARD COUNTY POPULATION	BROWARD COUNTY PERSONAL INCOME*	BROWARD COUNTY PER CAPITA PERSONAL INCOME	UNEMPLOYMENT RATE
2016	176,747	1,854,513	\$ 85,167,498	\$ 45,924	4.6%
2015	175,123	1,827,367	80,905,552	44,274	4.9
2014	171,544	1,838,844	80,525,783	43,792	5.2
2013	170,065	1,815,137	78,687,882	43,351	5.2
2012	166,200	1,753,162	76,133,577	43,426	8.5
2011	165,500	1,748,100	72,752,112	41,618	10.7
2010	180,400	1,742,900	73,590,969	42,223	12.1
2009	180,100	1,756,500	71,994,871	40,988	10.9
2009	179,700	1,763,600	70,454,147	39,949	6.4
2007	175,500	1,751,100	65,213,329	37,241	4.2

* Personal income in thousands of dollars.

Sources: Fort Lauderdale population obtained from the Bureau of Economic and Business Research, University of Florida. Broward County population and personal income obtained from the Bureau of Economics Analysis, U.S. Department of Commerce. Unemployment rates obtained from the Bureau of Labor Statistics, U.S. Department of Labor.

**PRINCIPAL EMPLOYERS
CURRENT YEAR**

Schedule 14



Note: Little reliable data currently exists on employment within the City of Fort Lauderdale. The above estimates are assembled from data provided by the Broward Alliance, Broward County Government, the Broward County School District, and the City of Fort Lauderdale's Economic Development Division. Information for prior years is unavailable.

Fort Lauderdale is a part of the diverse economy of Broward County. Service industries dominate the local employment environment. Primary sectors of the services within the City are marine-related industries, tourism, retail and wholesale trade.

CITY OF FORT LAUDERDALE, FLORIDA

STATISTICAL SECTION

FULL TIME EQUIVALENT CITY GOVERNMENTAL EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Schedule 15

FUNCTION/PROGRAM	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government										
Business Enterprises	10.00	10.00	10.00	10.00	10.00	51.00	-	-	-	-
City Commission	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
City Manager	18.00	18.00	18.00	18.00	21.00	18.00	33.00	34.00	51.00	52.00
City Attorney	26.00	26.00	26.00	26.00	25.00	25.00	25.00	25.00	30.60	31.60
City Auditor	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	6.00	6.00
City Clerk	6.00	6.00	6.00	6.50	6.50	6.60	7.40	7.40	7.40	7.40
Finance	56.00	64.00	64.00	64.00	65.00	66.00	58.40	58.00	67.00	67.00
Human Resources	26.00	24.00	24.00	20.00	19.00	29.00	32.00	33.00	42.60	42.60
Information Systems	39.00	38.80	38.60	38.30	38.12	38.60	63.10	65.70	77.20	78.20
Office of Management and Budget	13.00	13.00	13.00	12.00	-	-	-	-	-	-
Office of Professional Standards	4.00	4.00	4.00	3.00	3.00	-	-	-	-	-
Procurement	12.50	11.30	11.00	11.00	11.00	-	-	-	-	-
Planning and Zoning	38.00	36.20	36.40	31.30	31.00	31.00	-	-	-	-
Public Works	61.00	52.00	52.00	36.00	48.00	115.00	53.00	39.00	57.00	57.00
Public Information	11.00	11.00	11.00	11.00	10.00	10.00	-	-	-	-
Sustainable Development	-	-	-	-	-	-	-	-	-	6.00
Public Safety										
Building Services	123.00	117.40	117.00	108.00	98.00	97.00	-	-	-	-
Fire Rescue	455.00	464.70	465.20	461.00	458.90	461.00	461.10	447.30	454.80	454.80
Police	712.00	693.50	696.70	702.90	696.00	673.00	673.00	682.30	712.30	709.30
Physical Environment										
Business Enterprises	1.00	1.00	1.00	1.00	1.00	-	-	-	-	-
Public Works	519.50	521.30	523.50	520.50	492.38	419.40	354.00	371.00	376.00	376.00
Transportation & Mobility										
Business Enterprises	13.50	14.00	14.00	16.00	16.00	16.00	6.00	-	-	-
Transportation	-	-	-	-	-	-	-	8.50	15.50	15.50
Parking and Fleet Services	52.00	52.90	54.60	51.90	49.80	81.60	75.40	78.10	78.00	78.00
Executive Airport	23.00	23.00	23.00	23.00	22.00	18.00	18.00	19.80	21.80	21.80
Public Works	12.50	11.60	11.60	8.50	5.20	3.20	4.00	3.00	5.00	5.00
Arts & Science District Garage	-	-	-	5.60	8.80	-	1.50	1.60	1.60	1.60
Economic Environment										
Economic Development	21.00	21.00	21.00	20.00	18.00	19.00	130.50	140.10	170.90	193.50
Planning and Zoning	20.50	19.00	17.00	17.00	17.00	15.00	-	-	-	-
Culture and Recreation										
Parks and Recreation	351.75	337.00	344.40	314.90	281.40	274.80	415.80	366.00	381.40	387.40
Business Enterprises	39.50	40.20	40.70	40.40	40.20	-	-	-	-	-
Total	2,681.75	2,647.90	2,660.70	2,594.80	2,509.30	2,485.20	2,428.20	2,396.80	2,568.10	2,602.70

Source: Annual Operating Budgets

CITY OF FORT LAUDERDALE, FLORIDA

STATISTICAL SECTION

**OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Schedule 16

FUNCTION/PROGRAM	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public Safety										
Police										
911 & Non-Emergency Calls Received ⁽¹⁾	703,119	654,123	684,524	588,913	567,692	564,131	560,155	492,536	N/A	N/A
Citations Issued	63,897	51,470	44,140	50,541	60,677	56,457	45,976	38,806	27,991	29,376
Arrests	14,112	14,018	13,903	14,601	17,256	13,752	13,172	10,995	8,067	7,174
Transportation and Mobility										
Parking										
Parking Citations Issued (Excluding Voids)	115,371	112,485	107,092	99,786	97,922	90,960	98,804	98,380	110,109	127,733
Fire Rescue										
Total Incidents	41,066	41,778	41,416	41,468	42,378	42,642	43,959	47,028 ⁽²⁾	53,380	53,430
Total Fire Incidents	739	645	636	521	639	578	542	529	600	582
Inspections Performed	18,936	20,352	16,663	16,754	20,267	24,951	19,570	20,075	24,564	19,852
Physical Environment										
Water Distribution										
Water Main Failures/Repairs	114	107	86	52	42	29	76	144	93	107
New Water Mains Construction (Feet)	22,076	22,976	21,827	19,927	20,356	22,736	22,000	5,809	595 ⁽³⁾	163
Water and Wastewater Treatment										
Raw Wastewater Treated (Billions of Gallons)	14	14	14	13	13	16	14	14	14	14
Raw Water Treated (Billions of Gallons)	16	16	17	15	15	14	14	14	15	15
Sanitation										
Household Refuse Collected (Tons)	45,911	48,408	45,350	43,528	42,088	42,174	40,671	40,441	39,500	44,383
Recycling Tonnage	6,280	7,989	8,269	8,650	7,891	9,107	11,688	10,060	10,692	10,864
Culture and Recreation										
Parks and Recreation										
Pavilion Rentals	969	900	1,020	1,145	1,050	664	668	744	708	1,311
Learn to Swim Registrants	3,938	3,594	3,596	2,942	2,988	2,329	2,251	2,509	1,580	1,701
Youth/Sports Club Participants	700	1,122	1,664	1,200	1,750	2,451	3,141	3,028	2,204	1,824
Summer Camp Registrants	808	1,317	1,284	1,010	1,058	1,897	2,059	2,228	2,010	2,137

Source: Various City departments

(1) Function no longer performed by the City; it was transferred to Broward County as of August 1, 2014.

(2) Amended number by Fire department.

(3) Small water main crews assigned to other duties, such as storm sewer repairs and other maintenance tasks. Consultants have initiated design to be constructed in FY 2016.

CITY OF FORT LAUDERDALE, FLORIDA

STATISTICAL SECTION

CAPITAL ASSET STATISTICS BY FUNCTION / PROGRAM
LAST TEN FISCAL YEARS

Schedule 17

FUNCTION/PROGRAM	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government										
City Buildings	112	112	112	112	112	112	112	112	112	112
Public Safety										
Police										
Police Stations	1	1	1	1	1	1	1	1	1	1
Marked Units (cars, vans, trailers, bomb van)	408	408	414	420	405	420	393	380	462	439
Unmarked Units (cars)	209	209	214	214	229	223	237	236	228	239
Fire Rescue										
Fire Stations	13	11	11	11	10	10	10	10	10	10
Fire Apparatus	20	20	20	20	20	20	20	20	20	20
Ambulances	20	20	20	20	19	19	20	20	20	24
Physical Environment										
Public Works - Water and Sewer										
Fire Hydrants	5,352	5,352	5,352	5,420	5,621	5,804	5,872	5,979	6,103	6,105
Water Mains (miles)	750	750	750	757	782	786	786	784	782	780
Water Plants (2) - capacity per day (million gallons)	90	82	82	82	82	82	82	82	82	82
Wastewater Plant - capacity per day (million gallons)	56	56	56	56	56	56	56	56	56	57
Sanitary Sewers (miles)	503	503	503	546	577	585	621	598	592	592
Storm Drainage (miles)	149	149	149	160	163	170	171	171	181	184
Storm and Wastewater Pumping Stations	153	153	153	198	208	208	213	193	190	193
Transportation										
Public Works - Road and Street Facilities										
Streets (miles)	497	497	497	497	498	500	500	525	525	525
Sidewalks (miles)	312	312	312	312	312	325	425	425	425	425
Bridges	51	51	51	51	51	51	52	52	51	51
Community Bus	11	11	11	3	3	3	3	3	12	12
Parking and Fleet Services										
City Maintained Parking Spaces	9,078	9,078	9,224	9,438	9,224	9,347	10,923	11,025	10,963	10,997
City Parking Garages	4	4	4	4	4	4	4	4	4	4
Meters (single and multi-space)	2,641	2,495	2,104	2,477	2,104	2,496	2,326	2,330	2,096	1,830
Culture and Recreation										
Public Beach (miles)	5	5	5	5	5	5	5	5	5	5
Municipal Swimming Pools	15	14	13	13	13	12	13	13	13	13
Public Parks (acres)	766	744	756	786	786	786	876	876	876	880
War Memorial Auditorium (Seating Capacity)	2,110	2,110	2,110	2,110	2,110	2,110	2,110	2,110	2,110	2,110
Lockhart Stadium (Seating Capacity)	19,500	19,500	18,800	19,500	19,500	19,500	19,500	19,500	19,500	19,500
Fort Lauderdale Stadium (Seating Capacity)	8,340	8,340	8,340	8,340	8,340	8,340	8,340	8,340	8,340	8,340
Fort Lauderdale Aquatic Complex (Seating Capacity)	2,540	2,540	2,540	2,465	1,840	1,740	1,740	1,740	1,740	1,740
Bahia Mar Yachting Center - Municipal Yacht Slips	200	200	200	200	200	219	250	250	250	250

Source: Various City departments and the annual budget

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

To the Honorable Mayor,
City Commission and City Manager
City of Fort Lauderdale, Florida
Fort Lauderdale, Florida

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Fort Lauderdale, Florida (the "City") as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 13, 2017. Our report includes a reference to other auditors who audited the financial statements of the City of Fort Lauderdale Police and Fire Retirement System (the "System"), as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those other auditors.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



Crowe Horwath LLP

Fort Lauderdale, Florida
April 13, 2017

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND STATE FINANCIAL ASSISTANCE PROJECT AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE**

To the Honorable Mayor,
City Commission and City Manager
City of Fort Lauderdale, Florida
Fort Lauderdale, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited the City of Fort Lauderdale, Florida's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of the City's major federal programs and state financial assistance projects for the year ended September 30, 2016. The City's major federal programs and state financial assistance projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs and state financial assistance projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Auditor General*. Those standards, the Uniform Guidance, and Chapter 10.550, *Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program and state financial assistance project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program and State Financial Assistance Project

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state financial assistance projects for the year ended September 30, 2016.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state financial assistance project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state financial assistance project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.



Crowe Horwath LLP

Fort Lauderdale, Florida
April 13, 2017

CITY OF FORT LAUDERDALE, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

Federal/State Grantor, Pass-through Grantor Federal Programs/State Projects	CFDA# CSFA #	Contract/ Grant Number	Financial Project Number	Expenditures	Transfer to Subrecipient
I. CASH FEDERAL FINANCIAL ASSISTANCE					
U. S. Department of Agriculture:					
Indirect Programs:					
Summer Food Service Program for Children					
Passed Through Florida Department of Agriculture and Consumer Services					
FY16 Summer Food Service Program for Children	10.559	04-0987	N/A	\$ 126,822	-
Total CFDA # 10.559				<u>126,822</u>	<u>-</u>
Child and Adult Care Food Program					
Passed Through Florida Department of Health Child Care					
Afterschool Snack Program	10.558	A-4798	N/A	42,811	-
Total U. S. Department of Agriculture				<u>169,633</u>	<u>-</u>
U.S. Department of Housing and Urban Development:					
Direct Programs:					
Community Development Block Grants / Entitlement Grants	14.218		N/A	1,740,199	522,332
Community Development Block Grants / Entitlement Grants - NSP	14.218	B-08-MN-12-0007	N/A	8,663	-
Community Development Block Grants/ Entitlement Grants - NSP3	14.218	B-11-MN-12-0007	N/A	23,271	-
Total CFDA # 14.218				<u>1,772,133</u>	<u>522,332</u>
Emergency Solutions Grant Program	14.231			204	-
Home Investment Partnerships Program	14.239			955,130	-
Housing Opportunities for Persons with AIDS	14.241	FL-H13-F-004		6,850,930	6,398,484
Indirect Programs:					
Continuum of Care Program					
Passed Through Broward County					
Chronic Homelessness Housing Collaborative (CHHC)	14.267	14-CP-HIP-8261-HUD-1	N/A	77,789	-
Chronic Homelessness Housing Collaborative (CHHC)	14.267	14-CP-HIP-8261-HUD-1	N/A	258,774	-
Total CFDA # 14.267				<u>336,563</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development				<u>9,914,960</u>	<u>6,920,816</u>
U.S. Department of the Interior					
Indirect Programs:					
Sport Fish Restoration					
Passed Through Florida Fish and Wildlife Conservation Commission					
George English Park Boat Ramp Replacement	15.605	14090	FL-F-F16AF0013	13,865	-
Total U.S. Department of Interior				<u>13,865</u>	<u>-</u>
U.S. Department of Justice:					
Direct Programs:					
Paul Coverdell Forensic Sciences	16.742	2015-CD-BX-0077		53,435	-
Federal Equitable Sharing Program					
Forfeiture Fund - Equitable Sharing (Non Treasury)	16.922	N/A	N/A	859,163	-
Indirect Programs:					
Office of Juvenile Justice and Delinquency Program					
Passed Through Florida Department of Juvenile Justice					
Juvenile Justice and Delinquency Program	16.540	10314		19,335	-
Edward Byrne Memorial Justice Assistance Grant Program					
Passed Through Broward Sheriff's Office					
2013 Edward Byrne JAG Local Solicitation Program	16.738	2013-DJ-BX-0369	N/A	85,709	-
2015 Edward Byrne JAG Local Solicitation Program	16.738	2015-DJ-BX-1021	N/A	2,500	-
Total CFDA # 16.738				<u>88,209</u>	<u>-</u>
Total U.S. Department of Justice				<u>1,020,142</u>	<u>-</u>

See Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance

CITY OF FORT LAUDERDALE, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

Federal/State Grantor, Pass-through Grantor Federal Programs/State Projects	CFDA# CSFA #	Contract/ Grant Number	Financial Project Number	Expenditures	Transfer to Subrecipient
U.S. Department of Transportation:					
Direct Programs:					
Airport Improvement Program					
Taxiway Foxtrot Pavement Rehabilitation	20.106	3-12-0024-029-2016	427873-1-94-01	72,966	-
Indirect Programs:					
Highway Planning and Construction					
Passed Through University of South Florida Board of Trustees					
Pedestrian & Bicycle Safety Enforcement Campaign	20.205	BDV25		13,719	-
New Freedom Program					
Passed Through South Florida Regional Transit Authority					
TriRail/NorthWest Link and Neighborhood Link	20.521	AQF93	FL-57-X050-00	90,354	90,354
Mobility Management	20.521	FL-57-X050-00	FL-57-X050-00	191,671	191,671
Total CFDA # 20.521				<u>282,025</u>	<u>282,025</u>
Total U.S. Department of Transportation				<u>368,710</u>	<u>282,025</u>
U.S. Department of Treasury					
Direct Programs:					
Equitable Sharing Program					
Equitable Sharing Program	21.016	N/A	N/A	89,187	-
Total U.S. Department of Treasury				<u>89,187</u>	<u>-</u>
U.S. Department of Homeland Security:					
Direct Programs:					
Port Security Grant Program					
Fiscal Year 2015 Port Security Grant Program	97.056	EWM-2015-PU-00542-S0	N/A	308,007	-
Total CFDA # 97.056				<u>308,007</u>	<u>-</u>
Indirect Programs:					
Emergency Management Performance Grant					
Passed Through Florida Division of Emergency Management					
FY 2015 Emergency Management Performance Grants - Citizen Corps	97.042	16-CC-S9-11-16-02-42	N/A	5,480	-
FY 2014 Emergency Management Performance Grants - Citizen Corps	97.042	15-CC-N2-11-16-02-439	N/A	2,020	-
FY 2015 Emergency Management Performance Grants - Citizen Corps	97.042	16-CC-S9-11-16-02-42	N/A	5,619	-
Total CFDA # 97.042				<u>13,119</u>	<u>-</u>
Homeland Security Grant Program					
Passed Through City of Miami					
FY 2014 Urban Area Security Initiative (UASI) Grant Program	97.067	15-DS-P8-11-23-02-453	N/A	108,310	-
FY 2014 Urban Area Security Initiative (UASI) Grant Program	97.067	15-DS-P8-11-23-02-453	N/A	9,436	-
FY 2014 Urban Area Security Initiative (UASI) Grant Program	97.067	15-DS-P8-11-23-02-453	N/A	21,082	-
FY 2015 Urban Area Security Initiative (UASI) Grant Program	97.067	16-DS-U7-11-23-02-36	N/A	22,087	-
FY 2015 Urban Area Security Initiative (UASI) Grant Program	97.067	16-DS-U7-11-23-02-36	N/A	14,692	-
Total CFDA # 97.067				<u>175,607</u>	<u>-</u>
Total U.S. Department of Homeland Security				<u>496,733</u>	<u>-</u>
Total Expenditures of Federal Awards				<u>\$ 12,073,230</u>	<u>\$ 7,202,841</u>

See Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance

CITY OF FORT LAUDERDALE, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

Federal/State Grantor, Pass-through Grantor Federal Programs/State Projects	CFDA# CSFA #	Contract/ Grant Number	Financial Project Number	Expenditures	Transfer to Subrecipient
III. STATE FINANCIAL ASSISTANCE					
Florida Department of Environmental Protection:					
Direct Projects:					
Statewide Surface Water Restoration and Wastewater Projects					
Fort Lauderdale River Oaks Preserve Stormwater Project	37.039	LP06101	N/A	\$ 76,548	-
Southeast Isles (Las Olas, Venice and Rio Vista) Tidal and Stormwater Improvements	37.039	S0740	N/A	603,463	-
Total Florida Department of Environmental Protection				<u>680,011</u>	<u>-</u>
Florida Housing Finance Corporation:					
Direct Projects:					
State Housing Initiative Partnership Program (SHIP)	40.901	N/A	N/A	886,741	-
Total Florida Housing Finance Corporation				<u>886,741</u>	<u>-</u>
Florida Department of Transportation					
Direct Projects:					
Florida Highway Beautification Council Grant					
Highway Beautification Grant		ART07	435710-1-78-01	100,000	-
Public Transit Service Development Program					
Beach Link Operating Grant - 4 day route	55.012	ARA49	434571-1-84-01	106,371	-
Transit Corridor Program					
Downtown Route Operating Expansion of Routes	55.013	ARA50	434480-1-84-01	91,491	-
New Trolley Capital Grant	55.013	ARA45	434481-1-94-01	6,205	-
Operating Funds Shuttle Service - Tri-Rail Connector	55.013	ARA44	434482-1-84-01	217,947	-
Total CSFA # 55.013				<u>315,643</u>	<u>-</u>
Intermodal Development Program					
Progresso Neighborhood Improvement Project	55.014	AQK44	425123-1-94-01	300,000	-
Total CSFA # 55.014				<u>300,000</u>	<u>-</u>
Aviation Development Grants					
Rehab Taxiway Sierra	55.004	AR544	431007-1-94-01	280,066	-
Security Improvements	55.004	AR131	433942-1-94-01	12,630	-
Rehab Airfield Lighting at Fort Lauderdale Executive Airport	55.004	ARN37	431010-1-94-01	32,665	-
Runway 8/26 & 13/31 Pavement Rehabilitation	55.004	ART93	433322-1-94-01	28,535	-
Taxiway Foxtrot Pavement Rehabilitation	55.004	AS119	427873-1-94-01	4,054	-
Taxiway Intersection Improvements	55.004	G0662	437843-1-94-01	72,018	-
Total CSFA # 55.004				<u>429,968</u>	<u>-</u>
Total Florida Department of Transportation				<u>1,251,982</u>	<u>-</u>
Total Expenditures of State Financial Assistance				<u>\$ 2,818,734</u>	<u>\$ -</u>

See Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance

CITY OF FORT LAUDERDALE, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
For the Year Ended September 30, 2016

1. General

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) presents the activity of all federal awards programs and state financial assistance projects of the City of Fort Lauderdale, Florida (the City), for the year ended September 30, 2016. Federal awards programs and state financial assistance projects received directly, as well as passed through other government agencies, are included on the Schedule.

The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

2. Basis of Accounting

The accompanying Schedule is presented using the modified accrual basis of accounting for expenditures accounted for in the governmental funds and the accrual basis of accounting for expenditures in the proprietary funds. Under the modified accrual basis, revenue is recognized if it is both measurable and available for use during the fiscal year and expenditures are recognized in the period liabilities are incurred, if measurable. Under the accrual basis, expenditures are recognized in the period liabilities are incurred.

The expenditures are recognized following the costs principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Program Clusters

The Uniform Guidance defines a cluster of programs as a grouping of closely related programs that share common compliance requirements. Based on this definition, similar programs are presented accordingly.

4. Contingency

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

5. Non-Cash and Federal Insurance

The city did not receive non-cash assistance in the current fiscal year.

6. De Minimis Cost

The City did not elect to use the 10% de minimis cost rate in fiscal year 2016.

CITY OF FORT LAUDERDALE, FLORIDA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS –
 FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
 YEAR ENDED SEPTEMBER 30, 2016

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified	No
Significant deficiency(ies) identified not considered to be material weakness(es)	None reported
Noncompliance material to financial statements noted	No

FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

Type of auditor's report issued on compliance for major federal programs and state financial assistance projects	Unmodified
Internal control over major federal programs and state financial assistance projects:	
Material weakness(es) identified	No
Significant deficiency(ies) identified not considered to be material weakness(es)	None reported
Audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a), Section 215.97, <i>Florida Statutes</i> and Chapter 10.550, <i>Rules of the Auditor General</i>	No

Identification of major federal programs and state projects:

<u>Federal Awards</u>	<u>Name of Federal Program/State Project</u>
CFDA Number	
14.241	Housing Opportunities for Person with AIDS
14.239	Home Investment Partnerships Program
State Financial Assistance	
CSFA Number	
37.039	Statewide Surface Water Restoration and Wastewater Projects
40.901	State Housing Initiative Partnership Program (SHIP)
55.014	Intermodal Development Program

Dollar threshold used to distinguish between Type A and Type B programs/projects:	
Federal	\$750,000
State	\$300,000

Auditee qualified as low-risk No

CITY OF FORT LAUDERDALE, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS –
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2016

SECTION II – FINANCIAL STATEMENT FINDINGS

No items to report

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No items to report

SECTION IV - STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

No items to report

CITY OF FORT LAUDERDALE, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS –
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2016

SUMMARY OF PRIOR YEAR AUDIT FINDINGS

FINANCIAL STATEMENT FINDINGS

- **Finding Description: 2012-006 IT Controls**

Status: Remediated



CITY OF FORT LAUDERDALE

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH
SECTION 218.415, FLORIDA STATUTES**

To the Honorable Mayor,
City Commission and City Manager
City of Fort Lauderdale, Florida
Fort Lauderdale, Florida

We have examined City of Fort Lauderdale, Florida's (the "City") compliance with Section 218.415, *Florida Statutes*, concerning the investment of public funds during the year ended September 30, 2016. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2016.


Crowe Horwath LLP

Fort Lauderdale, Florida
April 13, 2017

To the Honorable Mayor,
City Commission and City Manager
City of Fort Lauderdale, Florida
Fort Lauderdale, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Fort Lauderdale, Florida (the “City”), as of and for the year ended September 30, 2016, and have issued our report thereon dated April 13, 2017. Our report includes a reference to other auditors who audited the financial statements of the City of Fort Lauderdale Police and Fire Retirement System (the “Systems”), as described in our report on the City’s financial statements. This report does not include our consideration of the other auditor’s management letter that is reported on separately by those other auditors.

Auditor’s Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*; and Chapter 10.550, *Rules of the Auditor General*.

Other Reports and Schedule

We have issued our Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor’s Report on Compliance for Each Major Federal Program and State Financial Assistance Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant’s Report on Compliance with Section 218.415, *Florida Statutes*. Disclosures in those reports and schedule, which are dated April 13, 2017 should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report with regard to 2012-6 IT Controls.

Official Title and Legal Authority

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

Financial Condition

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

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

Annual Financial Report

Section 10.554(1)(i)5.b., *Rules of the Auditor General*, requires that we report the results of our determination as to whether the annual financial report for the City for the year ended September 30, 2016, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), *Florida Statutes*, is in agreement with the annual financial audit report for the year ended September 30, 2016. In connection with our audit, we determined that these two reports were in agreement.

Special District Component Units

Section 10.554(1)(i)5.d., *Rules of the Auditor General*, requires that we determine whether or not a special district that is a component unit of a county, municipality, or special district, provided the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), *Florida Statutes*. In connection with our audit, we determined that all special district component units provided the necessary information for proper reporting in accordance with Section 218.39(3)(b), *Florida Statutes*.

Other Matters Section

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

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

Purpose of this Report

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


Crowe Horwath LLP

Fort Lauderdale, Florida
April 13, 2017



FORT LAUDERDALE CITY COMMISSION

Mayor John P. "Jack" Seiler

Vice Mayor Dean J. Trantalis, District II

Commissioner Bruce G. Roberts, District I

Commissioner Robert L. McKinzie, District III

Commissioner Romney Rogers, District IV

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