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City of Fort Lauderdale

Year End Audit Results

Fiscal Year Ended September 30, 2016

Agenda

- Scope of Services/Deliverables
- Financial Summary
- Audit Results

The accompanying information should be read in conjunction with the audited financial statements and is intended solely for the information and use of the Mayor, City Commissioners, Audit Advisory Board, management and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

Scope of Services/Deliverables

- Audit Report on the Comprehensive Annual Financial Report
- Internal Control and Compliance Report - Government Auditing Standards
- Single Audit Report
- Management Letter
- Those Charged With Governance Communication

Financial Summary

- 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 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 the 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 an onetime 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.
- 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.

Financial Summary

- Net position of the Water and Sewer Fund increased by \$1.8 million to \$522.6 million. The Parking System Fund and the Stormwater Fund had net operating income of \$1.4 million and \$1.5 million, respectively, 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 the 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.
- Actual General Fund revenues for FY2016 were lower than the final FY2016 budget by only \$88,000 or 0.03%. 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 unfilled vacancies in multiple departments. Unspent capital outlay budget was approximately \$430,000.

Financial Summary

- 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 \$51.5 million, or 6.7%, during the current fiscal year.
- The General Employees' Retirement System was 93.36% funded in 2016 versus 90.51% funded in 2015.
- The Police and Firefighters' Retirement System was 92.52% funded in 2016 versus 92.84% in 2015.

Audit Results

- Audit Report on the Comprehensive Annual Financial Report
 - Unmodified Opinion
- Internal Control and Compliance Report - Governmental Auditing Standards
 - No Material Weaknesses, Significant Deficiencies or Findings
 - IT Controls (Sum Total and Cash Cloud prior year update)
- Single Audit Report - Federal and State
 - Unmodified Opinion
 - No Material Weaknesses, Significant Deficiencies or Findings
- Management Letter
 - No comments



Thank you