



CITY OF DANIA BEACH DEPARTMENT OF FINANCE

TO: Honorable Mayor and Commission

VIA: Robert Baldwin, City Manager

FROM: Mark Bates, Director of Finance
Nicki Satterfield, Assistant Finance Director

DATE: April 9, 2013

SUBJECT: FY 2012 Year-end Financial CAFR
(Comprehensive Annual Financial Report)

The CAFR (Comprehensive Annual Financial Report) for the year ending September 30, 2012 was completed by our auditors at Keefe, McCullough & Co., LLP on March 27th. A brief, summary presentation of the Comprehensive Annual Financial Report will be planned at tonight's Commission meeting. The highlights provided below include corresponding page numbers in the CAFR financial report for your ease of reference.

General Fund (pg. 21)

Fund Balance

At September 30, 2012 the ***unassigned*** fund balance and Grant Fund deficit funding advance totals \$9,069,735, an increase of \$208,332 over the prior year total of \$8,861,403. Grant Fund advances primarily for approved capital projects such as the City Marina, are expected to be recouped in the coming year as applications for project expenditures are submitted to granting agencies and collected by the City. The City Commission has separately ***assigned*** fund balances totaling \$3,375,944 for various specific purposes including health claims, litigation costs, retirement funding and emergency recovery.

Revenues (pg. 23)

Total revenues for FY 2012 were \$36,772,229 representing a increase of \$1,027,572 compared to the prior year total \$35,744,657. The increase is attributed mainly to sales of surplus property acquired in respect of code violations, and auction of surplus City equipment and vehicles.

Expenditures (pg. 23)

General Fund expenditures for FY 2012 were \$35,341,108 representing a decrease of (\$825,659) when compared to the prior year total of \$36,166,767. The decrease is associated with the State's mandate of employee 3% FRS pension contributions resulting in a decrease in the Broward Sheriff's Office contract service cost for Police and Fire as well as reduced pension cost to for City employees covered by the FRS pension. The annual cost of City the legal department also declined by almost \$600,000 in 2012 from their peak of \$2.2 million in 2011. Further details on the General Fund expenditures can be found on page 23 and page 71 of the CAFR.

Business Type Activities-Enterprise Funds (pages 26-29)

Net Assets

The City's business-type activities consist of the 1) Water Fund, 2) Sewer Fund, and 3) Stormwater Fund, 4) Parking Fund and 5) Pier Fund. The City experienced an overall increase in business-type net assets of \$1,023, 867.

Water Fund net assets increased by \$16,932 from annual operations and reflects an available Unrestricted net asset balance of \$4,742,943.

Sewer Fund net assets increased by \$540,591 from annual operations and reflects an available Unrestricted net asset balance of \$2,668.735.

Stormwater Fund net assets increased by \$364,245 from annual operations and reflects an available Unrestricted net asset balance of \$3,188,164. .

The Parking Fund and newly created Pier Fund reflect available Unrestricted net assets of \$255,870 and \$30,701, respectively.

Special Revenue Funds (pages 78-79)

Building Permit Fund

In FY 2009 Building Permit operations were established as a Special Revenue Fund as required by State law. Operations of the Building Permit Fund reflected revenues below planned levels while expenditures remained at planned levels. The resulting annual operating deficit of (\$76,136) occurred despite General Fund support transfers of \$235,528. The remaining Fund balance of the Building Permit Fund has been effectively used during the past three years with only \$65,875 now remaining.

Marina Fund

The Marina's 2012 operations reflected its first annual operating surplus in the past 5 years. Rental revenues exceeded the budget plans with some of these funds used for operating costs and essential repairs & maintenance during the year. The Marina operations resulted in an annual surplus of \$10,505 which is combined in with the City's General Fund. Further details on the Marina can be located on page 80 of the CAFR.

Pension & OPEB (pages 87-88 & 75-77)

Highlights of the City's General Pension, Police/Fire Pension, and OPEB Trust are:

	General	Police/Fire	OPEB
Beginning Net Assets 10-1-2011	\$ 17,496,625	\$ 22,404,468	\$ 5,329,492
2012 Net Investment Earnings	2,319,505	3,604,607	774,611
Annual Contributions	1,198,362	2,986,917	246,520
Benefit Payments	3,344,872	3,250,788	- 0 -
Ending Net Assets 9-30-2012	17,614,827	25,584,333	6,350,623
Annual Earnings Assumption	7.5%	8.00%	6.00%
Annual City Cost - % of Payroll	77.25%	73.52%	n/a
Funded Ratio	75.30%	60.80%	22.20%
Total Participants	108	94	200
Retired Participants	73	61	113