

# Comprehensive Annual Financial Report



Spread appreciation with a...

## Parade of Orchids

at Stunson Nature Trail



*City of Oakland Park, Florida*  
ENGAGED • INSPIRED • UNITED

*For Fiscal Year Ended  
September 30, 2020*



# Comprehensive Annual Financial Report

*of the*



**Fiscal Year Ended September 30, 2020**

*Prepared by the*

**Financial Services Department**



# CITY OF OAKLAND PARK, FLORIDA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

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## INTRODUCTORY SECTION

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April 30, 2021

The Honorable Mayor, City Commissioners, and  
Citizens of the City of Oakland Park:

It is our pleasure to submit the Comprehensive Annual Financial Report of the City of Oakland Park, Florida (the “City” or “Oakland Park”), for the fiscal year ended September 30, 2020, pursuant to Section 218.39 of the Florida Statutes and City Charter. The financial statements included in this report conform to the generally accepted accounting principles in the United States (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. The financial statements have been audited by BCA Watson Rice LLP, Certified Public Accountants. The independent auditor has issued an unmodified opinion that provides a reasonable basis for an opinion that the City's basic financial statements are fairly presented and complies with all reporting standards noted above.

The contents of the financial report have been influenced by compliance with GASB pronouncements, including GASB Statement 34 that requires the preparation of government-wide financial statements on a full accrual basis of accounting for all funds as well as the Management’s Discussion and Analysis (MD&A). The MD&A can be found immediately following the independent auditor’s report.

### ***The Reporting Entity and Services***

The City was originally incorporated as the Town of Floranada in 1925, and reincorporated as the City of Oakland Park on June 7, 1929. The City’s Charter was adopted by the State Legislature on July 15, 1959. The City operates under the Commission-Manager form of government wherein five members, one of whom is the Mayor, are elected at large. The City Commission determines the policies that guide the City’s operations by hiring a City Manager to implement and administer these policies on a full-time basis.

In accordance with GASB Statement No. 14, as amended by GASB No. 61, the City has included the Oakland Park Community Redevelopment Agency (CRA), a blended component unit, in its report since the City is financially accountable for and is able to impose its will on the agency or there is a potential for the agency to provide specific financial benefits to, or impose specific financial burdens on, the City. Also, the CRA’s outstanding debt is expected to be repaid entirely with resources of the City. The nature and significance of its relationship with the City are such that exclusion of the CRA would cause the City’s financial statements to be misleading or incomplete.

Oakland Park provides a full range of municipal services including fire, emergency medical and police services (contracted through the Broward Sheriff’s Office), parks and leisure facilities, solid waste collection, water/wastewater, and stormwater management. Oakland Park is one of the few cities in Broward County that operates its own library, a wonderful resource for City residents. Oakland Park is also home to many wonderful parks, such as Royal Palm Park, Jaco Pastorius Park and Veterans Park that overlooks beautiful Blue Heron Lake. In addition, Oakland Park has many beautiful lakes, waterways and canals running through the City, making it an attractive place to live, work, and play.

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## *Economic Condition and Outlook*

The City of Oakland Park comprises approximately eight square miles and is located in the eastern portion of central Broward County, a major metropolitan area. Numerous major attractions are situated in close proximity to the City, such as the Broward Center for Performing Arts and the Broward Convention Center, with the Atlantic Ocean less than three miles away. Local businesses benefit from the sizeable tourist trade the region generates. Residents and visitors have many transportation resources available, access to all major airlines at three nearby international airports, as well as access to rail service, shipping ports, and interstate highways. The new Major League Soccer team Inter Miami CF's stadium has just finished construction and the team's first match was played in March 2020; this stadium is located directly across from Oakland Park's northwestern city limits in Fort Lauderdale and is expected to further enrich local business. Residents and visitors have many transportation resources available, access to all major airlines at three nearby international airports, as well as access to rail service, shipping ports, and interstate highways.

According to the most recent estimates from the U.S. Census Bureau, Oakland Park, is home to an estimated 45,202 residents. The City is diverse, 58.1% of our residents are white, 27.4% are black, 3.8% are Asian, and remaining population reports other races (e.g. Native American). Hispanic and Latino residents of any race are 31.0% of the population. Close to 57% of our residents are under the age of 45 with the median age being approximately 41. Although Oakland Park is primarily a residential community with slightly over 40% of land use dedicated to residences, the City also has a relatively high proportion devoted to commercial, light industrial and community facility uses, close to 20%. Further, a significant amount of land use, nearly 40%, is dedicated to parks, roads, waterways, canals, and lakes.

The economy in the year 2020 was one marked by incredible and rapid changes due to the COVID-19 pandemic and lingering uncertainty. Record low unemployment in December 2019 quickly turned into record-high levels of unemployment and years of economic expansion came to a halt. As noted by the National Bureau of Economic Research in the announcement of a formal recession in June of 2020, the pandemic created an "unprecedented magnitude of the decline in employment and production". Despite the economic slowdown, the housing market remained stable both in Florida and nationwide. The Building Division of the Engineering and Community Development Department served approximately 16,450 customers and issued 3,759 permits despite the COVID -19 pandemic. The job construction value of permits issued was \$52.5 million, a decrease of approximately 26% from last year, but job value is anticipated to increase greatly large residential and mixed-use projects seek permits in 2021. The unemployment rate in Broward County at the end of FY 20 was at 8.2% or an increase of 5.4% from FY 19, again due to the pandemic. The South Florida region's jobless rate was 2.5% higher at 9.7% than the State rate of 7.2 %. These reflect some of the highest historical rates for unemployment, unprecedented levels for the year due to the pandemic, and the impact travel restrictions have had on South Florida's tourism-heavy economy.

The real property taxable value was unaffected by the pandemic and the high growth trend continued. The City's tax base is comprised of 63.2% residential, 20.8% commercial, 14.6% industrial use and 1.4% miscellaneous. The value of new construction, together with the taxable value of the property located within Oakland Park, over the past fifteen (15) years is shown below:

<b><u>Year</u></b>	<b><u>(\$ millions)</u></b> <b><u>Construction Value</u></b>	<b><u>(\$ billions)</u></b> <b><u>Property Taxable Value</u></b>
2006	71.7	2.6
2007	107.2	3.2
2008	62.3	3.5
2009	47.7	3.2

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***Economic Condition and Outlook  
(continued)***

<b><u>Year</u></b>	<b><u>(\$ millions) Construction Value</u></b>	<b><u>(\$ billions) Property Taxable Value</u></b>
2010	34.8	2.3
2011	22.3	2.3
2012	40.6	2.1
2013	39.7	2.2
2014	34.4	2.4
2015	39.4	2.5
2016	84.3	2.7
2017	107.3	3.0
2018	64.5	3.3
2019	71.3	3.5
2020	52.5	3.8

As shown above, the City’s property tax base is now at the highest level on record, at \$3.8 billion.

***Major Initiatives***

The City of Oakland Park has been aggressively pursuing funds to continue its revitalization program over the past several years. From drainage to street, park improvements and redevelopment, “A City on the Move” embraces the City Commission’s direction of an “Engaged, Inspired and United” community. The City is continuing its revitalization program which addresses major improvements to roadways within the City, landscape enhancements, recreational amenities and infrastructure upgrades to water distribution and wastewater collection systems, in addition to drainage improvements. The following milestones are a testament to the City’s progress:

- Completed the NW 10<sup>th</sup> Avenue Project which included the installation of a concrete shared-use path, road widening, installation of a dedicated bike lane, landscaping, irrigation, lighting and milling & resurfacing;
- Completed the Bid Pack 8 Project. The project included the replacement and upsizing of existing water mains, sidewalk installation, minor drainage improvements, Lift Station rehabilitation (B1) and milling & resurfacing;
- Completed the design for the Municipal Building Hardening Project;
- Completed the design for the Stunson Nature Trail viewing Area;
- Initiated the Planning/Design process for multiple City facilities: City Park (Phase I&II), Public Works, Fire Station 9, Fire Station 20, Fire Station 87 (Remodel), L-Shaped Building and;
- Initiated the design of a new Public Works Maintenance and Operations Complex.

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### ***Major Initiatives (continued)***

Building on the prudent fiscal management of the past years, FY 20 continued a major transition in the Capital Improvement Program (CIP) five-year plan, as focus shifts away from exclusively underground improvements to above ground components including downtown enhancements, streetscapes, parks facilities, mobility enhancements, and redevelopment projects. The City's investment in the downtown has provided the momentum and commercial interest from investors that is spreading throughout the City. The success of the downtown redevelopment has generated an increase in development, property sales and new investments. The succeeding year maintains this direction and builds on the momentum through major capital investments in western corridors. The City's strategic CIP efforts to upgrade the infrastructure have led to the next stage of planning and implementation for the City's renewed prosperity. Many of the new projects reflect funding from the City's \$40 million General Obligation bond program or are supported through the County's Transportation Surtax program. This year and continuing into next year, the CIP provides projects that promote a sustainable future through enhancements in our City parks and other above ground beautification improvements that promote walkable, bicycle friendly and landscaped streetscapes such as the following, among others:

- NE 34th Ct from NE 12th Terr. To NE 16th Ave Roadway Improvement
- NE 13<sup>th</sup> Ave Infrastructure Improvements
- Stunson Nature Trail – Phase 2
- Citywide Tree Canopy Enhancements
- Oakland Park Blvd West Landscaping Improvements Phase 2
- Main Street Traffic Recirculation
- Oakland Park Elementary School Sidewalk Project
- Lakeside Sidewalk Project
- Lloyd Estates (Safe Routes to School) Sidewalk Project

### ***Changes to Financial Policies and Long-Term Financial Planning***

City management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal, state and local financial assistance, the government is also responsible for ensuring that an adequate internal control structure is in place to ensure and document compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluation by management. In addition, the City maintains extensive budgetary controls and maintains an encumbrance accounting system. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Commission. A five-year capital improvement plan is also provided to City Commission with the current year of the capital plan appropriated by the City Commission, similar to the other funds.

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### ***Major Initiatives (continued)***

The City Commission has adopted financial policies that have an ongoing impact on City-wide operations and has established the framework for sound financial management. These policies are presented to the Commission for review as part of the final budget hearing. These fiscal policies provide guidelines for budgeting, fund balance, accounting records, investment and debt management.

In October 2019, the City issued water-sewer revenue bonds in the amount of \$10.73 million to refund the existing 2010b Water and Sewer Revenue Bonds. These new bonds will fully mature on 9/01/2040, the same date as the original bonds. By issuing these refunding bonds, the City has reduced the annual debt service of the water and sewer fund by approximately \$80 thousand a year. This secures a net present value savings \$1,212,564 to the City. These bonds received a high AA credit rating for Standard & Poor's and as part of a separate "green" evaluation, S&P also rated the City's bonds as having "E1" status, the strongest Green Evaluation score on their scale.

On June 11, 2020, the City issued \$26 million of the \$40-million General Obligation (G.O.) Bonds which was approved by the residents at the general election in November 2018. The proceeds of G.O. Bonds are to be used to fund the modernization of the City facilities such as the three (3) fire rescue stations, the municipal library, the community centers, and City Park. The G.O. Bonds of the City are payable from a separate debt service millage levied on all taxable real and tangible personal property within the City. There is no direct limitations imposed by the Florida Constitution or the Florida Statutes on the amount of debt that the City can issue.

Under the City Commission's guidance, six (6) Strategic Performance Areas (SPAs) have been identified:

- Financial stability and sustainability
- Infrastructure needs
- Public safety and security
- Smart growth and redevelopment
- Maintaining parks, leisure facilities, and activities
- Focus on Oakland Park's image

Each of the above-mentioned areas has its performance goals and key intended results. The actions taken by the City reflects progress toward these goals. To effectuate the strategic plan, a business plan is developed as part of the budget to focus on furthering these strategic goals. In FY 2020, the City committed to over 100 BPI activities at a cost of approximately \$3.7 million. Major components of the program included road resurfacing, continued work on revisions to downtown development regulations, updates to the Stormwater Master Plan, the first phase of Evaluation and Appraisal Report of the City's Comprehensive Plan, and purchase of additional stormwater and sewer equipment. Many of the initially planned business plan activities were altered during the 2020 fiscal year to reflect the realities of the COVID-19 pandemic, with resources shifted to help facilitate support to residents and local businesses and to implement and expand online services options.

The City has seen transformational change in recent years. Before the COVID-19 pandemic hit in March 2020, the effects of the recession of 2007 continue to subside as the market recovered and Oakland Park's tax base reached full recovery, exceeding the peak tax base before the recession by 6%. Broward County Property Appraiser data shows that Oakland Park's growth in taxable value is strong, with 2020 tax year data showing almost 7% increase over 2019. The City's Community Redevelopment Agency's activities have continued to succeed in attracting new investments and as of the 2020 tax year, the total tax base for

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### *Major Initiatives (continued)*

the CRA was at 115% of the pre-recession peak value. These positive trends are expected to continue as the City is increasingly seeing larger proposed development and redevelopment projects that are anticipated to bring critical mixed-use buildings to the City's downtown area and along major corridors, in addition to expanding the City's tax base. There are currently over 1,000 new residential units that are currently permitted, under construction, or have their site plans approved.

The development trend is expected to continue for Oakland Park, particularly in the City's downtown area. Investment in the downtown area is accelerating, with two mixed-use projects currently in development. The downtown area was also recommended as one of the potential stops for the Tri-Rail Coastal Link passenger service in the 2019 Regional Planning Council Station Area Master Plan. In August 2020, the City Commission adopted a resolution to express support for a commuter rail platform to be located in the downtown, which would positively enhance City's economy, encouraging investment and attracting more interest in development.

The main focus of the City's activities is the implementation of a comprehensive facilities program. In November of 2018, City residents approved a \$40 million general obligation bond to replace and modernize the City's aged facilities, including fire stations, community centers, and the City's municipal library. The City intends to strategically implement the bond projects in a way that will maintain continuity of services, maximize value & utilize resources judiciously, optimize opportunities, and be consistent with the strategic vision for the City as set by the City Commission. As previously mentioned, the City issued the first tranche of the G.O. Bonds in the amount of \$26 million in June 2020. The new program provides an opportunity to reshape how and where services are delivered to the community for the next generation. The City has engaged with residents, expert consultants, and local businesses to ensure the plan adopted promotes economic development and sustainability, is grounded in fiscal responsibility, addresses long-term needs, and realizes the highest and best use of City property. Some results of these efforts include the development of a centralized "City Park" using land currently hosting Public Works operations and Fire Station, both of which will be relocated. The City's existing municipal library will be relocated to the City Park site, which will also feature a community center, splash pad, pickleball, basketball, urban forest, and other amenities. To maximize the leverage of bond dollars, the City has been aggressively seeking grant dollars for projects. The City has committed to completing the bond program in 2029 to coincide with Oakland Park's centennial anniversary.

Even as economic conditions have been severely affected due to the COVID-19 pandemic, the City remains dedicated to a culture of service and efficiency. The City continues to examine the ways it does its business; City services transitioned to online delivery and remote work was implemented for many positions. 2020 was an atypical year, as the focus of the City was not just how to deliver normal services safely, but also to meet the needs of the community during these difficult times. Oakland Park collaborated with Broward County on residential and small business assistance programs, mobilized staff to provide food deliveries for at-risk residents, and opened the first municipal vaccination site in Broward County.

Through careful planning and investments, the City is prepared to go the distance needed to achieve its goals: Oakland Park is truly a City on the Move.



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### ***Independent Audit***

In accordance with Florida Statutes Section 218.39, the City has engaged the firm of BCA Watson Rice, LLP to perform the independent audit of the City's financial statements. The Independent Certified Public Accountant's report is included in the financial section of this Comprehensive Annual Financial Report.

### ***Awards***

The Governmental 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 for the fiscal year ended September 30, 2019. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. This report must satisfy both generally accepted accounting principles in the United States 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 Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

### ***Acknowledgments***

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Financial Services Department and the City's audit firm, BCA Watson Rice LLP. We express our appreciation to them for their support in planning, conducting and attesting to the financial operations of the City in a responsible and progressive manner. We would also like to thank the various operating departments for their timely contributions in the writing of this report.

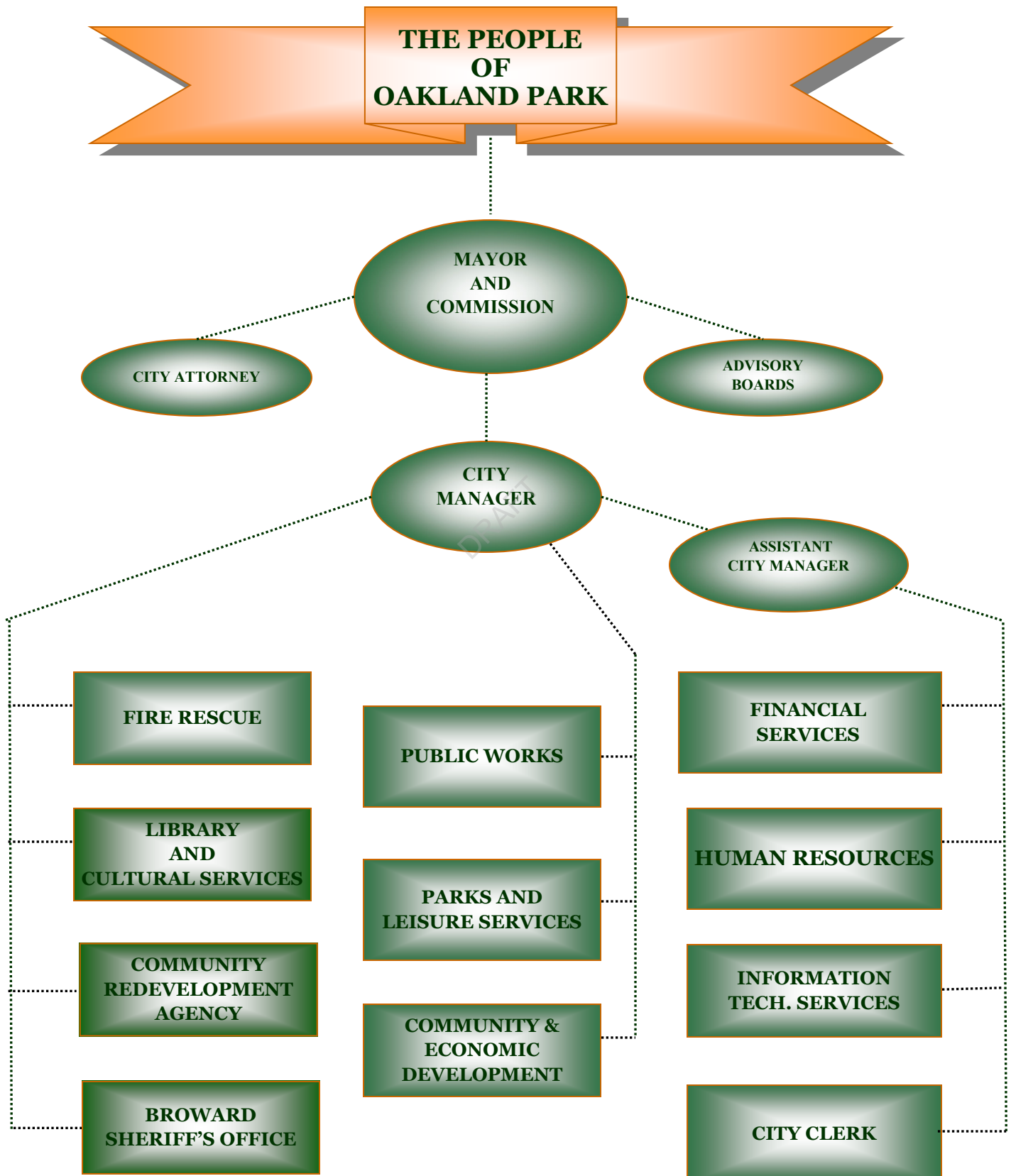
Respectfully submitted,

**David Hebert**  
City Manager

**Jennifer Frastai**  
Assistant City Manager

**Andrew Thompson**  
Director of Financial Services

# CITY OF OAKLAND PARK ORGANIZATIONAL CHART



# CITY OF OAKLAND PARK, FLORIDA

## COMMISSION - MANAGER FORM OF GOVERNMENT LIST OF CURRENT PRINCIPAL OFFICIALS

### CITY COMMISSION

**JANE F. BOLIN**  
Mayor

**MICHAEL E. CARN**  
Vice Mayor

**MATTHEW SPARKS**  
Commissioner

**MITCH ROSENWALD**  
Commissioner

**AISHA GORDON**  
Commissioner

### SENIOR EXECUTIVE TEAM

**DAVID HEBERT**  
City Manager

**DONALD J. DOODY**  
City Attorney

**JENNIFER FRASTAI**  
Assistant City Manager

**RENEE SHROUT**  
City Clerk

**LORI DAY**  
Human Resources Director

**ANDREW THOMPSON, CGFO**  
Financial Services Director

**HEIDI BURNETT**  
Library & Cultural Services Director

**STEPHEN KRIVJANIK**  
Fire Chief

**BRYNT JOHNSON**  
Engineering and Building Services Director

**ALBERT CARBON**  
Public Works Director

**PETER SCHWARZ**  
Community and Economic Development Director

**BRAD OSTROFF**  
Parks & Leisure Services Interim Director

**TAMMY MCNEAL**  
Police Chief - BSO



Government Finance Officers Association

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

Presented to

**City of Oakland Park  
Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2019**

*Christopher P. Morill*

Executive Director/CEO



## OUR VISION

**Oakland Park – A hometown choice for excellence  
in people, public service, and community.**

## OUR MISSION

**We strive every day to deliver – in a friendly, courteous,  
reliable, and responsive manner – a diverse set  
of efficient and effective City services that exceed the  
expectations of our residents, businesses, and employees.**

## OUR VALUES

**Our actions are guided by the following principles:**

### **RESPECT**

We value all members of our diverse community and will treat everyone with the highest respect.

### **INTEGRITY**

The highest standards of honesty and fairness are the foundations of all policies and decisions.

### **SERVICE**

We work together to satisfy the needs of our entire community in the most effective and efficient way possible.

### **EXCELLENCE**

We are committed to excellence through hard work, innovation, creativity, and continuous improvement.



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## FINANCIAL SECTION

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# **INDEPENDENT AUDITOR'S REPORT**

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## *Independent Auditor's Report*

Honorable Mayor and  
Members of the City Commission  
City of Oakland Park, Florida

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Oakland Park, Florida ("the City"), as of and for the year ended September 30, 2020, 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 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, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2020, 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.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis and budgetary comparison information* on pages 4 through 23 and 121 through 124 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements, and statistical tables and the Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the Schedule of Expenditures of Federal Awards is the responsibility of management and was 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 and individual nonmajor fund financial statements and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2021 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 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 City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Fort Lauderdale, Florida  
April 30, 2021

*BCA Watson Rice LLP*

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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DRAFT

***Rounding Disclaimer:***

Due to rounding, numbers presented in the succeeding pages may not add up precisely to the totals provided, and percentages may not precisely reflect the absolute figures.

DRAFT

# CITY OF OAKLAND PARK, FLORIDA

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## MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR 2020

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The management of the City of Oakland Park (the "City") has included this section in the Comprehensive Annual Financial Report (CAFR) in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 34. It is intended to provide readers of this report with a general overview of the financial activities of the City during fiscal year 2020. The information in this section should be considered in conjunction with additional information that is furnished in the letter of transmittal, the City's financial statements, the notes to financial statements and other required supplemental information.

This discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activity, (c) identify changes in the City's financial position, (d) identify any material deviations from the financial plan, and (e) identify individual fund issues or concerns. The information contained within this section should be considered only a part of a greater whole. Due to rounding, minor differences may appear between the numbers used in the analyses and the condensed financial information.

### FINANCIAL HIGHLIGHTS

The following are the highlights of financial condition and activities as of and for the fiscal year ended September 30, 2020:

- At the close of FY 2020, the City's total assets plus deferred outflows of resources exceeded its liabilities plus deferred inflows of resources by \$170.2 million, a decrease of \$1.4 million from previous year. Of this total net position amount, \$15.7 million is unrestricted and may be used to meet the ongoing obligations to residents.
- The City's \$50.0 million expenses for governmental activities exceeded the \$48.7 million revenues resulting in a negative change in net position of \$1.3 million. The decrease in net position is primarily due to the \$3.1 million increase of the City's proportionate share of the Net Pension Liability (NPL) with the Florida Retirement System (FRS), among others. The upward trend of the City's proportionate share of NPL in FRS relates to the increases in covered payroll, most significantly due to the entry of the City's firefighters into the FRS Special Risk Class category effective FY 2019.
- The City's business-type activities recognized \$30.6 million revenues against \$30.7 million expenses posting a negative \$.1 million change in net position. Compared to last year, revenues dropped by about \$1.1 million. This is attributable to the effects of the COVID-19 pandemic as demand for water and sewer services went down due to businesses, especially restaurants and bars within the city, being closed or did not operate at full capacity. The very low interest rates also deprived the enterprise funds from generating the same level of interest income that was earned in FY 2019.
- The General Fund's (GF) revenues of \$53.5 million surpassed the expenditures of \$50.0 million by \$3.6 million before transfers. With a net transfer out of \$ 2.1 million, a net increase in the fund balance of \$1.4 million can be noted. The positive net change in fund balance reflects the increase in property values coupled with the slight increase in the millage rate from 5.9985 in FY 2019 to 6.0880 in FY 2020, in addition to efforts to create operational savings to the COVID-19 related economy uncertainties

# CITY OF OAKLAND PARK, FLORIDA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR 2020

### FINANCIAL HIGHLIGHTS (continued)

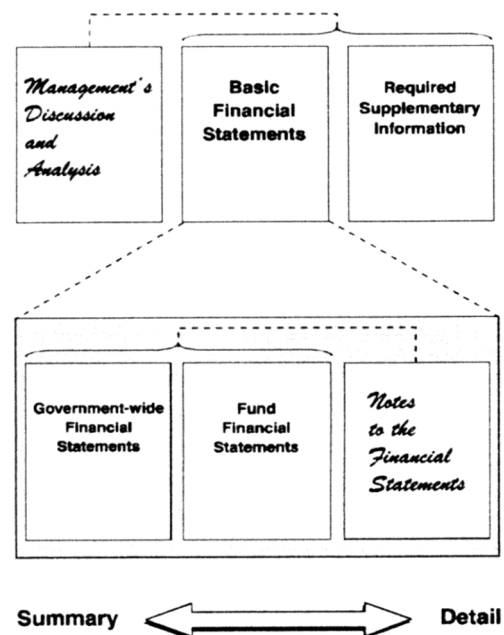
- At the end of the fiscal year, the fund balance of the General Fund was \$18.8 million. Of this balance, about \$ 1.4 million was either in non-spendable form such as inventory and prepaid cost of insurance or restricted due to the amounts being set aside for grant match and other specified purposes; and \$4.1 million is assigned for subsequent year's budget. The remaining \$13.4 million of total fund balance is unassigned and is available for new spending pursuant to the City Commission's financial policies.
- During the year, Oakland Park Community Redevelopment Agency (OPCRA) fund increased its fund balance by \$49 thousand resulting from its conscious efforts to conservatively use available fund balance in response to the COVID-19 pandemic while continuing to support core services. Historically, the CRA is funded annually by transfers from the General Fund which was \$347 thousand for FY 2020.
- With the inflow of the proceeds from the \$26 million G.O. bonds that was issued during the year to finance the improvement of City facilities, the Capital Projects Fund became a major fund. Fund balance of \$33.9 million in the Capital Project Funds is all committed for capital projects.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts—*management's discussion and analysis* (this section), the *basic financial statements and the notes to the financial statements, required supplementary information* and an additional section that presents *combining statements* for nonmajor governmental funds and capital assets used in the operations of governmental activities. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are *government-wide financial statements* that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the City government and reports the City's operations in more detail than the government-wide statements.
  - *Governmental funds* statements tell how general government services, such as parks and recreation, were financed in the short term as well as what remains for future spending.

Figure A-1  
Required Components of  
City's Annual Financial Report





# CITY OF OAKLAND PARK, FLORIDA

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## MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR 2020

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### OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

- *Proprietary funds* statements offer short-term and long-term financial information about the activities the government operates like businesses, such as utilities (water and sewer), solid waste and stormwater systems.
- *Fiduciary funds* statements report assets held in a trustee capacity for others and, therefore, cannot be used to support the government's own programs.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* which further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and are related to one another.

In addition to these required elements, we have included a section with combining statements that provide details about our nonmajor governmental funds, each of which is added together and presented in single columns in the basic financial statements.

**Government-wide financial statements:** The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the City's assets and deferred outflows and total liabilities and deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) and from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The government activities of the City of Oakland Park include public works, engineering, parks and recreation, library, community development, fire rescue, community enhancement, police services provided by the Broward's Sheriff Office, and general administration services. The business-type activities of the City include the water and sewer systems, the solid waste operations and the stormwater system. The government-wide financial statements are on pages 24 and 25 of this report.

# CITY OF OAKLAND PARK, FLORIDA

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## MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR 2020

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### OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Oakland Park maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund which is always considered to be a major fund. The CRA Fund, although non-major, is presented as a major fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. Budgetary comparison statements have been provided for the General Fund and the CRA Special Revenue Funds to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 26 to 29 of this report.

**Proprietary funds:** The City maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer, solid waste and stormwater operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds financial statements provide separate information for the water and sewer, solid waste and stormwater operations, all of which are considered to be major funds of the City.

The basic proprietary fund financial statements can be found on pages 30 to 32 of this report.

# CITY OF OAKLAND PARK, FLORIDA

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## MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR 2020

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### OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

**Fiduciary funds:** Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 33 to 34 of this report.

**Notes to the financial statements:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 35 to 120 of this report.

**Other information:** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*, which includes information concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 121 to 136 of this report.

The combining statements referred to earlier in connection with non-major governmental funds is presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 137 to 144 of this report.

Our analysis of the financial statements of the City begins below. The Statement of Net Position and the Statement of Activities report information about the City's activities that will help answer questions about the position of the City. Both fiscal years 2020 and 2019 are presented for comparison.

*- The rest of the page is intentionally left blank. -*

# CITY OF OAKLAND PARK, FLORIDA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR 2020

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

#### Statement of Net Position:

As noted earlier, net position may serve as a useful indicator over time of a government's financial strength. The table below summarizes Oakland Park's net position as of September 30, 2020 and 2019:

City of Oakland Park, Florida Net Position (In Thousands)						
	2020			2019		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
<b>Assets</b>						
Current and other assets	\$ 22,411	\$ 22,667	\$ 45,078	\$ 26,445	\$ 29,054	\$ 55,499
Capital assets	55,758	18,740	74,498	88,883	124,318	213,201
Total assets	78,169	41,406	119,575	115,328	153,372	268,700
<b>Deferred outflows of resources</b>	53	176	229	15,810	2,592	18,402
<b>Liabilities</b>						
Accounts payable and other liabilities	4,551	6,785	11,337	4,944	7,666	12,609
Long-term liabilities	78,491	49,311	127,802	46,475	50,122	96,597
Total liabilities	83,042	56,096	139,138	51,419	57,787	109,206
<b>Deferred inflows of resources</b>	278	72	350	5,369	930	6,300
<b>Net Position</b>						
Net investment in capital assets	-	-	-	72,489	80,460	152,949
Restricted	1,057	400	1,457	1,458	1,481	2,939
Unrestricted	-	1,094	1,094	403	15,305	15,708
Total net position	\$ 1,057	\$ (14,586)	\$ (19,684)	\$ 74,350	\$ 97,246	\$ 171,596

There are six (6) basic transactions that will affect the comparability of the Statement of Net Position summary presentation:

- 1) Net results of activities will impact current assets and unrestricted net position;
- 2) Borrowing for capital will increase current assets and long-term debt;
- 3) Spending or lack of spending of borrowed proceeds will affect current assets and capital assets;

# CITY OF OAKLAND PARK, FLORIDA

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## MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR 2020

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### GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

#### Statement of Net Position: (continued)

- 4) Spending of non-borrowed current assets on new capital will reduce current assets, increase capital assets, reduce unrestricted net position, and increase net investment in capital assets;
- 5) Principal payment on debt will reduce current assets, long-term debt, reduce unrestricted net position and increase net investment in capital assets; and
- 6) Reduction of capital assets through depreciation will reduce capital assets and net investment in capital assets.

The City's combined net position was \$170.2 million as of the end of FY 2020; \$73.1 million for governmental activities and \$97.1 million for business-type activities. This represents a \$1.4 million or 0.83% decrease from the net position of last year. It can be noted that current and other assets increased by \$29.0 million which reflects the inflow of the \$26 million General Obligation (G.O.) bonds that was issued during the year. Despite various capital improvement spending and other capital asset acquisitions during the year which amounted to \$ 6.5 million, net capital assets only posted an increase of \$98.0 thousand. This is due to the related depreciation of the capital assets that amounted to \$6.2 million during the year.

The decrease in deferred outflow of resources of \$221 thousand or 1.2%, and the decrease in deferred inflow of resources of \$1.4 million or -22.9%, are primarily driven by the actuarial valuation changes of the City's proportionate share of pension items with FRS and the City-sponsored General Employees Pension Plan & Police & Firefighters Retirement System.

Accounts payable and other liabilities decreased by \$764 thousand or -6.1% while long-term liabilities increased by \$32.5 million reflecting the first tranche of the G.O. bonds of \$26 million that were issued with a premium of \$5.8 million in February 2020.

The City's net position is heavily weighted on its investment in capital assets such as lands, buildings, equipment and infrastructure. For fiscal year 2020, the net position in this category is 89.3% or \$151.9 million city-wide. The City uses these capital assets to provide services to residents; consequently, these assets are *not* available for future spending. It should be noted that the resources needed to repay the debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Another portion of the City's combined net position of \$2.5 million or 1.4% that represents resources of the government that are not spendable or subject to external restrictions on how they may be used. The remaining balance in *unrestricted net position* of \$15.7 million or 9.2% may be used to meet the government's ongoing obligations and projects to residents and creditors.

# CITY OF OAKLAND PARK, FLORIDA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR 2020

### GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

#### Statement of Activities:

The following table reflects the City's revenues and expenses for fiscal year 2020 compared to fiscal year 2019, with the resulting change in net position:

City of Oakland Park, Florida Changes in Net Position (In Thousands)								
	2020			2019				
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total		
Revenues:								
Program revenues:								
Charges for services	\$ 11,017	\$ 30,044	\$ 41,061	\$ 11,056	\$ 30,685	\$ 41,741		
Operating grants/contributions	258	115	373	221	237	458		
Capital grants/contributions	606	-	606	948	100	1,048		
General revenues								
Property taxes	20,616	-	20,616	18,988	-	18,988		
Franchise fees	2,601	-	2,601	2,671	-	2,671		
Utility taxes	4,876	-	4,876	4,973	-	4,973		
Communication service taxes	1,435	-	1,435	1,353	-	1,353		
Other taxes	1,784	-	1,784	1,938	-	1,938		
Intergovernmental	4,320	-	4,320	4,752	-	4,752		
Investment earnings	327	414	741	588	612	1,200		
Miscellaneous revenue	835	-	835	919	-	919		
Total revenues	48,675	30,572	79,247	48,407	31,634	80,041		
Expenses:								
General government	1,356	-	1,356	1,597	-	1,597		
Public safety	29,498	-	29,498	28,764	-	28,764		
Public works	7,725	-	7,725	7,681	-	7,681		
Engineering & community development	6,104	-	6,104	5,390	-	5,390		
Culture/recreation	4,223	-	4,223	4,809	-	4,809		
Water & Sewer	-	20,316	20,316	-	21,810	21,810		
Solid Waste	-	6,554	6,554	-	5,357	5,357		
Stormwater	-	3,827	3,827	-	3,771	3,771		
Interest on long-term debt	1,068	-	1,068	547	-	547		
Total expenses	49,974	30,698	80,672	48,788	30,938	79,726		
Increase in net position	(1,299)	(126)	(1,425)	(381)	696	315		
Net position, beginning	74,350	97,246	171,596	74,731	96,551	171,282		
Net position, end of year	<u>\$ 73,051</u>	<u>\$ 97,121</u>	<u>\$ 170,172</u>	<u>\$ 74,350</u>	<u>\$ 97,246</u>	<u>\$ 171,596</u>		

# CITY OF OAKLAND PARK, FLORIDA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR 2020

### GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

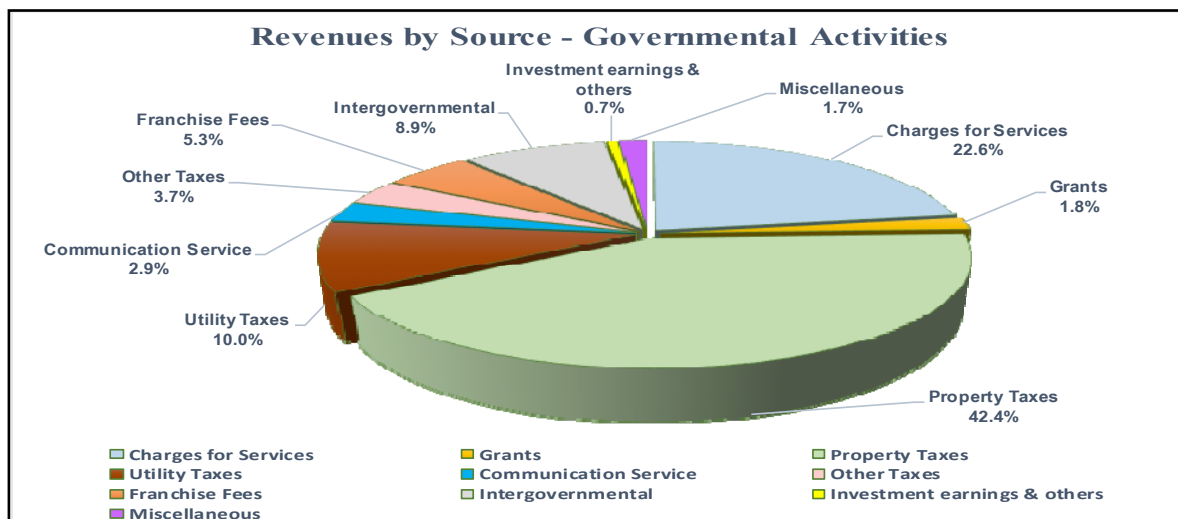
#### Statement of Activities: (continued)

The following information is presented to assist the reader in understanding the different types of factors that can affect the results from operation. Examples of events that may impact the revenues are as follows:

- 1) **Economic condition** can reflect a declining, stable or growing environment and has a substantial impact on property, non-ad valorem assessments, sales, gas, or other tax revenues as well as consumer spending habits.
- 2) The City Commission has significant authority to set **increases or decreases in City's rates** (water, wastewater, stormwater, permitting, impact fees, user fees, etc.).
- 3) **Changing patterns in intergovernmental and grant revenues** (both recurring and non-recurring) can significantly change and impact the annual comparisons.
- 4) **Market impacts on investment income** may cause investment revenues to fluctuate from the prior year.

Other factors that may impact the expenses are presented below:

- 1) **Introduction of new programs or increase in the City's boundary** can have a substantial impact on property, non-ad valorem assessments, sales, gas, or other tax revenues as well as consumer spending habits for building permits, user fees and consumption.
- 2) **Changes in service demand levels** can cause the City to increase or decrease authorized staffing. Staffing costs (salary and related benefits) represent 34.1% of the City's operating costs.
- 3) **Salary increases** such as cost of living, performance increases and market adjustments can impact personal service costs.
- 4) **While inflation** appears to be reasonably modest, the City is a major consumer of certain commodities such as chemicals, supplies, fuels and parts. Some functional expenses may experience unusual commodity specific increases.



# CITY OF OAKLAND PARK, FLORIDA

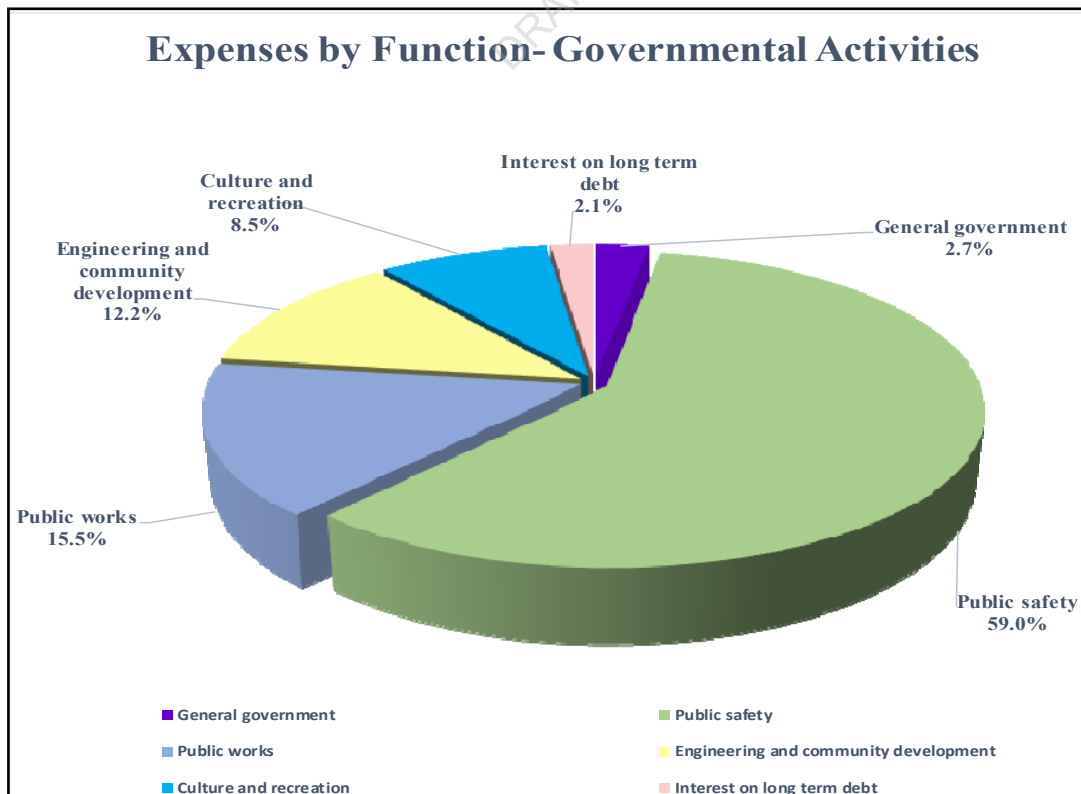
## MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR 2020

### GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

#### Statement of Activities: (continued)

As can be noted on the chart on the previous page, there are two primary contributors to governmental revenues (exclusive of transfers) – which are the property taxes and charges for services. For FY 2020, property taxes at \$20.6 million represent 42.4% of governmental revenues while charges for services at \$11.0 million represent 22.6% of revenues. Grant revenues realized during the year is close to a million at \$ 864 thousand is 1.8% of the total revenues.

In governmental activities, an increase of \$269 thousand in gross revenues was posted in FY 2020 when compared to FY 2019 primarily due to the increase in property tax revenues by \$1.6 million which reflected the effect of increasing taxable property values. Additional increase in revenue of \$82 thousand was also provided by communication service tax. However, as the City and the rest of the country and the world suffered from the ill effects of the COVID-19 pandemic, the anticipated revenue losses were experienced during FY 2020. The revenue streams that were negatively affected were: intergovernmental revenues, decreased by \$432 thousand; investment earnings decreased by \$261 thousand; utility and other taxes decreased by \$250 thousand; charges for services decreased by \$39 thousand; and miscellaneous income decreased by \$84 thousand.





# CITY OF OAKLAND PARK, FLORIDA

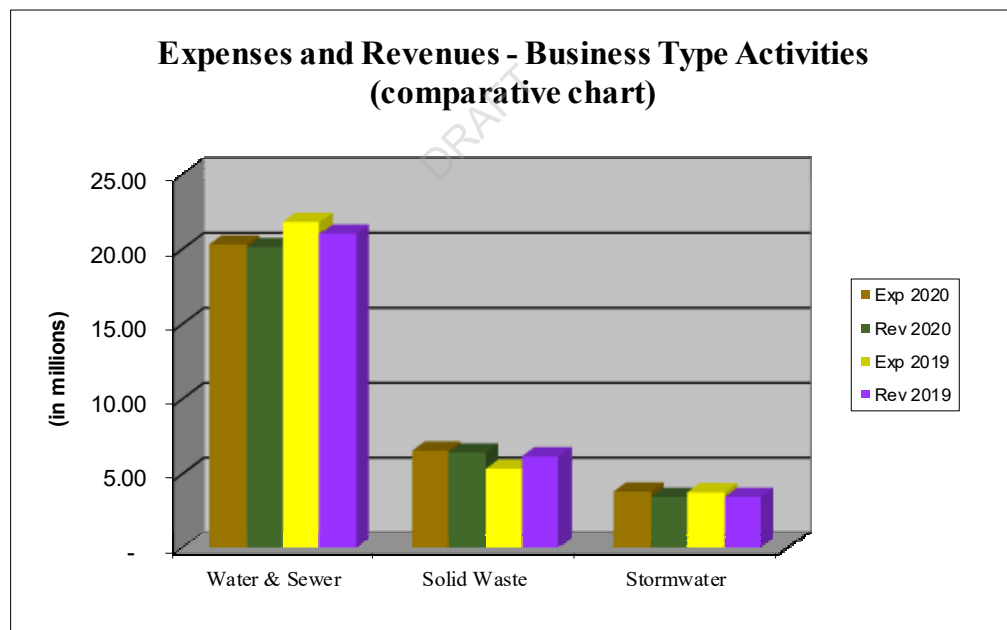
## MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR 2020

### GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

#### Statement of Activities: (continued)

During 2020, total expenses in governmental activities increased by \$1.2 million while business-type activities decreased by \$240 thousand. As shown on the chart in the previous page, governmental expenses are largely weighted in one function, public safety which consists of police (provided by Broward Sheriff's Office) and fire rescue services. At \$29.5 million, public safety is 59.0% of total governmental activities expenses, as reflected on the chart in the previous page.

The revenues earned by the business-type activities are derived primarily from one source which is the charges for sales and services totaling \$30.0 million which is 98.3% of the total. The charges for services represent the fees charged by each of the City's enterprise funds, as follows: \$20.2 million for Water and Sewer, \$6.3 million for Solid Waste and \$3.5 million for Storm water. The total revenues in the business-type activities decreased by \$962 thousand from last year's brought about by the economic slowdown due to COVID-19 pandemic. Further discussion is provided on page 15.



This year's \$30.7 million expenses of the business-type activities which consists of \$20.3 million for Water and Sewer, \$6.6 million for Solid Waste and \$3.8 million for Storm water, is \$240 thousand less than last year's total expenses of \$30.9 million. This slight decrease of \$200 thousand is due to the cost-saving efforts of the City in response to the COVID-19 pandemic, one of which is the implementation of a modified work schedule that effectively reduced the City's personnel cost by 10% for six months during FY 2020.

As mentioned previously, the City's results of operations in governmental activities and business-type activities caused a combined decrease of \$1.4 million in the City's net position. Further analysis is provided in the government fund financial analysis section on the next page.

# CITY OF OAKLAND PARK, FLORIDA

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## MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR 2020

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### FINANCIAL ANALYSIS OF THE CITY'S MAJOR FUNDS

#### Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The City Commission has adopted a fiscal policy establishing minimum fund balance requirements. All fund balances in governmental funds are classified based on the level of the resource spending constraints and their purposes. As the City completed the year, the governmental funds reported combined fund balances of \$53.5 million. This includes an increase of \$32.2 million is from the proceeds of the General Obligation (G.O.) Bonds issued in February 2020. Of the total, \$0.5 million is non-spendable in General Fund and about \$1.1 million sits in restricted fund balance (\$803.1 thousand for General Fund and \$254.0 thousand for non-major governmental funds). Committed funds amounted to \$33.9 million for capital projects. Funds assigned for General Fund's subsequent year's budget is \$4.2 million and \$233 thousand for debt service. The \$13.4 million unassigned fund balance is available for any purpose as allowed by the City Commission-adopted fiscal policies.

Before other financing sources, FY 2020's the excess of revenues over expenditures in the General Fund was \$3.6 million or \$413.0 thousand more than FY 2019 due to a combination of factors, but primarily driven by cost-savings measures implemented in reaction to COVID-19. These factors, and more, are further discussed in the General Fund budgetary highlights section in the next page.

In FY 2020, General Fund provided transfers out to other governmental funds was higher than last year's - from \$2.2 million in FY 2019 to \$3.7 million for FY 2020. The increase was mainly for more funding requirement of debt service payments and capital projects. Another transfer was for operating support to the CRA. The General Fund's unassigned fund balance of \$13.4 million at the end FY 2020 is considered to be adequate for fiscal reserve and in compliance with the City's fiscal policy.

Expenditures of \$50.0 million, excluding transfers out, in the General fund were \$3.9 million below the revised budget of \$53.9 million due to savings and unspent funds. *Please refer to the General Fund Budget Highlights section in the next page for further information.*

As it relates to OPCRA, its revenues and other financing sources exceeded its expenditures by \$48.8 thousand due to vacancy savings. As mentioned, OPCRA is primarily funded by annual operating transfers from the General Fund transfers.

The fund balance of non-major governmental funds appears to decrease by \$3.2 million from \$3.7 million in FY 2019 to \$ 0.5 million in FY 2020. This is because Capital Projects Fund is no longer a component of the non-major funds, but is now treated as a major fund. The proceeds of the issuance of G.O. bond during the year, as mentioned above, are recorded in the Capital Projects Fund where it provides funding for the City's facility improvements. The other non-major funds are the Debt Service Fund and the Special Revenue Funds which did not have significant activities.

# CITY OF OAKLAND PARK, FLORIDA

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## MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR 2020

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### GOVERNMENTAL FUNDS' FINANCIAL ANALYSIS (continued)

#### Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, for business-type activities, but in more detail.

For fiscal year 2020, a combined \$97.1 million net position was reported, of which \$14.6 million was unrestricted. Among the City's three enterprise funds, Water and Sewer and the Stormwater Funds have significant investments in capital assets which are required to run the daily operations. The Water and Sewer represents the bulk of the unrestricted net position at \$10.1 million.

*Water and Sewer (W&S) Fund* - Operating revenues decreased by approximately \$901 thousand and operating expenses also decreased by approximately \$2.0 million from FY 2019. With restaurants and bars in the city were being closed or not operating at full capacity due to the pandemic, water sales and wastewater charges were reduced. . There was also an observable decrease in the operating costs of the water and sewer fund, \$2.1 million or 10.1%, largely due to the decrease in the cost of water purchase - resulting from lesser volume of purchased water and due to the lower rate of purchased water from Fort Lauderdale, resulting from Fort Lauderdale's recent water rate study.

*Solid Waste Fund* - Operating revenues increased by approximately \$262 thousand and operating expenses decreased by approximately \$1.2 million from FY 2019. The slight increase in revenue is due to the minor increase in the residential assessment rate, from \$227 in FY 2019 to \$235 in FY 2020. Commercial solid waste rates were also increased by 6%. Both rate charges are intended to stabilize the fund and maintain fund balance above the minimum level of reserves set by Commission policy. Operating expenses significantly went up as the recycling cost reached a high of \$88.37 per ton during FY 2020 compared to a high of only \$79.89 per ton in FY 2019.

*Stormwater Fund* - Operating revenues for the year ended at about the same as last year's \$3.5 million. Revenues were generated based on the same annual stormwater assessment rate of \$84 per equivalent residential unit (ERU). The recurring operating expenses during FY 2020 were slightly lower than prior year due to some cost-saving measures implemented by the City in response to the pandemic. However, an important update to the stormwater master plan and flood vulnerability assessment study began, which posted an increase of about \$72 thousand or 2.1% to the total operating expenses for FY 2020 when compared to last year.

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# CITY OF OAKLAND PARK, FLORIDA

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## MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR 2020

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### GENERAL FUND BUDGETARY HIGHLIGHTS

As the adopted budget for the FY 2020 was formulated and approved prior to when the COVID-19 pandemic hit, it reflected another modest improvement in the economy with indications such as building permits revenues continuing to surpass the budget and the seventh expansion of the property tax base since 2008. Midway through FY 2020, the local, state, and national economy faced challenges brought about by the pandemic. The City took immediate action by evaluating potential impacts on revenue sources and scaling down the budget. City management made reductions in spending where able, while maintaining consistent City service levels. The City entered the pandemic in a stable financial position and continues to maintain a stable financial position.

The FY 20 adopted budget of the General Fund was approximately \$55 million, representing an increase of approximately \$1.9 million (3.7%) versus the FY 19 adopted budget of approximately \$53 million. Property tax continued to represent the largest source of revenue for the General Fund, providing approximately one-third of all revenues. Property tax is based on two main elements: 1) the assessed property tax base, and 2) the millage rate set by Commission. The certified data provided by the Property Appraiser shows that the City's property tax base has expanded for the seventh time since 2007, increasing by \$266 million (8.1%) over last year. The City's property tax base was \$3.5 billion, which is approximately 99.8% of the peak tax base in 2007. A millage rate of 6.0880 mills was adopted for FY 20, a modest increase of 0.0895 mills (1.5%) from FY 19. The FY 20 millage rate is the first millage rate increase since FY 14 but remains the second-lowest adopted by the City since FY 13. Such millage rate generated \$20.6 million (including penalties for late payment). City taxes only comprise a small portion of what appears on residents' tax bills; about 31% of the tax bill represents the City levy and the rest is paid to other taxing authorities, such as Broward County, the School Board, and other special taxing districts.

Revenue performance compared to the final budget was mixed. Actual total revenue was \$53.5 million, up \$221.7 thousand from the final budget, a variance of 0.4%. A better-than-expected collection of property taxes provided \$202.6 thousand more revenues. Other components contributing to the favorable revenue variances include: communications service taxes increased \$234.6 thousand or 19.6%; increased licenses and permits revenue of \$176.8 thousand or 11.0%; grants with a \$168.4 thousand increase or 67.8%; charges for services, with actual revenues exceeding the final budget by \$97.0 thousand; favorable-than-budget investment earnings of \$23.9 thousand; and other revenues with a \$278.7 thousand increase or 54.2%. These increases were offset by approximately \$1 million in revenue reductions. These reductions include intergovernmental revenues which had a decrease of \$551.6 thousand or 11.3%; other taxes with a \$169.3 thousand decrease or 8.7%; fines and forfeitures with a \$101.2 thousand or 18.4% decrease; franchise fees with a decrease \$99.6 thousand or 3.7%; and utility taxes decreased by \$38.6 thousand. These revenue streams are among those most susceptible to economic changes and reflect the decreased economic activity that occurred during 2020. Overall, these results show the effects of the ongoing COVID-19 pandemic on the state, regional, and local economies.

All departments/divisions, except the Fire Rescue Department, had positive variances against their expenditures when compared to the FY 20 final budget. The Fire Rescue negative variance is discussed within the Required Supplementary Section of the annual report. Overall, actual expenditures were \$3.9 million less than the final budget, a positive variance of 7.3%. This is primarily due to the steps taken by City Management and Commission to reduce expenditures due to the ongoing COVID-19 pandemic.

# CITY OF OAKLAND PARK, FLORIDA

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## MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR 2020

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### GENERAL FUND BUDGETARY HIGHLIGHTS (continued)

These efforts included the suspension of travel, requests to vendors for rate reductions, suspension of City special events, hiring and overtime freezes for non-public safety and solid waste positions, and a modification of employee schedules that reduced hours for non-public safety and solid waste staff by 10 percent.

The single largest variance in departmental expenditures of \$1.5 million was within the Public Works department resulting from the following items:

- Administration had savings of \$40.7 thousand mainly due to lower than budgeted personnel costs;
- Parks Maintenance had savings of \$351.3 thousand primarily attributed to lower personnel costs, operating expenditures, including lower electricity and maintenance costs, and reduced capital outlay;
- Streets Maintenance had savings of \$492.3 thousand mainly due to lower personnel costs and reduced operating expenditures including for electricity and repair and maintenance;
- Building Maintenance had savings of \$348.8 thousand due to lower personnel costs and reduced operating expenditures including for janitorial services and repair and maintenance; and
- Fleet had savings of \$318.3 thousand mainly due to lower personnel costs and reduced operating expenditures attributed to lower repair and maintenance, auto parts, and fuel costs.

The other large favorable variance was in the Engineering & Building Services (EBS) and Community and Economic Development (CED) departments, which together experienced a total favorable variance of approximately \$1.1 million. Within EBS and CED, the following can be noted:

- CED's Planning and Zoning Division had savings of \$337.4 thousand mainly due to lower personnel costs and reduced operating expenditures for professional services;
- CED's Community Enhancement Division had savings of \$142.4 thousand mainly due to lower personnel costs, other services, operating supplies and grants and aids.
- EBS's Engineering and Construction Management Division had savings of \$439.6 thousand mainly due to lower personnel costs and reduced operating expenditures for professional services;
- Building and Permitting Division had savings of \$157.2 thousand primarily due to lower personnel costs and reduced operating expenditures for professional services and other services; and

# CITY OF OAKLAND PARK, FLORIDA

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## MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR 2020

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### GENERAL FUND BUDGETARY HIGHLIGHTS (continued)

General government expenditures had a favorable variance of \$1.0 million due to the following:

- City Commission had savings of \$28.1 thousand mainly due reduced operating expenditures for professional services, travel and promotional activities;
- City Manager had savings of \$40.7 thousand mainly due reduced operating expenditures for professional services and printing and binding;
- City Clerk had expenditure savings of \$187.5 thousand attributable to lower personnel costs, other services, communication services, printing and binding and other current charges;
- Human Resources had \$84.7 thousand of savings mainly due to lower personnel costs as well as reduced operating expenditures in other services, advertising, and office and operating supplies;
- Legal had savings of \$84.7 thousand stemming from a reduction of professional legal services;
- Finance had savings of \$154.4 thousand primarily due to lower personnel costs and reduced operating expenditures for professional services;
- Information Technology Services had \$289.2 thousand in savings primarily due to lower personnel costs and reduced operating expenditures including, other services, communication services, operating supplies, and training; and
- Non-departmental had savings of \$160.9 thousand due less utilization of contingency budget.

Culture and recreation related activities had a favorable variance of \$366.6 thousand resulting from the following:

- Library had \$103.4 thousand savings mainly due to lower personnel costs, reduced operating expenditures in other services and operating supplies and reduced capital outlay; and
- Parks and recreation had savings of \$263.2 thousand mainly due to the suspension of special events, lower personnel costs as well as reduced operating expenditures in several areas including, professional services, other services, other current charges, operating supplies, and other grants and aids.

As mentioned above, actual revenues exceeded budget by \$221.6 thousand and expenditures before transfers were lower than budget by \$3.9 million. These favorable variances reduced the utilization of unassigned general fund balance, as anticipated. Actual excess of revenues before transfers stands at approximately \$4.1 million. After transfers-in and out of \$658.5 thousand and \$2.8 million, respectively, the net change in fund balance is positive \$1.4 million. The planned reduction in costs was intended to ensure that the City maintained a sufficient fund balance to provide resources needed for the subsequent fiscal year, which was developed during the formal recession period of the pandemic and the height of economic uncertainty.

# CITY OF OAKLAND PARK, FLORIDA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR 2020

### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### Capital assets:

The City's investment in capital assets net of accumulated depreciation for its governmental and business-type activities as of September 30, 2020 increased from \$208.8 million of the previous year to \$213.2 million at the end of FY 2020 or an increase of \$4.4 million. The City's net capital assets for its governmental and business-type activities as of the end of FY 2020 and 2019, are shown on the table below:

Capital Assets (Net of Depreciation) (In Thousands)								
	2020			2019				
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total		
Land and easements	\$ 17,775	\$ 436	\$ 18,211	\$ 17,775	\$ 436	\$ 18,211		
Construction in progress	2,297	14,547	16,844	4,550	12,418	16,968		
Intangible	25	-	25	33	-	33		
Buildings	10,259	-	10,259	10,582	37	10,619		
Improvements other than buildings	10,353	20	10,373	10,968	23	10,990		
Machinery and equipment	3,400	4,138	7,538	3,593	3,987	7,580		
Infrastructure	44,401	105,647	150,048	41,382	107,417	148,799		
Total	<u>\$ 88,511</u>	<u>\$ 124,788</u>	<u>\$ 213,299</u>	<u>\$ 88,883</u>	<u>\$ 124,318</u>	<u>\$ 213,201</u>		

During the year, the City continued with its projects that were started in prior years. Total additions to construction in progress (CIP) amounted to \$4.9 million for both governmental and business-type activities while the completed projects amounted to \$5.0 million.

The City's adopted capital budget for fiscal year 2020 provided \$3.8 million spending for capital improvement projects with \$1.0 million slated for streetscapes, \$480 thousand for parks, \$736 thousand for facilities, \$1.6 million for water & sewer system improvements, and \$9 thousand for storm water system improvements. The City uses debt financing, loan proceeds, internal funds as well as grant funds to finance these projects. Additional information on the City's capital assets can be found in Note 4 starting on page 60.

# CITY OF OAKLAND PARK, FLORIDA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR 2020

### CAPITAL ASSETS AND DEBT ADMINISTRATION (continued)

#### Debt Administration:

Between the governmental activities and business-type activities, the City had a total debt of \$84.2 million as of September 30, 2020. This balance reflects the loan payments during the year of a little over \$3.0 million, issuance of \$26 million G.O. bonds, as previously mentioned in this document, and the refunding of the 2014 Water & Sewer Revenue bonds. These balances are reflected on the table below.

	Outstanding Debt (In Thousands)					
	2020			2019		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Loans payable	\$ 7,111	\$ 2,062	\$ 9,173	\$ 7,741	\$ 2,327	\$ 10,068
Gen. obligation bonds	26,000	-	26,000	-	-	-
Revenue bonds	6,963	40,527	47,490	7,468	42,307	49,775
Capital lease payable	736	754	1,490	990	960	1,950
Total	<u>\$ 40,810</u>	<u>\$ 43,343</u>	<u>\$ 84,153</u>	<u>\$ 16,199</u>	<u>\$ 45,594</u>	<u>\$ 61,793</u>

More detailed information about the City's liabilities is presented in Note 7, Leases, and Note 8, Long-term debt, beginning on page 61 of the notes to the financial statements.

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The State of Florida, by constitution, does not have a State personal income tax and, therefore, the State operates primarily using sales, gasoline, and corporate income taxes. Local governments (cities, counties, school boards, and special districts) primarily rely on property and a limited array of other permitted taxes (telecommunication, gasoline, utilities, business, etc.) and fees (franchise, building permits, charges for services, etc.) to fund their governmental activities. There are a limited number of State-shared revenues and recurring and one-time grants from the state, local and federal governments. For the business-type and certain governmental activities (building inspections, recreational programs, etc.), the user pays a related fee or charge associated with the service.

The Florida legislature continues to consider various proposals relating to property tax relief and communications services taxes rate reductions that could have a significant impact on a local government's ability to maintain and/or improve services to residents. The City is carefully monitoring these initiatives and their future impact on the City's ability to function at its present levels. Furthermore, the City is committed to build a diversified and stable revenue system to minimize the dependence on property taxes.



# CITY OF OAKLAND PARK, FLORIDA

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## MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR 2020

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### ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES (continued)

The City continues to emphasize a disciplined and strategic allocation of resources and fiscal prudence to ensure long-term financial sustainability while implementing the Commission's strategic vision for the community. Major emphasis continues to be placed on two elements: 1) aggressive efforts related to business attraction, redevelopment, and capital improvement, and; 2) the continuation of emphasis on community appearance, and community enhancement, community facilities, and quality development. The adopted fiscal year 2021 budget includes over 100 specific business plan initiatives (BPI) valued at \$2.5 million.

The highest appropriations in the FY 2021 BPI is consistent with prior year which is for infrastructure needs followed by parks, leisure facilities and activities; and smart growth, redevelopment and community appearance.

The adopted 2021 budget addresses key priorities identified by the City Commission and the City continues to show improvement which is representative of the economic stabilization and steady, positive growth occurring in the local and state economy. For instance, property tax values in the City continued to increase - from \$3.5 billion in FY 2020 to \$3.8 billion currently or 7.4% increase. Despite the economic challenges that were anticipated in FY 2021 due to the pandemic, the City Commission implemented a decrease in operating millage rate, going down from 6.0880 mills in FY 2020 to 5.8910 in FY 2021. Oakland Park was one of only three cities in Broward County to reduce the operating millage rate to provide relief to taxpayers. The decrease in the operating millage rate was also intended in part to help reduce the impact of the City's debt service millage, which was levied for the first time. The debt service millage rate was set at 0.5189 mills, which will generate the revenue needed to fund the debt service of the \$26 million in General Obligation Bonds issued in 2020. Combined with the increase in property values, the gross property tax revenues for FY21 operations is estimated to be \$21.2 million while the gross property tax revenues for debt service is \$1.8 million. The expected additional Ad Valorem revenue will help to fund the cost increase for the police services contract with Broward Sheriff's Office, projected increases in personnel costs, and increased maintenance costs associated with new projects.

The residential fire assessment rate has been \$199 since 2017 remains unchanged for fiscal year 2021. The rates adopted will continue to fund approximately 91% of the applicable fire suppression costs of the Fire-Rescue Department. A new fire assessment rate study is underway and will be considered as part of the FY 2022 budget to ensure costs remain fairly apportioned based on demand by property class and that assessable costs are recovered.

In accordance with the City's water/sewer rate ordinance, water and sewer rates are subject to an annual change based on an automatic pass-through adjustment to reflect changes in the water and wastewater rates being charged to the City by Ft. Lauderdale and Broward County for water purchase and wastewater treatment. An annual consumer price index adjustment is also applied. The City uses a tiered consumption structure for water residential rates.

In 2017, a comprehensive review of the City's solid waste operations, including an analysis of service rates charged to residents and commercial customers, was performed and included recommended adjustments to both the residential assessment and the commercial rates to help stabilize the Solid Waste

# **CITY OF OAKLAND PARK, FLORIDA**

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS FISCAL YEAR 2020**

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### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES (continued)**

Fund. Consequently, various rate increases in both residential and commercial solid waste collections rates were approved by the City Commission since FY 2018, most recently a 3.5% or \$8 rate increase for the year in residential solid waste assessment fee from \$227 in FY 20 to \$235 for next year. The residential rates remain below the FY 13 assessment rate of \$255. Commercial rates were increased by 6% for FY 2021.

As the economics of solid waste disposal and recycling remain in a state of instability internationally, the rates in the solid waste fund will need to be reviewed regularly to ensure the long-term stability of the fund.

The City's storm water management assessment remained unchanged at \$84 per equivalent residential unit. The City's stormwater master plan that is currently underway includes a rate analysis component and it is anticipated that the rate will adjust in the future to reflect on operational and capital needs of the program.

### **REQUESTS FOR INFORMATION**

The City's financial statements are designed to present users (citizens, customers, investors and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. The financial statements are available on the City's website at [www.oaklandparkfl.gov](http://www.oaklandparkfl.gov). If you have questions about the report or need additional financial information, contact Andrew Thompson, Director of Financial Services, City of Oakland Park, 3650 NE 12 Avenue, Oakland Park, Florida 33334.

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# **BASIC FINANCIAL STATEMENTS**

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***Rounding Disclaimer:***

Due to rounding, numbers presented in the succeeding pages may not add up precisely to the totals provided, and percentages may not precisely reflect the absolute figures.

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# CITY OF OAKLAND PARK, FLORIDA

## STATEMENT OF NET POSITION

SEPTEMBER 30, 2020

	<u>Governmental</u> <u>Activities</u>	<u>Business Type</u> <u>Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 18,339,283	\$ 18,292,563	\$ 36,631,846
Accounts receivable - net	4,741,731	2,634,537	7,376,268
Inventories	75,168	378,944	454,112
Prepayments and other assets	479,853	135,772	615,625
Internal balances	(1,224,739)	1,224,739	-
Temporarily restricted:			
Cash and cash equivalents	35,685,561	3,756,888	39,442,449
Capital assets, not being depreciated	20,070,757	14,982,635	35,053,392
Capital assets, being depreciated - net	68,439,968	109,805,831	178,245,799
Total Assets	<u>146,607,582</u>	<u>151,211,909</u>	<u>297,819,491</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflow related to pensions	15,351,607	2,563,084	17,914,691
Deferred outflow related to OPEB	28,849	7,864	36,713
Deferred charge on refunding	53,251	175,885	229,136
Total Deferred Outflows of Resources	<u>15,433,707</u>	<u>2,746,833</u>	<u>18,180,540</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	3,383,193	5,101,883	8,485,076
Customer deposits	-	1,444,637	1,444,637
Accrued interest payable	602,090	238,553	840,643
Other liabilities	566,158	-	566,158
Unearned revenues	501,926	7,839	509,765
Noncurrent liabilities:			
Due within one year			
Bonds and notes payable	2,547,747	2,050,685	4,598,432
Compensated absences	315,439	38,279	353,718
Due in more than one year			
Bonds and notes payable	43,936,340	42,479,982	86,416,322
Compensated absences	1,058,214	174,386	1,232,600
Net pension liability	30,633,270	4,567,480	35,200,750
Other post-employment benefits liability	1,040,139	284,167	1,324,306
Total Liabilities	<u>84,584,516</u>	<u>56,387,891</u>	<u>140,972,407</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred inflow related to pensions	4,127,973	378,586	4,506,559
Deferred inflow related to OPEB	277,815	71,717	349,532
Total Deferred Inflow of Resources	<u>4,405,788</u>	<u>450,303</u>	<u>4,856,091</u>
<b>NET POSITION</b>			
Net investment in capital assets	72,332,872	79,554,947	151,887,819
Restricted for:			
Education	317,878	-	317,878
Transportation improvement	1,783	-	1,783
Public safety	104,093	-	104,093
Library	48,340	-	48,340
Parks and recreation	102,737	-	102,737
Grant match	482,396	400,000	882,396
Debt covenants	-	1,093,876	1,093,876
Unrestricted	(339,114)	16,071,725	15,732,611
Total Net Position	<u>\$ 73,050,985</u>	<u>\$ 97,120,548</u>	<u>\$ 170,171,533</u>

See notes to basic financial statements.

# CITY OF OAKLAND PARK, FLORIDA

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Functions/Programs</b>							
<b>Primary Government:</b>							
Governmental activities:							
General government	\$ 1,356,283	\$ 196,996	\$ 7,517	\$ -	(1,151,770)	\$ -	\$ (1,151,770)
Public safety	29,497,937	7,887,246	164,866	-	(21,445,825)	-	(21,445,825)
Public works	7,724,735	-	-	606,426	(7,118,310)	-	(7,118,310)
Engineering and community development	6,103,528	2,145,981	-	-	(3,957,547)	-	(3,957,547)
Culture and recreation	4,223,347	787,117	85,199	-	(3,351,031)	-	(3,351,031)
Interest and debt issue cost	1,068,199	-	-	-	(1,068,199)	-	(1,068,199)
<b>Total governmental activities</b>	<u>49,974,029</u>	<u>11,017,340</u>	<u>257,581</u>	<u>606,426</u>	<u>(38,092,682)</u>	<u>-</u>	<u>(38,092,682)</u>
Business-type activities:							
Water and sewer	20,316,249	20,135,698	29,923	-	-	(150,628)	(150,628)
Solid waste	6,554,379	6,435,078	15,043	-	-	(104,258)	(104,258)
Stormwater	3,827,287	3,472,884	70,000	-	-	(284,403)	(284,403)
<b>Total business-type activities</b>	<u>30,697,915</u>	<u>30,043,660</u>	<u>114,966</u>	<u>-</u>	<u>-</u>	<u>(539,289)</u>	<u>(539,289)</u>
<b>Total primary government</b>	<u>\$ 80,671,944</u>	<u>\$ 41,061,000</u>	<u>\$ 372,547</u>	<u>\$ 606,426</u>	<u>(38,092,682)</u>	<u>(539,289)</u>	<u>(38,631,971)</u>
General Revenues:							
Taxes:							
Property taxes					20,616,499	-	20,616,499
Franchise fees					2,600,936	-	2,600,936
Utility taxes					4,876,392	-	4,876,392
Communication service taxes					1,434,626	-	1,434,626
Other taxes					1,783,997	-	1,783,997
Unrestricted investment earnings					326,804	413,599	740,403
Intergovernmental revenue - unrestricted					4,319,726	-	4,319,726
Miscellaneous					834,891	-	834,891
Total general revenues and transfers					<u>36,793,871</u>	<u>413,599</u>	<u>37,207,470</u>
Change in net position					(1,298,811)	(125,690)	(1,424,501)
<b>Net position, beginning</b>					<u>74,349,796</u>	<u>97,246,238</u>	<u>171,596,034</u>
<b>Net position, ending</b>					<b>\$ 73,050,985</b>	<b>\$ 97,120,548</b>	<b>\$ 170,171,533</b>

See notes to basic financial statements.

# CITY OF OAKLAND PARK, FLORIDA

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2020**

	<b>Major Funds</b>			<b>Other</b>	
	<b>Special Revenue</b>	<b>Oakland Park</b>	<b>Capital</b>	<b>Non-Major</b>	<b>Total</b>
	<b>General</b>	<b>CRA</b>	<b>Project</b>	<b>Governmental</b>	<b>Governmental</b>
				<b>Funds</b>	<b>Funds</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 17,872,447	\$ 233,457	\$ -	\$ 233,379	\$ 18,339,283
Accounts receivable - net	4,283,387	56,908	401,436	-	4,741,731
Inventories	75,168	-	-	-	75,168
Prepayments and other assets	479,853	-	-	-	479,853
Temporarily restricted assets:					
Cash and cash equivalents	131,130	-	35,226,309	328,122	35,685,561
Total Assets	<u>\$ 22,841,985</u>	<u>\$ 290,365</u>	<u>\$ 35,627,745</u>	<u>\$ 561,501</u>	<u>\$ 59,321,596</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ 2,867,114	\$ 29,919	\$ 486,079	\$ 81	\$ 3,383,193
Due to other funds	-	-	629,739	-	629,739
Compensated absences	131,130	-	-	-	131,130
Other liabilities	560,158	6,000	-	-	566,158
Unearned revenues	311,477	-	-	73,901	385,378
Advances from other funds	-	-	595,000	-	595,000
Total Liabilities	<u>3,869,879</u>	<u>35,919</u>	<u>1,710,818</u>	<u>73,982</u>	<u>5,690,598</u>
<b>Deferred Inflow of Resources:</b>					
Unavailable revenue	<u>116,550</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>116,550</u>
Total Deferred Inflow of Resources	<u>116,550</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>116,550</u>
<b>Fund Balances:</b>					
Non-spendable (not in spendable form)					
Inventories	75,168	-	-	-	75,168
Prepayments and other assets	479,853	-	-	-	479,853
Restricted for:					
Education	317,878	-	-	-	317,878
Transportation improvement	1,783	-	-	-	1,783
Public safety	-	-	-	102,225	102,225
Library	-	-	-	48,340	48,340
Tree preservation	1,031	-	-	11,679	12,710
Fire station facility	-	-	-	1,868	1,868
Park development	-	-	-	30,471	30,471
Parks and recreation	-	-	-	59,556	59,556
Grant match	482,396	-	-	-	482,396
Committed					
Capital projects	-	-	33,916,927	-	33,916,927
Assigned to:					
Community redevelopment	-	138,583	-	-	138,583
Debt service	-	-	-	233,379	233,379
Subsequent year's budget	4,085,977	115,863	-	-	4,201,840
Unassigned	<u>13,411,470</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,411,470</u>
Total Fund Balances	<u>18,855,556</u>	<u>254,446</u>	<u>33,916,927</u>	<u>487,519</u>	<u>53,514,448</u>
<b>Total Liabilities, Deferred Inflow and Fund Balances</b>	<u><b>\$ 22,841,985</b></u>	<u><b>\$ 290,365</b></u>	<u><b>\$ 35,627,745</b></u>	<u><b>\$ 561,501</b></u>	<u><b>\$ 59,321,596</b></u>

See notes to basic financial statements.

## CITY OF OAKLAND PARK, FLORIDA

### RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION GOVERNMENTAL FUNDS SEPTEMBER 30, 2020

Fund balances - total governmental funds (Page 26) \$ 53,514,448

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 governmental funds. 88,510,725

Net pension liability (30,633,270)  
Other post-employment benefit (OPEB) obligation (1,040,139)

Accrued interest payable not reported in the governmental funds (602,090)

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

Governmental notes and capital lease payables (46,484,087)  
Deferred charges on refunding to be amortized over the life of the bonds 53,251 (46,430,836)

Compensated absences (1,242,523)

Deferred inflows/outflows of resources not reported in the governmental funds to pay for current period's expenditures, but the funds exclude those assets.

Deferred outflows related to OPEB 28,849  
Deferred inflows related to OPEB (277,815)  
Deferred outflows related to pension 15,351,607  
Deferred inflows related to pension (4,127,973)

Net position of governmental activities (Page 24) \$ 73,050,985

See notes to basic financial statements.



# CITY OF OAKLAND PARK, FLORIDA

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Major Funds</u>			<u>Other</u>	<u>Total</u>
	<u>General</u>	<u>Special Revenue Oakland Park CRA</u>	<u>Capital Project</u>	<u>Non-Major Governmental Funds</u>	<u>Governmental Funds</u>
<b>Revenues:</b>					
Taxes:					
Property	\$ 20,616,499	\$ -	\$ 1,129,338	\$ -	21,745,837
Franchise fees	2,600,936	-	45,889	-	2,646,825
Utility taxes	4,876,392	-	-	-	4,876,392
Communications service taxes	1,434,626	-	-	-	1,434,626
Other taxes	1,783,997	-	-	-	1,783,997
Licenses and permits	1,799,108	-	-	384,402	2,183,510
Intergovernmental	4,319,726	-	-	-	4,319,726
Charges for services	14,156,962	-	-	-	14,156,962
Fines and forfeitures	449,752	-	-	9,501	459,253
Investment earnings	273,862	-	-	7,052	280,914
Grants and contributions	416,545	-	-	33,864	450,409
Miscellaneous	792,801	42,091	-	-	834,892
Total revenues	<u>53,521,206</u>	<u>42,091</u>	<u>1,175,227</u>	<u>434,819</u>	<u>55,173,343</u>
<b>Expenditures:</b>					
Current:					
General government	5,994,332	-	-	-	5,994,332
Public safety	27,723,987	-	-	912	27,724,899
Public works	6,724,606	-	-	-	6,724,606
Engineering and community development	5,544,714	340,147	-	-	5,884,861
Culture and recreation	3,133,234	-	-	19,426	3,152,660
Debt service:					
Principal	-	-	-	1,388,990	1,388,990
Interest	-	-	-	528,950	528,950
Capital outlay	832,788	-	2,229,736	-	3,062,524
Total expenditures	<u>49,953,661</u>	<u>340,147</u>	<u>2,229,736</u>	<u>1,938,278</u>	<u>54,461,822</u>
Excess (deficiency) of revenues over expenditures	3,567,545	(298,056)	(1,054,509)	(1,503,459)	711,521
<b>Other Financing Sources (Uses):</b>					
Issuance of debt	-	-	31,761,739	-	31,761,739
Debt issuance cost	-	-	(270,789)	-	(270,789)
Transfers in	587,516	346,886	843,080	1,962,629	3,740,111
Transfers out	(2,734,991)	-	(587,516)	(417,604)	(3,740,111)
Total other financing sources (uses)	<u>(2,147,475)</u>	<u>346,886</u>	<u>31,746,514</u>	<u>1,545,025</u>	<u>31,490,950</u>
<b>Net change in fund balances</b>	1,420,070	48,830	30,692,005	41,566	32,202,471
<b>Fund balances, beginning</b>	<u>17,435,486</u>	<u>205,616</u>	<u>3,224,922</u>	<u>445,953</u>	<u>21,311,977</u>
<b>Fund balances, ending</b>	<u>\$ 18,855,556</u>	<u>\$ 254,446</u>	<u>\$ 33,916,927</u>	<u>\$ 487,519</u>	<u>\$ 53,514,448</u>

See notes to basic financial statements.

## CITY OF OAKLAND PARK, FLORIDA

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### RECONCILIATION OF THE CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED SEPTEMBER 30, 2020

Amounts reported for governmental activities in the Statement of Activities (Page 25)  
are different because:

Net change in fund balances - total governmental funds (page 28)	\$ 32,202,471
--	---------------

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.

Expenditures for capital outlays	3,062,524
Less current depreciation	(3,260,129)

The issuance of long-term debt 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 premiums and discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Issuance of debt	(31,761,739)
Principal payments of bonds/notes payable and capital leases	1,388,990
Amortization of deferred charges related to loans	82,745

Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported in the governmental funds. These activities consist of:

Net increase in accrued interest payable	(351,205)
--	-----------

The net effect of pension and retirement contribution decrease resulting from GASB 68 & 71 implementation	(1,898,058)
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The net effect of OPEB expense resulting from GASB 75 implementation	(48,672)
--	----------

Some revenues reported in the fund statements are revenues of prior periods and are not reported as revenues in the statement of activities.	<u>(715,740)</u>
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Change in net position of governmental activities (Page 25)	<u><u>\$ (1,298,811)</u></u>
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See notes to basic financial statements.

# CITY OF OAKLAND PARK, FLORIDA

## STATEMENT OF FUND NET POSITION PROPRIETARY FUNDS SEPTEMBER 30, 2020

	<b>Business-type Activities - Enterprise Funds</b>			
	<b><u>Water and Sewer</u></b>	<b><u>Solid Waste</u></b>	<b><u>Stormwater</u></b>	<b><u>Total</u></b>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 11,887,031	\$ 4,206,688	\$ 2,198,844	\$ 18,292,563
Accounts receivable, net	2,183,668	423,131	27,738	2,634,537
Due from other funds	-	-	629,739	629,739
Inventories	378,944	-	-	378,944
Prepayments and other assets	48,972	24,542	62,258	135,772
Total Current Assets	<u>14,498,615</u>	<u>4,654,361</u>	<u>2,918,579</u>	<u>22,071,555</u>
Noncurrent assets:				
Restricted cash and cash equivalents	2,626,376	399,134	731,378	3,756,888
Advances to other funds	595,000	-	-	595,000
Capital assets, not being depreciated	13,881,250	-	1,101,383	14,982,633
Capital assets, being depreciated - net	53,200,942	2,399,431	54,205,460	124,788,466
Total Noncurrent Assets	<u>70,303,568</u>	<u>2,798,565</u>	<u>56,038,221</u>	<u>129,140,354</u>
Total Assets	<u>84,802,183</u>	<u>7,452,926</u>	<u>58,956,800</u>	<u>151,211,909</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to pension	1,247,684	918,085	397,315	2,563,084
Deferred outflow related to other post-employment benefits	3,221	3,335	1,308	7,864
Deferred charges on refunding	97,617	-	78,268	175,885
Total Deferred Outflow of Resources	<u>1,348,522</u>	<u>921,420</u>	<u>476,891</u>	<u>2,746,833</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liabilities	4,283,506	671,924	146,453	5,101,883
Customer deposits	1,045,503	399,134	-	1,444,637
Accrued interest payable	149,265	4,806	84,482	238,553
Compensated absences	14,767	17,490	6,022	38,279
Unearned revenues	7,839	-	-	7,839
Current portion of bonds/loans payable	1,147,429	401,867	501,389	2,050,685
Total Current Liabilities	<u>6,648,309</u>	<u>1,495,221</u>	<u>738,346</u>	<u>8,881,876</u>
Noncurrent liabilities:				
Bonds payable	31,670,975	-	8,490,578	40,161,553
Loans payable	875,000	1,443,429	-	2,318,429
Compensated absences	67,278	79,676	27,432	174,386
Net pension liability	2,332,513	1,593,983	640,984	4,567,480
Other post-employment benefits liability	118,541	118,681	46,945	284,167
Total Noncurrent Liabilities	<u>35,064,307</u>	<u>3,235,769</u>	<u>9,205,939</u>	<u>47,506,015</u>
Total Liabilities	<u>41,712,616</u>	<u>4,730,990</u>	<u>9,944,285</u>	<u>56,387,891</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Deferred inflow related to pension	50,584	156,715	171,287	378,586
Deferred inflow related to OPEB	33,791	26,857	11,069	71,717
Total Deferred Inflow of Resources	<u>84,375</u>	<u>183,572</u>	<u>182,356</u>	<u>450,303</u>
<b>NET POSITION</b>				
Net investment in capital assets	31,916,500	554,135	47,084,312	79,554,947
Restricted for:				
Debt covenants	1,093,876	-	-	1,093,876
Grant match	400,000	-	-	400,000
Unrestricted	10,943,338	2,905,649	2,222,738	16,071,725
Total Net Position	<u>\$ 44,353,714</u>	<u>\$ 3,459,784</u>	<u>\$ 49,307,050</u>	<u>\$ 97,120,548</u>

See notes to basic financial statements.

# CITY OF OAKLAND PARK, FLORIDA

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Business-type Activities - Enterprise Funds</u>			
	<u>Water and Sewer</u>	<u>Solid Waste</u>	<u>Stormwater</u>	<u>Total</u>
<b>Operating revenues:</b>				
Charges for sales and services:				
Metered water sales (pledged)	\$ 11,058,497	\$ -	\$ -	\$ 11,058,497
Sewer fees (pledged)	9,065,520	-	-	9,065,520
Residential solid waste service	-	2,349,842	-	2,349,842
Commercial solid waste service	-	3,988,854	-	3,988,854
Other charges for services	11,681	2,552	-	14,233
Stormwater fees (pledged)	-	-	3,472,884	3,472,884
Other revenues	-	93,830	-	93,830
Total operating revenues	<u>20,135,697</u>	<u>6,435,078</u>	<u>3,472,884</u>	<u>30,043,659</u>
<b>Operating expenses:</b>				
Water system operation	5,628,781	-	-	5,628,781
Sewer collection and maintenance	8,628,252	-	-	8,628,252
Solid waste collection	-	4,248,603	-	4,248,603
Stormwater system operation	-	-	1,092,978	1,092,978
Administrative support	2,741,136	1,740,260	1,279,572	5,760,968
Depreciation/amortization	1,355,190	513,471	1,092,405	2,961,066
Total operating expenses	<u>18,353,359</u>	<u>6,502,334</u>	<u>3,464,955</u>	<u>28,320,648</u>
<b>Operating income</b>	1,782,338	(67,256)	7,929	1,723,011
<b>Non-operating revenues (expenses)</b>				
Investment earnings	325,100	46,557	41,943	413,600
Interest and fiscal charges	(1,962,890)	(52,045)	(362,332)	(2,377,267)
Grants and contributions	29,923	15,043	70,000	114,966
Total non-operating revenues (expenses)	<u>(1,607,867)</u>	<u>9,555</u>	<u>(250,389)</u>	<u>(1,848,701)</u>
<b>Changes in net position</b>	174,471	(57,701)	(242,460)	(125,690)
<b>Net position, beginning</b>	<u>44,179,243</u>	<u>3,517,485</u>	<u>49,549,510</u>	<u>97,246,238</u>
<b>Net position, ending</b>	<u>\$ 44,353,714</u>	<u>\$ 3,459,784</u>	<u>\$ 49,307,050</u>	<u>\$ 97,120,548</u>

See notes to basic financial statements.

# CITY OF OAKLAND PARK, FLORIDA

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<b>Business-type Activities - Enterprise Funds</b>			
	<b>Water and Sewer</b>	<b>Solid Waste</b>	<b>Stormwater</b>	<b>Total</b>
<b>Cash flows from operating activities:</b>				
Cash received from customers	\$ 20,064,197	\$ 8,056,719	\$ 3,470,958	\$ 31,591,874
Cash paid to suppliers	(13,274,947)	(2,390,546)	(344,734)	(16,010,227)
Cash paid to employees	(1,876,882)	(1,704,319)	(890,574)	(4,471,775)
Cash paid for interfund services used	(2,741,136)	(1,740,260)	(1,399,322)	(5,880,718)
Net cash provided by operating activities	<u>2,171,232</u>	<u>2,221,594</u>	<u>836,328</u>	<u>5,229,154</u>
<b>Cash flows from noncapital financing activities:</b>				
Grants available for operating purpose	29,923	15,043	70,000	114,966
Net cash provided by noncapital financing activities	<u>29,923</u>	<u>15,043</u>	<u>70,000</u>	<u>114,966</u>
<b>Cash flows from capital and related financing activities:</b>				
Acquisition/construction of capital assets	(2,350,195)	(894,405)	(186,963)	(3,431,563)
Capital grants and contributions	-	-	-	-
Issuance of debt	-	1,399,700	-	1,399,700
Principal paid on bonds and loans payable	(202,389)	(1,776,722)	(483,427)	(2,462,538)
Interest paid on capital debt	(1,961,694)	(49,835)	(359,141)	(2,370,670)
Net cash provided by (used in) capital and related financing activities	<u>(4,514,278)</u>	<u>(1,321,262)</u>	<u>(1,029,531)</u>	<u>(6,865,071)</u>
<b>Cash flows from investing activities:</b>				
Interest on investments	325,100	46,557	41,943	413,600
Net cash provided by investing activities	<u>325,100</u>	<u>46,557</u>	<u>41,943</u>	<u>413,600</u>
<b>Net increase (decrease) in pooled cash and cash equivalents</b>	<u>(1,988,023)</u>	<u>961,932</u>	<u>(81,260)</u>	<u>(1,107,351)</u>
<b>Pooled cash and cash equivalents, beginning</b>	<u>16,501,430</u>	<u>3,643,890</u>	<u>3,011,482</u>	<u>23,156,802</u>
<b>Pooled cash and cash equivalents, ending</b>	<u><b>\$ 14,513,407</b></u>	<u><b>\$ 4,605,822</b></u>	<u><b>\$ 2,930,222</b></u>	<u><b>\$ 22,049,451</b></u>
<b>Displayed as:</b>				
Unrestricted	11,887,031	4,206,688	2,198,844	18,292,563
Restricted	2,626,376	399,134	731,378	3,756,888
Total, September 30	<u><b>\$ 14,513,407</b></u>	<u><b>\$ 4,605,822</b></u>	<u><b>\$ 2,930,222</b></u>	<u><b>\$ 22,049,451</b></u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>				
Operating income	\$ 1,782,338	\$ (67,256)	\$ 7,929	\$ 1,723,011
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Depreciation and amortization	1,355,190	513,471	1,092,405	2,961,066
Non-cash pension expense	77,838	(39,507)	(95,509)	(57,178)
Non-cash OPEB expense	5,516	4,346	1,748	11,610
Change in assets and liabilities:				
(Increase) decrease in accounts receivables	(76,163)	1,620,468	(1,926)	1,542,379
(Increase) decrease in inventories	(4,083)	-	-	(4,083)
(Increase) decrease in prepaid expenses	101,450	(1,470)	4,376	104,356
Increase (decrease) in accounts payable and other liabilities	(1,092,766)	174,894	(50,860)	(968,732)
Increase (decrease) in due to other funds	-	-	(119,750)	(119,750)
Increase (decrease) in customers' deposits	4,663	3,672	-	8,335
Increase (decrease) in unearned revenues	-	(2,500)	-	(2,500)
Increase (decrease) in compensated absences	17,249	15,476	(2,085)	30,640
Net cash provided by operating activities	<u><b>\$ 2,171,232</b></u>	<u><b>\$ 2,221,594</b></u>	<u><b>\$ 836,328</b></u>	<u><b>\$ 5,229,154</b></u>
<b>Noncash items from operating activities:</b>				
Deferred outflows related to pension	\$ 1,247,684	\$ 918,085	\$ 397,315	\$ 2,563,084
Deferred outflows related to OPEB	\$ 3,221	\$ 3,335	\$ 1,308	\$ 7,864
Deferred inflows related to pension	\$ 50,584	\$ 156,715	\$ 171,287	\$ 378,586
Deferred inflows related to OPEB	\$ 33,791	\$ 26,857	\$ 11,069	\$ 71,717
Net pension liability	\$ 2,332,513	\$ 1,593,983	\$ 640,984	\$ 4,567,480
OPEB liability	\$ 118,541	\$ 118,681	\$ 46,945	\$ 284,167

See notes to basic financial statements.

## CITY OF OAKLAND PARK, FLORIDA

### STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS SEPTEMBER 30, 2020

	<b>Pension Trust Funds</b>
<b>Assets</b>	
Cash and short-term investments	\$ 2,579,564
Receivables:	
Contributions	740,911
Accrued interest and dividends	61,396
Total receivables	802,307
Investments, at fair value:	
Money market funds	37,214,286
Corporate bonds and notes	5,429,460
U.S. Government and agency securities	4,372,943
Mutual funds	46,688,588
Real estate funds	8,595,107
Total investments	102,300,384
Prepaid benefit payments	6,795
Total Assets	105,689,050
<b>Liabilities</b>	
Accounts payable and accrued expenses	376,850
Payable for securities sold	139,970
Total Liabilities	516,820
<b>Net Position Restricted for Pension Benefits</b>	<b>\$ 105,172,230</b>

See notes to basic financial statements.

# CITY OF OAKLAND PARK, FLORIDA

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<b><u>Pension Trust Funds</u></b>
<b>Additions:</b>	
Contributions:	
Plan members	\$ 102,966
City	1,726,242
State of Florida	693,510
Broward Sheriff's Office	67,000
Total contributions	<u>2,589,718</u>
Investment income:	
Investment earnings	1,311,482
Net appreciation in fair value of investments	5,443,971
Total investment income	6,755,453
Less:	
Investment expenses	<u>(328,847)</u>
Net investment income	<u>6,426,606</u>
Miscellaneous income	<u>484</u>
Total additions	<u>9,016,808</u>
<b>Deductions:</b>	
Pension benefits paid	6,619,648
Administrative expenses	113,947
Total deductions	<u>6,733,595</u>
<b>Change in net position</b>	2,283,213
<b>Net position held in trust for pension benefits, beginning</b>	<u>102,889,017</u>
<b>Net position held in trust for pension benefits, ending</b>	<u><u>\$ 105,172,230</u></u>

See notes to basic financial statements.



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## **NOTES TO BASIC FINANCIAL STATEMENTS**

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# CITY OF OAKLAND PARK, FLORIDA

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## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of the City of Oakland Park, Florida's (the "City") significant accounting policies is presented to assist the reader in interpreting the basic financial statements and other data in this report. The policies are considered essential and should be read in conjunction with the accompanying basic financial statements.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. This report, the accounting systems, and classification of accounts conform to standards of the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

#### ***a. Reporting Entity***

The City of Oakland Park, Florida is a political subdivision of the State of Florida. The City, which was incorporated on June 7, 1929, is located in Broward County and operates under the Commission-Manager form of government. The legislative branch of the City is composed of a five-member elected Commission, including a rotating mayor. The City Commission is governed by the City Charter and by State and Local laws and regulations.

The financial statements were prepared in accordance with GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statements Nos. 39 and 61, which establishes standards for defining and reporting on the financial reporting entity. The financial reporting entity consists of the City, organizations for which the City is financially accountable and ultimately responsible to repay the outstanding debts of the component unit(s), and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The City is financially accountable for a component unit if it appoints a voting majority of the organization's governing board and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City. The City may also be financially accountable for organizations that are fiscally dependent on the City if there is a potential for the organizations to provide specific financial benefits to the City or impose specific financial burdens on the City, regardless of whether the organizations have separate elected governing boards, governing boards appointed by higher levels of government, or jointly appointed boards.

#### ***Blended Component Units***

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same, or substantially the same and 1) there is a financial benefit or burden relationship between the primary government and the component unit or 2) management below the level of the governing board of the primary government has operational responsibility for a component unit.

# CITY OF OAKLAND PARK, FLORIDA

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## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### a. *Reporting Entity (continued)*

##### *Blended Component Units (continued)*

The Oakland Park Community Redevelopment Agency (CRA) is a dependent special district established by the City Commission under authority granted by Florida Statute 163, Section III. The CRA is a legally separate entity governed by a five-member board appointed by the City Commission, currently comprised of the City Commission itself, with its sole purpose is to finance and redevelop the city's designated redevelopment areas. The CRA can provide services and financial benefits to and impose financial burdens on the City.

The CRA Board adopted ordinance # O-2005-037 on December 7, 2005 to establish a trust fund which was intended to be financed through tax increments based on Ad Valorem taxes. However, Broward County discontinued the granting of tax increment financing. Alternatively, the City entered into an interlocal agreement by Resolution R-2007-001 with Broward County to finance the CRA operations through a Broward County Redevelopment Capital Program (RCP) grant.

The CRA activities have been minimal since the establishment of its trust fund. There are no significant revenues other than the transfers from the General Fund and the expenditures have been budgeted in the City's annual budget. Debt incurred by the unit is solely payable by the City.

Although the CRA activities did not meet the major fund criteria, the CRA's financial data is presented within the City's major governmental funds. Separate financial statements are issued by the CRA.

##### *Discretely Presented Component Units*

Discretely presented component units are separate legal entities that meet the component unit criteria described above, but do not meet the criteria for blending. Currently, the City has no discretely presented component units.

#### b. *Government-wide and Fund Financial Statements*

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. As a general rule, the effect of interfund 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 utilities function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned and approximate the value of services provided.

# CITY OF OAKLAND PARK, FLORIDA

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## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### *b. Government-wide and Fund Financial Statements (continued)*

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

#### *c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. One exception in the fiduciary fund type is an agency fund that cannot be said to have a measurement focus since it does not report equity. The City does not report any agency fund. For the economic resources measurement focus, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, when the primary eligibility requirement under a grant is incurring an eligible expenditure, the City recognizes revenue at the time the expenditure is incurred. The City considers the availability period of grant revenues susceptible to accrual to be a year.

Debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

# CITY OF OAKLAND PARK, FLORIDA

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## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### c. *Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)*

Property taxes, sales taxes, utility taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Since the governmental fund financial statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the page following each statement, which briefly explains the adjustments necessary to reconcile the governmental fund-based financial statements to the governmental activities column of the government-wide presentation.

The City reports the following major governmental funds:

- The **general fund** is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenue is derived primarily from property taxes, utility taxes and other intergovernmental revenues.
- The **special revenue fund** accounts for revenue sources that are legally restricted or committed to expenditures for specific purposes other than debt service or capital projects. The Oakland Park Community Redevelopment Agency fund (CRA), one of the City's special revenue fund, is not funded by tax increment financing (TIF). It is mainly funded by operating transfers from the General Fund along with other financing sources such as loans and grants.

Additionally, the City reports the following non-major governmental funds:

- **Capital Projects Fund** - is used to account for and report the financial resources that are restricted, committed, or assigned for the acquisition or construction of major capital facilities such as general and roadway improvement projects; and public parks and plazas.
- **Debt Service Fund** - is used to account for and report the financial resources that are restricted, committed, or assigned for the periodic payment of principal and interest, and expenditures on long-term debt of governmental funds.

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# CITY OF OAKLAND PARK, FLORIDA

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## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### *c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)*

The City reports the following major proprietary funds:

- The **Water and Sewer fund** is used to account for the provision of water and sewer services to the residents and the commerce of the City.
- The **Solid Waste fund** is used to account for the provision of solid waste collection, disposal and recycling for all residential and commercial customers within the City.
- The **Stormwater fund** is used to account for the provision of stormwater management and drainage services to the residents and businesses of the City.

Additionally, the City reports **pension trust funds** which accounts for the activities of the City's General Employees Pension Plan and the City's Police and Firefighters Retirement System. These fiduciary funds are not included in the government-wide financial statement because the resources of those funds are not available to support the City's own programs.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes, whose purpose has not been restricted to a specific program.

The principal operating revenues of the City's water and sewer, solid waste and stormwater enterprise funds, are charges to customers for sales and services.

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

#### *Use of Resources*

When both restricted and unrestricted resources (committed, assigned and unassigned) are available for use, it is the City's policy to use restricted resources first, unless there are legal contracts that prohibit doing so, then unrestricted resources as they are needed. When committed, assigned and unassigned resources are available for use, the City Commission has adopted a fiscal policy to use committed resources first, assigned resources second, and unassigned resources third.

# CITY OF OAKLAND PARK, FLORIDA

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## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### *d. Assets, Deferred Outflows, Liabilities, Deferred Inflows, Fund Balance or Net Position*

##### *1. Deposits and Investments*

The City maintains a pooled cash account for all funds. This enables the City to invest large amounts of idle cash for short periods of time and to optimize earnings potential. Equity in pooled cash and cash equivalents represents the amount owned by each fund of the City. Interest earned on pooled cash is allocated monthly based upon equity balances of the respective funds.

The City's investments are reported at fair value. The City's investment in the State Board of Administration Investment Pool – Local Government Surplus Funds Trust Fund (Florida Prime), a 2A-7 pool, is permitted to be reported at its amortized cost which is the fair value of its position in the pool, which is maintained at a constant value same as its value of the pool shares.

For the purpose of the Statement of Cash Flows for the Proprietary Fund, cash and cash equivalents mean short term, highly liquid investments with an original maturity of three months or less. In addition, GASB Statement 31, "Accounting and Financial Reporting for Certain Investments and External Investment Pools", requires disclosure of investments at fair value and recognition of unrealized gain or losses, if material, for investments with remaining maturities of more than one year at the time of purchase. Investments with remaining maturities of one year or less at the time of purchase are recorded at amortized cost.

##### *2. Receivables and Payables*

All receivables are reported net of an allowance for uncollectible amount. Receivables are analyzed for their collectibility based on the terms of the agreement and the financial assessment of the creditor.

Operating revenues in the water and sewer fund are generally recognized on the basis of cycle billings rendered monthly. Revenues for services delivered during the last month of the fiscal year that have not been read by September 30 are accrued based on meter readings for the applicable consumption period and billed in October.

Revenues and the associated receivable balances are accrued for taxes, franchise fees, and other utility services based on collections within 60 days of year-end.

All trade receivables are shown net of an allowance for uncollectibles. Trade accounts receivables in excess of 60 days comprise the trade accounts receivable allowance for uncollectibles.

The City's contracted service provider processes receivables associated with Emergency Medical Services (EMS). An allowance account is established for EMS receivables based on historical collection rates.



# CITY OF OAKLAND PARK, FLORIDA

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## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### *d. Assets, Deferred Outflows, Liabilities, Deferred Inflows, Fund Balance or Net Position (continued)*

##### *3. Inventories and Prepaid Costs*

Inventories are valued at cost using the first-in, first-out (FIFO) method. The costs of governmental fund-type inventories and prepaid items are recorded as expenditures when consumed rather than when purchased (consumption method). Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid costs.

##### *4. Restricted Assets*

Certain proceeds from the City's enterprise fund revenue bonds and the Florida Municipal Loan Council loans, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by the applicable bond covenants.

The City's enterprise fund revenue bonds require certain reserves. The "revenue bonds reserve" account requirement is met by depositing an insurance policy to cover potential deficiencies from the City's operations that could adversely affect debt service payments.

The "renewal and replacement" account is used to account for those funds available to pay for the cost of extensions, improvements and additions to, or renewals and replacements of the capital assets of, or repairs of the system.

##### *5. Capital Assets*

Capital assets, which include land, buildings, improvements other than buildings, machinery and equipment, and infrastructure assets (e.g., roads, sidewalks, culverts, pump stations, stormwater lines, catch basins, and similar items), are reported in the applicable governmental or business-type activities columns in government-wide financial statements. Capital asset is defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as they are completed. Capital assets are depreciated using the straight-line method over the estimated useful lives, as shown on the table on the next page.

# CITY OF OAKLAND PARK, FLORIDA

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## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### *d. Assets, Deferred Outflows, Liabilities, Deferred Inflows, Fund Balance or Net Position (continued)*

##### *5. Capital Assets (continued)*

###### *Estimated Useful Life:*

<u>Asset Type</u>	<u>Years</u>
Buildings	50
Improvements other than buildings	20
Machinery and equipment	5 - 20
Infrastructure	50 - 65
Intangibles	3 - 5

##### *6. Inter-fund Transactions/ Due to/from Other Funds*

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” or “advances to/from other funds.” Any residual balances outstanding between the governmental activities and business activities are reported in the government-wide financial statements as “internal balances”.

Transactions among City funds that would be treated as revenues and expenditures/expenses if they involved organizations external to City government are accounted for as revenues and expenditures/expenses in the funds involved.

Transactions which constitute reimbursements to a fund for expenditures initially made from it which are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the reimbursed fund.

##### *7. Unearned Revenues*

Unearned revenues include amounts collected before revenue recognition criteria are met and receivables, which, under the modified accrual basis of accounting, are measurable, but not yet available. The items consist primarily of license and permit revenues and special assessment revenues.

##### *8. Long-Term Obligations*

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bonds payable are reported net of the applicable premium or discount. These premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bond issuance costs are expensed in the year they are incurred.

# CITY OF OAKLAND PARK, FLORIDA

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## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### *d. Assets, Deferred Outflows, Liabilities, Deferred Inflows, Fund Balance or Net Position (continued)*

##### *8. Long-Term Obligations (continued)*

In the fund financial statements, governmental fund types recognize bond proceeds, premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued and the premiums are reported as other financing sources. Discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

##### *9. Compensated Absences*

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits up to certain limits and paid upon retirement or termination. A liability for these amounts is reported in the governmental funds only if they have matured – for instance, employee retirements or resignations. On the governmental activities of the government-wide statements and the proprietary funds statements, compensated absences are recognized as liability and expense in the period these are earned by the employees. Therefore, amounts not expected to be liquidated with expendable available financial resources are reported as a reconciling item between the governmental fund financial statements and the government-wide presentation.

In 2009, the Commission fixed the vacation payout rates as of September 30, 2009 for Federated union members; and as of September 30, 2008, for all other city employees except for firefighters.

##### *10. Pollution Remediation Obligation*

Governmental Accounting Standards Board (GASB) Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, does not require the City to search for pollution remediation obligation but it does require the City to reasonably estimate and report a remediation liability when the obligating events defined in GASB 49 has occurred. To the extent that the liabilities are reasonably estimated, these are shown as part of the non-current liabilities in the Statement of Net Position.

The City measures pollution remediation costs using the expected cash flow technique. The estimated cost of all pollution remediation is measured annually and adjusted when benchmarks are met or when new information indicates changes in estimated outlays due to changes in remediation plan or operating conditions.

# CITY OF OAKLAND PARK, FLORIDA

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## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### *d. Assets, Deferred Outflows, Liabilities, Deferred Inflows, Fund Balance or Net Position (continued)*

##### **11. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of Net Position will sometimes report a separate section below Total Assets, for *Deferred Outflows of Resources*. This represents the usage of net position applicable to future periods and will not be recognized as expenditures until the future period it applies. Items in this category include deferred items related to pension and the deferred charge on refunding reported on the Government-wide Statement of Net Position. A deferred charge is the difference between 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 debt or the refunding debt.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section below Total Liabilities, for *Deferred Inflows of Resources*. This represents the acquisition of net position applicable to future periods and will not be recognized as revenue until the future period it applies. In the governmental funds, this category includes unavailable revenue, whereas in the government-wide and the proprietary fund statements, it includes resources related to pension, which will be recognized as inflows of resources in the period that the amounts become available.

##### **12. Net Position and Fund Balance**

**Net Position.** Net position of the government-wide and proprietary funds are categorized as net investment in capital assets, restricted or unrestricted. The first category represents net position related to investment in property, plant, equipment and infrastructure reduced by depreciation and outstanding debt used to construct or purchase capital assets, and deferred inflow/outflow of resources attributable to the acquisition of those assets or related debt. The restricted category represents the balance of assets restricted by requirements of revenue bonds and other externally imposed constraints or by enabling legislation in excess of the related liabilities payable from restricted assets. All remaining amounts are considered to be unrestricted.

**Fund Balance.** In the fund financial statements, governmental funds report fund balance in categories as non-spendable, restricted, committed, assigned and unassigned. These categories are based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in fund balances can be spent. Within the foregoing five (5) categories, the committed, assigned and unassigned are considered unrestricted fund balances.

The City's fund balance classification policies and procedures are as follows:

- *Non-spendable fund balances* include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

# CITY OF OAKLAND PARK, FLORIDA

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## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### d. *Assets, Deferred Outflows, Liabilities, Deferred Inflows, Fund Balance or Net Position (continued)*

##### 12. *Net Position and Fund Balance (continued)*

- *Restricted fund balances* are amounts that are constricted to specific purposes either by a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation.
- *Committed fund balances* are amounts that can only be used for specific purposes pursuant to constraints imposed by the highest level of decision-making authority, the City Commission, through an ordinance (highest form of action) or resolution. Resolutions and ordinances are considered an equally binding form of City's highest level of formal action. The passage of a resolution or ordinance must take place prior to September 30<sup>th</sup> of the applicable fiscal year but the amount can be determined at a later date. A resolution or ordinance would also be required to modify or rescind the specific use or amount.
- *Assigned funds* are amounts that have constraints placed on their use by the City Manager. The authority to assign fund balance has been delegated by the Commission in the fiscal policy via a resolution to the City Manager or the Financial Services Director. Thus, the City Manager has the authority to set aside funds for the intended use of a specific purpose. This act would be as part of the annual budget process or in the form of a written notification to the Finance Director. Any modifications or rescissions would be in a written notification to the Finance Director. Upon passage of a budget ordinance where fund balance is used as a source to balance the budget, that amount shall be recorded as Assigned Fund Balance.
- *Unassigned fund balance* is the residual amount of fund balance in the General Fund and deficit unassigned fund balance of other governmental funds. It represents the resources available for future spending when amount is not a deficit.

##### 13. *Minimum Fund Balance Policy*

The City's fiscal policy is to maintain an adequate General Fund balance and enterprise fund net position to provide liquidity in the event of an economic downturn or natural disaster. The City Commission has adopted the fiscal policy via a Resolution to maintain a minimum of twenty percent (20%) unassigned fund balance for the General Fund and a minimum of ten percent (10%) of unrestricted net position for enterprise operating funds.

# CITY OF OAKLAND PARK, FLORIDA

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## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### *e. Revenues and Expenditures/Expenses*

##### *1. Property Taxes*

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

Assessed values are established by the Broward County Property Appraiser. In November 1992, a Florida constitutional amendment was approved by the voters which provides for limiting the increases in homestead property valuations for ad valorem tax purposes to a maximum of 3% annually and also provides for reassessment of market values upon changes in ownership. The County bills and collects all property taxes and remits them to the City. Procedures for the collection of delinquent taxes by Broward County are provided for in the Laws of Florida.

State statutes permit municipalities to levy property taxes at a rate of up to 10 mills (\$10 per \$1,000 of assessed taxable valuation). The tax levy of the City is established by the City Commission and the Broward County Property Appraiser incorporates the City's millage into the total tax levy, which includes the County and the County School Board tax requirements. The millage rate assessed by the City for the year ended September 30, 2020 was 6.0880 mills (\$6.0880 per \$1,000 of taxable assessed valuation).

##### *2. Capital Contributions*

Capital contributions are recorded in certain proprietary funds and consist primarily of capital donations from private sources or other governmental entities.

##### *3. Operating versus Non-operating Income*

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations. The principal operating revenues of the City's Enterprise Funds are charges to customers for sales and services. Operating revenues for the Enterprise Funds include water and sewer, solid waste and storm water service fees.

Operating expenses for the Enterprise Funds include costs of sales and services, administrative fees and depreciation. All revenues and expenses not meeting this definition are considered non-operating items.

# CITY OF OAKLAND PARK, FLORIDA

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## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### *f. Use of Estimates*

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

#### *g. New Accounting Pronouncements Implemented*

In accordance with the Government Accounting Standards Board (GASB) pronouncement of **GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*** that was effective immediately, the City has not implemented any new accounting standard during the year. However, two (2) GASB pronouncements as enumerated below, that were originally effective for periods beginning after June 15, 2018 were implemented, as it applies to the City, in FY 2019:

- **GASB Statement No. 83, *Certain Asset Retirement Obligations***, was originally effective for reporting periods beginning after June 15, 2018. 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. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement.
- **GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements***, was originally effective for reporting periods beginning after June 15, 2018. The primary objective of this Statement is to improve the information that is disclosed in the notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

Paragraph 4 of **GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32***, the only provision in Statement 87 that is effective immediately, does not apply to the City.

# CITY OF OAKLAND PARK, FLORIDA

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## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

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### NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

In addition to insurance provided by the Federal Depository Insurance Corporation, cash deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, Florida Security for Public Deposits Act, the State Treasurer requires every qualified public depository to deposit with the Treasurer eligible collateral. Statutes provide that if a loss to a public depository is not covered by deposit insurance and the proceeds from the sale of securities pledged by the defaulting depository, the difference will be provided by an assessment levied against other public depositories of the same type as the depository in default.

The carrying amounts of the City's cash deposits were \$5,468,667 as of September 30, 2020. Bank balance before reconciling items were \$5,470,333 at that date, the total of which is collateralized or insured with securities held by the State under the Florida Statutes Chapter 280, Florida Security for Public Deposits Act.

The City's cash equivalents include the Florida Prime, a Local Government Surplus Funds Trust Fund (LGSTF) administered by the State Board of Administration (SBA), investment pool managed by the Florida Municipal Investment Trust, and other highly liquid institutional money market funds offered through Florida qualified public depositories and pre-approved regional banks. The institutional funds must be registered with the Securities and Exchange Commission with the highest credit quality rating from a nationally recognized statistical rating organization.

Cash equivalents in external investment pools and open-end mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. These investments are also excluded from the concentration of credit risk disclosure requirement. The City may maintain a maximum exposure of up to 50% cash deposit with a bank and up to 75% of the cash equivalents portfolio balance in one investment pool to limit the credit risk due to concentration.

Investments are reported at fair value except for the position in Florida State Board Administration's LGSTF ("Florida Prime"). Florida Prime is governed by Chapter 19-7 of the Florida Administrative Code and Chapter 215 and 218 of the Florida Statutes. These rules provide guidance and establish the policies and general operating procedures for the administration of Florida Prime. The LGSTF is not a registrant with the Securities and Exchange Commission, but the SBA Board has adopted operating procedures consistent with the requirements for a 2A-7 Fund, which permits money market funds to use amortized cost to maintain a constant net asset value (NAV) of \$1 per share.



# CITY OF OAKLAND PARK, FLORIDA

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

### NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

The following was the City's investments as of September 30, 2020:

	<b>Total</b>	<b>Weighted Average</b>	<b>S&amp;P</b>
	<b><u>Value</u></b>	<b><u>Maturity (WAM)</u></b>	<b><u>Rating</u></b>
Florida Prime	\$ 69,148,396	48 days	AAAm

As of September 30, 2020, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit the City's daily access to 100% of its account value in Florida Prime.

**Interest rate risk** is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in interest rates. The City's investment policy limits that no security purchases shall cause the City investment portfolio to have duration of greater than five years.

**Credit risk** is the possibility that an issuer of a fixed income security will not fulfill its obligation to the holder of the investment. The City's investment policy limits the investments with authorized investment service providers and required securities purchased to meet specific credit quality criteria.

The City's investment primary objectives are safety, liquidity and yield. Under the provisions of the City's investment policy, and in accordance with Florida Statutes, the following types of investments are authorized:

	<b>Maximum</b>	<b>Individual</b>
	<b><u>( % )</u></b>	<b><u>Issue ( % )</u></b>
United States Treasury	100	5
United States Agency	100	5
Government-sponsored Enterprise (GSE)	75	5
State & Local Government	30	5
Bank Deposits	50	50
Certificate of Deposit	30	5
Local Government Investment Pools	75	25
The State Board Administration Pool (SBA)	75	25
Money Market Mutual Funds	50	25
Repurchase Agreements	50	25

# CITY OF OAKLAND PARK, FLORIDA

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

### NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

#### *Fiduciary Funds – Pension Funds*

##### **City of Oakland Park General Employees' Pension Plan (GEPP)**

The GEPP's investment policy, as authorized by the Board of Trustees, provided for the following guidelines: (a) investment in all equity securities shall be limited to those listed on a major U.S. stock exchange and no more than 70% (at market) of the GEPP's total asset value; (b) no more than 3% of the GEPP's assets invested in the bonds of any one issuing company; (c) repurchase agreement may not exceed 6-month average maturity; (d) fixed income portfolio shall be comprised of securities rated A or higher by the major rating services; (e) small cap stocks are limited to no more than 10% and mid cap stocks are limited to no more than 30% of the value at cost of the fund; and (f) all stocks at purchase must have a minimum market capitalization of \$5 million.

The GEPP's investment policy does not set a parameter on the duration of its fixed income securities. However, as of September 30, 2020, the weighted average maturity (WAM) of the fixed income portfolio is presented on the next page.

Investments of the GEPP in common stocks, mutual funds, corporate bonds and government securities are valued at quoted market prices. Investments in money market funds are valued at cost. As of September 30, 2020, the following fixed income investments were held for GEPP:

	<u>Fair Value</u>	<u>Weighted Average Maturity</u>	<u>Fitch Rating</u>
Broad Market High Quality Bonds	\$ 3,797,236	6.60 years	Aaf/S4
Core Plus Fixed Income Fund	<u>4,008,194</u>	5.82 years	Not rated
Total fixed income investment	<u>\$ 7,805,430</u>		

**Credit Risk:** Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The Plan limits its credit risk by limiting its investments in fixed income securities to U.S. Government and agency securities or corporate bonds which meet or exceed a credit rating of "BBB" or higher. As of September 30, 2020, the GEPP's fixed income investments quality rating is as presented above.

**Concentration of Credit Risk:** The GEPP's investment policy places investment limitations and provides target allocations to its investment managers to limit credit risk due to concentration. As of September 30, 2020, other than mutual funds, the Plan does not currently hold any securities that exceed 5% of plan net position.

**Custodial Credit Risk:** The Plan does not have any investments in the possession of counterparties; all investments are held by the master custodian under the Plan's name.

# CITY OF OAKLAND PARK, FLORIDA

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## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

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### NOTE 2. DEPOSITS AND INVESTMENTS

#### *Fiduciary Funds – Pension Funds (continued)*

##### **City of Oakland Park General Employees' Pension Plan (GEPP) (continued)**

**Foreign currency risk:** This risk refers to the risk that fluctuations in currency exchange rate may affect transactions conducted in foreign currencies as well as the carrying value of foreign investments. The GEPP's investment policy limits the foreign investments to no more than 18% of its investment balance. The Plan has invested in international equity funds. As of September 30, 2020, the Plan's foreign investments were 18.8% of total investments.

GASB 72 establishes a hierarchal disclosure framework which prioritizes and ranks the level of market price observability used in measuring investments at fair value. Market price observability is impacted by a number of factors, including the type of investment and the specific characteristics of the investment. Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investments with readily available actively quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and lesser degree of judgment used in measuring fair value.

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

- Level 1 – Investments traded in active market with available quoted prices for identical assets as of the reporting date. When available, quoted prices are used to determine fair value. When quoted prices in active markets are available, investments are classified within Level 1 of the fair value hierarchy. When quoted prices in active markets are not available, fair values are based on evaluated prices received by the City's asset manager from third party service providers.
- Level 2 – Investments not traded or active market but for which observable market inputs are available for an asset, either directly or indirectly, as of the reporting date.
- Level 3 – Investments not traded in an active market and for which no significant observable inputs are available as of the reporting date.

The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Shown on the next page is the Plan's recurring fair value measurements of its investments as of September 30, 2020.

# CITY OF OAKLAND PARK, FLORIDA

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

### NOTE 2. DEPOSITS AND INVESTMENTS (continued)

#### *Fiduciary Funds – Pension Funds (continued)*

#### City of Oakland Park General Employees' Pension Plan (continued)

<i>Investment Type By Fair Value Level</i>	Fair Value Measurements using			<u>Total</u>
	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	
Fixed Income Portfolio:				
Broad market high quality bond fund	\$ -	\$ 3,797,236	\$ -	\$ 3,797,236
Core plus fixed income	-	-	4,008,194	4,008,194
Total fixed income portfolio	-	3,797,236	4,008,194	7,805,430
Equity Portfolio				
Diversified value portfolio	-	17,256,330	-	17,256,330
Diversified small cap portfolio	-	5,316,131	-	5,316,131
International equity portfolio	-	7,974,196	-	7,974,196
Core real estate fund	-	-	3,628,470	3,628,470
Total equity portfolio	-	30,546,657	3,628,470	34,175,127
Total investments by fair value level	\$ -	\$ 34,343,893	\$ 7,636,664	\$ 41,980,557

**FMIvT Broad Market – High Quality Bond Fund.** This fund invests mainly in US government and agency securities, asset-backed securities and corporate bonds and notes. The underlying securities have observable level 1 quoted pricing inputs or observable level 2 significant other observable pricing inputs. While the underlying asset values are based on quoted prices or market-corroborated inputs, the net asset value of the portfolio is not publicly quoted.

**FMIvT Core Plus Fixed Income Fund.** This fund invests in two (2) underlying funds, the Franklin Templeton Global Multi-Sector Plus Fund, LP and the Pioneer Institutional Multi-Sector Fixed Income Portfolio, LLC. Shares of these funds are not publicly-quoted. These underlying funds invest in a variety of financial instruments, including equity investments, asset-backed securities, debt securities, swaps, forward exchange contracts, credit-linked notes, escrow accounts, litigations trusts for both U.S. and foreign companies and governments.

**FMIvT High Quality Growth Portfolio.** This portfolio invests mainly in domestic stocks. The majority of the underlying securities have observable level 1 quoted pricing units. While the underlying asset values are based on quoted prices or market-corroborated inputs, the net asset value of the portfolio is not publicly quoted.

# CITY OF OAKLAND PARK, FLORIDA

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## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

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### NOTE 2. DEPOSITS AND INVESTMENTS (continued)

#### *Fiduciary Funds – Pension Funds (continued)*

##### **City of Oakland Park General Employees' Pension Plan (continued)**

***FMIvT Large Cap Diversified Portfolio.*** This portfolio invests mainly in domestic stocks. The majority of the underlying securities have observable level 1 quoted pricing units. While the underlying asset values are based on quoted prices or market-corroborated inputs, the net asset value of the portfolio is not publicly quoted.

***FMIvT Russell 1000 Enhanced Index Portfolio.*** This portfolio invests in a single underlying fund, the Intech U.S. Broad Enhanced Plus Fund, LLC (Intech Fund), shares of which are not publicly quoted. The Intech Fund invests mainly in domestic stocks, all of which have observable level 1 quoted pricing inputs. The value of the portfolio's shares of the Intech Fund investment are determined based on the net asset value provided by Intech Fund, which was calculated in accordance with generally accepted accounting principles

***FMIvT Diversified Small to Mid Cap Equity Portfolio.*** This portfolio invests mainly in domestic stocks. The majority of the underlying securities have observable level 1 quoted pricing units. While the underlying asset values are based on quoted prices or market-corroborated inputs, the net asset value of the portfolio is not publicly quoted.

***FMIvT International Equity Portfolio.*** This portfolio invests in a single underlying fund, the Investec Dynamic Equity Fund, LLC (Investec Fund) and the Wells Capital Management 525 Market Street Fund, LLC (Wells Fund), shares of which are not publicly quoted. Both Funds invest in stocks sold on U.S. and international exchanges, all of which have observable level 1 quoted pricing inputs. The value of the portfolio's shares of the Investec Fund investment and Wells Fund investment are determined based on the net asset value provided by the Funds, which were calculated in accordance with generally accepted accounting principles

***FMIvT Core Real Estate Fund.*** This portfolio invests in a single underlying fund, the Morgan Stanley Prime Property Fund (Morgan Stanley Fund), shares of which are not publicly quoted. The Morgan Stanley Fund invests in core real estate in the U.S. The value of the Morgan Stanley Fund investments were determined based on quarterly real estate appraisals, which were calculated in accordance with generally accepted accounting principles

# CITY OF OAKLAND PARK, FLORIDA

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

### NOTE 2. DEPOSITS AND INVESTMENTS (continued)

#### *Fiduciary Funds – Pension Funds (continued)*

#### **City of Oakland Park Retirement System for Police and Firefighters (RSP&F)**

The RSP&F's investment policy is established and may be amended by the Board of Trustees as regards to the allocation of investment assets. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully-funded status for the benefit provided through the Plan. The Board is authorized to acquire and retain every kind of property, real and personal or mixed, and every kind of investment specifically including, but not limited to bonds and other corporate obligations, and stocks – preferred or common. The investment policy statement was last amended in October 2013. The following was the Board's adopted asset allocation policy as of September 30, 2020:

	<b>Target Allocation Range</b>	
	<b>Min</b>	<b>Max</b>
Domestic equity	40%	50%
Foreign equity	10%	20%
Fixed income	20%	30%
Treasury inflation-protected securities	0%	10%
Global bond	0%	10%
Real estate	0%	15%
Cash and cash equivalents	Minimal	

**Interest Rate Risk:** As a means of limiting its exposure to interest rate risk, the RSP&F diversify its investment by security type and institution, and limits holdings in any one type of investment with any one issuer with various duration and maturities. The RSP&F's investment policy does not set a parameter on the duration of its investment.

Information about the sensitivity of the fair values of the RSP&F's investment to market interest rate fluctuations is provided by the table on the next page that shows the distribution of the RSP&F's investment by maturity as at September 30, 2020:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>			
		<u>Less than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>More Than 10</u>
Corporate Bonds	\$ 5,429,460	\$ 159,337	\$ 753,636	\$ 3,677,040	\$ 839,447
U.S. Treasuries	800,630	-	-	800,630	-
Fixed Income Funds	5,364,455	46,397	1,660,877	1,978,505	1,678,676
U.S. Agencies	3,572,313	2,144,307	621,641	211,785	594,580
Total Fixed Income Securities	<u>\$ 15,166,858</u>	<u>\$ 2,350,041</u>	<u>\$ 3,036,154</u>	<u>\$ 6,667,960</u>	<u>\$ 3,112,703</u>

# CITY OF OAKLAND PARK, FLORIDA

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

### NOTE 2. DEPOSITS AND INVESTMENTS (continued)

#### *Fiduciary Funds – Pension Funds (continued)*

#### **City of Oakland Park Retirement System for Police and Firefighters (RSP&F)**

**Credit Risk:** The RSP&F's investment policy utilizes portfolio diversification in order to control this risk. The following table discloses credit ratings by investment type, at September 30, 2020, as applicable:

	<u>Fair Value</u>	<u>% of Portfolio</u>
Quality rating of credit securities		
Aaa*	\$ 5,590,819	37%
Aa	136,553	1%
A	214,583	1%
A1	406,532	3%
A2	1,891,929	12%
A3	3,130,999	21%
Bbb	671,061	4%
Bb	562,097	4%
B	379,840	3%
Unrated government securities	<u>2,182,445</u>	<u>14%</u>
Total Fixed Income Securities	<u>\$ 15,166,858</u>	<u>100%</u>

\* Aaa securities are U.S Treasury securities guaranteed by the U.S. government.

**Concentration of Credit Risk:** The investment guidelines provide for the appropriate diversification of the portfolio. Investments have been diversified to the extent practicable to control risk of loss resulting from over-concentration of a specific maturity, issuer, instrument, dealer or bank through which financial instruments are bought and sold.

**Custodial Credit Risk:** Consistent with the RSP&F's investment policy, the investments are held by custodial bank and registered in the RSP&F's name. All of the RSP&F's deposits are insured and or collateralized by a financial institution separate from the RSP&F's depository financial institution. The Plan is only exposed to custodial credit risk for uncollateralized cash and cash equivalents that are not covered by federal depository insurance.

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# CITY OF OAKLAND PARK, FLORIDA

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

### NOTE 2. DEPOSITS AND INVESTMENTS (continued)

#### *Fiduciary Funds – Pension Funds (continued)*

#### **City of Oakland Park Retirement System for Police and Firefighters (RSP&F) (continued)**

#### ***Investment Valuation***

The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Plan has the following recurring fair value measurements as of September 30, 2020:

<i>Investment Type By Fair Value Level</i>	Fair Value Measurements using			<u>Total</u>
	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	
Equity securities				
Domestic common stock	\$ 24,738,618		\$ -	\$ 24,738,618
International common stock	2,734,218		-	2,734,218
Equity mutual funds	9,741,450	-	-	9,741,450
Total equity securities	<u>37,214,286</u>	<u>-</u>	<u>-</u>	<u>37,214,286</u>
Debt Securities:				
Corporate bonds	-	5,429,460	-	5,429,460
U.S. treasury securities	800,630	-	-	800,630
U.S. agency securities	-	3,572,313	-	3,572,313
Fixed income mutual funds	5,364,455	-	-	5,364,455
Total debt securities	<u>6,165,085</u>	<u>9,001,773</u>	<u>-</u>	<u>15,166,858</u>
Total investments by fair value level	<u>\$ 6,165,085</u>	<u>\$ 9,001,773</u>	<u>\$ -</u>	52,381,144
<i>Investments measured at the net asset value (NAV) *</i>				
Real estate fund				<u>8,595,107</u>
Total investments measured at NAV				<u>8,595,107</u>
Money market funds (exempt)				<u>2,371,905</u>
Total investments				<u>\$ 63,348,156</u>

*\*As required by GAAP, certain investment that are measured at net asset value (NAV) have not been classified in the fair value hierarchy. The fair value amounts present in the table are intended to permit reconciliation of the fair value hierarchy to the total investment line item in the statement of fiduciary net position.*



# CITY OF OAKLAND PARK, FLORIDA

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## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

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### NOTE 2. DEPOSITS AND INVESTMENTS (continued)

#### *Fiduciary Funds – Pension Funds (continued)*

#### **City of Oakland Park Retirement System for Police and Firefighters (RSP&F)**

#### *Investment Valuation (continued)*

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market as follows:

Level 1- Inputs to the valuation methodology are based upon quoted prices for identical assets in active markets.

Level 2- Inputs to the valuation methodology are based upon observable inputs for the assets either directly or indirectly, other than those considered Level 1 inputs, which may include quoted prices for identical assets in markets that are not considered to be active, and quoted prices of similar assets in active or inactive markets.

Level 3- Inputs to the valuation methodology are based upon unobservable inputs. The following is a description of the valuation methodologies used for assets measured at fair value.

- Common stocks: Valued at the closing price reported on the New York Stock Exchange. Mutual funds: Valued at the daily closing price as reported by the Plan. Mutual funds held by the Plan are open-ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (“NAV”) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.
- Government securities: Valued using pricing models maximizing the use of observable inputs for similar securities.
- Corporate bonds: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing the value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yield of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks or a broker quote, if available.
- Real estate funds: Valued at the net asset value of shares held by the Plan at year end. The Plan has investments in private market real estate investments for which no liquid public market exists.
- Money market funds: Valued at the floating net asset value of shares held by the Plan at year end.

# CITY OF OAKLAND PARK, FLORIDA

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

### NOTE 2. DEPOSITS AND INVESTMENTS (continued)

#### *Fiduciary Funds – Pension Funds (continued)*

#### **City of Oakland Park Retirement System for Police and Firefighters (RSP&F) (continued)**

#### *Investment Valuation (continued)*

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

#### *Investment Measured at the net asset value (NAV) \**

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if Currently Eligible)</u>	<u>Redemption Notice Period</u>
Real estate fund **	\$ 8,595,107	\$ -	Quarterly	One Quarter
Total investments measured at NAV	<u>\$ 8,595,107</u>	<u>\$ -</u>		

**\*\* Real estate fund:** The fund is an open-end, real estate investment fund investing primarily in core office, apartment, mall, and resort properties located through the United States. The investment is valued at NAV and may be redeemed quarterly with notice provided a quarter in advance.

**Debt securities:** Debt securities consist primarily of negotiable obligations of the U.S. government and U.S. government-sponsored agencies, corporations, securitized offerings backed by residential and commercial mortgages, Treasury Inflation Protected Securities (TIPS) and foreign debt securities. These securities can typically be valued using the close or last traded price on a specific date (quoted prices in active markets). When quoted prices are not available, fair value is determined based on valuation models that use inputs that include market observable inputs. These inputs included on valuation models that use quotes, cash flows, maturity, credit ratings, and other assumptions based upon the specifics of the investment's type.

**Equity securities:** These include domestic and international equities. Domestic securities traded on a national securities exchange are valued at the last reported sale price on the last business day of the fiscal year. Securities traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at the last reported bid price.

International equities are valued based upon quoted foreign market prices and translated into U.S. dollar at the exchange rate in effect at September 30, 2020. Securities which are not traded on a national security exchange are valued by the respective fund manager or other third parties based on yields currently available on comparable securities of issuers with similar credit ratings.

# CITY OF OAKLAND PARK, FLORIDA

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

### NOTE 3. RECEIVABLES AND PAYABLES

Accounts receivable balances as at September 30, 2020, were as follows:

	<u>Accounts</u>	<u>Taxes</u>	<u>Other Government</u>	<u>Allowance for Uncollectible Accounts</u>	<u>Net</u>
<b>Government Activities</b>					
General fund	\$ 18,079,697	\$ -	\$ 108,193	\$ (13,904,503)	\$ 4,283,387
CRA	56,908	-	-	-	56,908
Non-major funds	-	-	401,436	-	401,436
Total Government Activities	<u>\$ 18,136,605</u>	<u>\$ -</u>	<u>\$ 509,629</u>	<u>\$ (13,904,503)</u>	<u>\$ 4,741,731</u>
<b>Business-type Activities</b>					
Water & sewer	\$ 3,125,409	\$ -	\$ -	\$ (941,741)	\$ 2,183,668
Solidwaste	881,821	-	945	(459,635)	423,131
Stormwater	258,297	-	-	(230,559)	27,738
Total Business-type Activities	<u>\$ 4,265,527</u>	<u>\$ -</u>	<u>\$ 945</u>	<u>\$ (1,631,935)</u>	<u>\$ 2,634,537</u>

Accounts payable and accrued liabilities balances at September 30, 2020, were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Other Governments</u>	<u>Total</u>
<b>Government Activities</b>				
General fund	\$ 2,018,298	\$ 824,520	\$ 24,296	\$ 2,867,114
CRA	29,144	588	186	29,918
Non-major funds	486,161	-	-	486,161
Total Government Activities	<u>\$ 2,533,603</u>	<u>\$ 825,108</u>	<u>\$ 24,482</u>	<u>\$ 3,383,193</u>
<b>Business-type Activities</b>				
Water & sewer	\$ 4,252,664	\$ 30,842	\$ -	\$ 4,283,506
Solidwaste	644,368	27,556	-	671,924
Stormwater	135,980	10,473	-	146,453
Total Business-type Activities	<u>\$ 5,033,012</u>	<u>\$ 68,871</u>	<u>\$ -</u>	<u>\$ 5,101,883</u>

# CITY OF OAKLAND PARK, FLORIDA

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

### NOTE 4. CAPITAL ASSETS

The following is a summary of changes in capital assets for the fiscal year ended September 30, 2020, in the governmental activities:

	<u>Balance</u> <u>Oct. 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>Sept. 30, 2020</u>
Capital assets not being depreciated:				
Land and easements	\$ 17,775,434	\$ -	\$ -	\$ 17,775,434
Construction in progress	4,548,109	2,346,160	(4,598,946)	2,295,323
<b>Total assets not being depreciated</b>	<u>22,323,543</u>	<u>2,346,160</u>	<u>(4,598,946)</u>	<u>20,070,757</u>
Capital assets being depreciated:				
Intangible - software	250,989	-	-	250,989
Buildings	16,605,242	-	-	16,605,242
Improvements other than buildings	23,226,516	472,435	-	23,698,951
Machinery and equipment	13,801,132	673,865	(29,381)	14,445,616
Infrastructure	56,061,870	4,011,632	-	60,073,502
<b>Total capital assets being depreciated</b>	<u>109,945,749</u>	<u>5,157,932</u>	<u>(29,381)</u>	<u>115,074,300</u>
Less accumulated depreciation for:				
Intangible - software	(217,818)	(7,303)	-	(225,121)
Buildings	(6,023,200)	(322,815)	-	(6,346,015)
Improvements other than buildings	(12,258,745)	(1,087,360)	-	(13,346,105)
Machinery and equipment	(10,206,370)	(850,845)	12,164	(11,045,051)
Infrastructure	(14,680,234)	(991,806)	-	(15,672,040)
<b>Total accumulated depreciation</b>	<u>(43,386,367)</u>	<u>(3,260,129)</u>	<u>12,164</u>	<u>(46,634,332)</u>
<b>Capital assets being depreciated, net</b>	<u>66,559,382</u>	<u>1,897,803</u>	<u>(17,217)</u>	<u>68,439,968</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 88,882,925</u>	<u>\$ 4,243,963</u>	<u>\$ (4,616,163)</u>	<u>\$ 88,510,725</u>

Depreciation expense charged by governmental function are as follows:

General Government	\$ 171,701
Public Safety	584,938
Public Works	1,535,538
Engineering and Community Development	14,060
Parks and Leisure Services	953,892
<b>Total depreciation expense - Governmental Activities</b>	<u>\$ 3,260,129</u>

# CITY OF OAKLAND PARK, FLORIDA

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

### NOTE 4. CAPITAL ASSETS (continued)

The following is a summary of changes in capital assets for the fiscal year ended September 30, 2020, in the business-type activities:

	<u>Balance Oct. 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance Sept. 30, 2020</u>
Capital assets not being depreciated:				
Land and easements	\$ 435,982	\$ -	\$ -	\$ 435,982
Construction in progress	12,418,379	2,541,459	(413,185)	14,546,653
<b>Total assets not being depreciated</b>	<u>12,854,361</u>	<u>2,541,459</u>	<u>(413,185)</u>	<u>14,982,635</u>
Capital assets being depreciated:				
Intangible - software	15,446	-	-	15,446
Buildings	532,994	-	(440,600)	92,394
Improvements other than buildings	29,964	3,537	-	33,501
Machinery and equipment	8,192,900	930,934	(296,592)	8,827,242
Infrastructure	142,550,140	409,207	-	142,959,347
<b>Total capital assets being depreciated</b>	<u>151,321,444</u>	<u>1,343,678</u>	<u>(737,192)</u>	<u>151,927,930</u>
Less accumulated depreciation for:				
Intangible - software	(15,446)	-	-	(15,446)
Buildings	(495,688)	(733)	404,027	(92,394)
Improvements other than buildings	(7,390)	(2,274)	-	(9,664)
Machinery and equipment	(4,206,084)	(778,961)	292,776	(4,692,269)
Infrastructure	(35,133,228)	(2,179,098)	-	(37,312,326)
<b>Total accumulated depreciation</b>	<u>(39,857,836)</u>	<u>(2,961,066)</u>	<u>696,803</u>	<u>(42,122,099)</u>
<b>Capital assets being depreciated, net</b>	<u>111,463,608</u>	<u>(1,617,388)</u>	<u>(40,389)</u>	<u>109,805,831</u>
<b>Business-type activities capital assets, net</b>	<u>\$ 124,317,969</u>	<u>\$ 924,071</u>	<u>\$ (453,574)</u>	<u>\$ 124,788,466</u>

Depreciation expense in each enterprise fund are as follows:

Water and sewer	\$ 1,355,190
Solidwaste	513,471
Stormwater	<u>1,092,405</u>
Total depreciation expense - Business-type Activities	<u>\$ 2,961,066</u>

# CITY OF OAKLAND PARK, FLORIDA

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

### NOTE 5. INTERFUND BALANCES AND TRANSFERS

The composition of interfund balances at September 30, 2020 consisted of the following:

*Advances To/From Other Funds:*

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
Water and Sewer fund	Capital Projects fund	\$ 595,000	Property purchase
Stormwater fund	Capital Projects fund	629,739	Property remediation
		<u>\$ 1,224,739</u>	

Interfund transfers for the year ended September 30, 2020, consisted of the following:

	<u>Transfers Out:</u>			<u>Purpose</u>
	<u>General Fund</u>	<u>Non-Major Funds</u>	<u>Total</u>	
<b>Transfer In:</b>				
General fund	\$ -	\$ 587,516	\$ 587,516	Reimbursement of capital expenditures
CRA fund	346,886	-	346,886	For program expenditures
Capital Projects fund	1,962,629		1,962,629	For capital expenditures
Non-Major funds	843,080	-	843,080	For debt service expenditures
Total	<u>\$ 3,152,595</u>	<u>\$ 587,516</u>	<u>\$ 3,740,111</u>	

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# CITY OF OAKLAND PARK, FLORIDA

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

### NOTE 6. RESTRICTED ASSETS

The City's restricted assets as of September 30, 2020, are as follows:

<u>Nature</u>	<u>Government Activities</u>			<u>Total</u>
	<u>General Fund</u>	<u>Capital Project Fund</u>	<u>Non-Major Governmental Funds</u>	
BSO* agreement for Police Officers paid time off	\$ 131,130	\$ -	\$ -	\$ 131,130
Capital project funds	-	35,226,309	-	35,226,309
Park improvement funds	-	-	30,471	30,471
Tree preservation funds	-	-	11,679	11,679
Fire station facility	-	-	1,868	1,868
Public safety grant funds	-	-	106,772	106,772
Library grant	-	-	117,776	117,776
Parks and recreation grant funds	-	-	59,556	59,556
Total Government Activities	<u>\$ 131,130</u>	<u>\$ 35,226,309</u>	<u>\$ 328,123</u>	<u>\$ 35,685,561</u>

\* Broward Sheriff Office

	<u>Business-type Activities</u>			<u>Total</u>
	<u>Water &amp; Sewer Fund</u>	<u>Solidwaste Fund</u>	<u>Stormwater Fund</u>	
Customers deposits	\$ 1,045,503	\$ 399,134	\$ -	\$ 1,444,637
Renewal and replacement reserve	1,093,876	-	-	1,093,876
Unspent bond proceeds for capital projects	486,997	-	731,378	1,218,375
Total Business-type Activities	<u>\$ 2,626,377</u>	<u>\$ 399,134</u>	<u>\$ 731,378</u>	<u>\$ 3,756,888</u>

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# CITY OF OAKLAND PARK, FLORIDA

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

### NOTE 7. LEASES

#### *Capital Leases*

In 2013, the City entered into a capital lease agreement under a Master Lease Agreement dated August 15, 2013 for the purchase of a fire ladder truck in the amount of \$697,394. Principal and interest payments are due monthly for the years 2013 through 2020 with interest rate at 1.83%.

In November 2014, the City entered into the first amendment to the lease agreement for the purchase of three (3) fire ambulances, one (1) truck and two (2) solid waste front loaders in the amount of \$1,251,291 with interest rate at 2.392%.

In January 2017, the City entered into the second amendment to the lease agreement for the purchase of four (4) solid waste trucks in the amount of \$1,100,000 with interest rate at 1.79%. Upon final payment of the lease expiring in 2024, title to the capital assets will revert to the City.

On June 15, 2018, the City entered into the third amendment to the lease agreement for the purchase of a firetruck in the amount of \$599,611 with interest rate at 3.01%. Upon final payment of the lease expiring in 2025, title to the capital assets will revert to the City.

The following is the schedule of the future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of September 30, 2020:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Year ending September 30:		
2021	\$ 180,508	\$ 223,487
2022	180,633	223,363
2023	180,633	223,363
2024	180,242	112,449
2025	<u>64,016</u>	<u>-</u>
Total minimum lease payments	786,031	782,662
Less: amount representing interest	<u>(50,049)</u>	<u>(29,120)</u>
Present value of minimum lease payments	<u><u>\$ 735,982</u></u>	<u><u>\$ 753,542</u></u>

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Asset type:		
Machinery and Equipment	\$ 2,048,379	\$ 1,595,370
Less: Accumulated Depreciation	<u>(1,118,497)</u>	<u>(741,842)</u>
Net book value	<u><u>\$ 929,882</u></u>	<u><u>\$ 853,528</u></u>



## CITY OF OAKLAND PARK, FLORIDA

### NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

#### NOTE 8. LONG-TERM DEBT

##### *Bank and Intergovernmental Loans*

##### *a. Broward County Redevelopment Capital Program (BCRCP) – Loan I*

On March 8, 2011, the City and the Oakland Park Community Redevelopment Agency (CRA) entered into a loan agreement and promissory note with Broward County Redevelopment Capital Program in the amount of \$1,390,050. This unsecured loan was used for the acquisition of the property located in downtown area for redevelopment purposes.

The loan may be converted to a grant in part or in full after 5 years, based on the amount of increase in the County's tax base that is generated by redevelopment within the CRA during that period. No payments of principal or interest shall be due in the first 5 years of the loan. If, at the end of 5 years, less than 100% of the loan has been converted to a grant, the amount of loan remaining shall be repaid to the County over a period of 15 years at the Municipal Market Data MMD "A" revenue bond rate in effect at the time repayment begins. An equal amount of principal, plus the interest accrued for the year, shall be made on or before March 31st of each year of the fifteen (15) year period, commencing March 31, 2017.

On March 28, 2017, the City, the CRA and Broward County executed the first amendment to the promissory note of Loan I to defer the payment of principal for a period of two (2) years from the initial maturity date of March 31, 2017. On March 31, 2019, the City paid the first principal that became due on the loan.

The following table shows the debt service requirements of the above loan as of September 30, 2020:

Fiscal Year ending September 30:	Principal	Interest	Total
2021	\$ 106,927	\$ 35,895	\$ 142,822
2022	106,927	32,632	139,559
2023	106,927	29,369	136,296
2024	106,927	26,106	133,033
2025	106,927	22,842	129,769
2026-2030	534,635	65,264	599,899
2031	106,927	3,263	110,190
	<u>\$ 1,176,196</u>	<u>\$ 215,371</u>	<u>\$ 1,391,567</u>

# CITY OF OAKLAND PARK, FLORIDA

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

### NOTE 8. LONG-TERM DEBT (continued)

#### *Bank and Intergovernmental Loans (continued)*

##### *b. Broward County Redevelopment Capital Program – Loan II*

On September 13, 2011, the City and the Oakland Park Community Redevelopment Agency (CRA) entered into a loan agreement and promissory note with Broward County Redevelopment Capital Program in the amount of \$695,393. This unsecured loan was used for the acquisition of the property in downtown area for future redevelopment.

On September 25, 2018, the Board of County Commissioners have partly forgiven the loan by \$349,118 after going through the successful grant conversion process which is based on the amount of increase in the County's tax base that is generated by redevelopment within the CRA during that period. The \$346,275 remaining amount of the loan shall be repaid to the County over a period of 15 years at the Municipal Market Data MMD "A" revenue bond rate in effect at the time when repayment began on September 30, 2019.

The following table shows the debt service requirements of the above loan as of September 30, 2020:

Fiscal Year ending September 30:	Principal	Interest	Total
2021	\$ 26,637	\$ 7,346	\$ 33,983
2022	26,637	6,611	33,248
2023	26,637	5,877	32,514
2024	26,637	5,142	31,779
2025	26,637	5,143	31,780
2026-2030	133,185	11,019	144,204
2031	26,637	-	26,637
	<u>\$ 293,008</u>	<u>\$ 41,139</u>	<u>\$ 334,146</u>

**Note:** Loans III and IV for \$751,300 and \$305,000, respectively, were effectively cancelled through the successful grant conversion process in FY 2018, as disclosed in prior year's Comprehensive Annual Financial Report.

# CITY OF OAKLAND PARK, FLORIDA

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

### NOTE 8. LONG-TERM DEBT (continued)

#### *Bank and Intergovernmental Loans (continued)*

##### *c. Broward County Redevelopment Capital Program – Loans V and VI*

In March 2014, the City and the Oakland Park Community Redevelopment Agency (CRA) entered into two loan agreements and promissory notes, loan V and VI, with Broward County Redevelopment Capital Program in the amount of \$338,130 and \$65,150, respectively. These unsecured loans were used for the demolition and parking improvement of previously acquired properties located in the downtown area.

The loans have similar terms as previous four loans and may be converted to a grant in part or in full after 5 years, based on the amount of increase in the County's tax base that is generated by redevelopment within the CRA during that period. No payments of principal or interest shall be due in the first 5 years of the loan. The term may be up to 15 years after the five-year interest free period. The first principal and interest payments started on March 31, 2020.

The following table shows the debt service requirements of the above loans as of September 30, 2020:

Fiscal Year ending September 30:	Principal	Interest	Total
2021	\$ 26,885	\$ 12,212	\$ 39,097
2022	26,885	11,340	38,225
2023	26,885	10,467	37,352
2024	26,885	9,595	36,480
2025	26,885	8,723	35,608
2026-2030	134,427	30,530	164,957
2031-2034	107,542	8,723	116,265
	<u>\$ 376,395</u>	<u>\$ 91,591</u>	<u>\$ 467,985</u>

##### *d. Broward County Redevelopment Capital Program – Loan VII*

In August 2014, the City and the Oakland Park Community Redevelopment Agency (CRA) entered into a loan agreement and promissory note with Broward County Redevelopment Capital Program in the amount of \$200,000. This unsecured loan was used for the demolition and site improvement of an acquired properties located in the downtown area.

The loans have similar terms as previous loans and may be converted to a grant in part or in full after 5 years, based on the amount of increase in the County's tax base that is generated by redevelopment within the CRA during that period. No payments of principal or interest shall be due in the first 5 years of the loan. The term may be up to 15 years after the five-year interest free period. The first principal and interest payments started on August 31, 2020.

# CITY OF OAKLAND PARK, FLORIDA

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

### *Bank and Intergovernmental Loans (continued)*

#### *d. Broward County Redevelopment Capital Program – Loan VII (continued)*

The following table shows the debt service requirements of the above loan as of September 30, 2020:

Fiscal Year ending September 30:	Principal	Interest	Total
2021	\$ 13,333	\$ 3,388	\$ 16,721
2022	13,333	3,146	16,479
2023	13,333	2,904	16,237
2024	13,333	2,662	15,995
2025	13,333	2,420	15,753
2026-2030	66,667	8,470	75,137
2031-2034	53,334	2,420	55,754
	<u>\$ 186,666</u>	<u>\$ 25,411</u>	<u>\$ 212,077</u>

#### *e. Broward County Redevelopment Capital Program – Loan VIII & IX*

In November 2014, the City and the Oakland Park Community Redevelopment Agency (CRA) entered into two loan agreements and promissory notes, loan VIII and IX with Broward County Redevelopment Capital Program in the amount of \$8,562 and \$20,392, respectively. These unsecured loans were used for the soft costs of acquired properties located in the downtown area.

The loans have similar terms as previous loans and may be converted to a grant in part or in full after 5 years, based on the amount of increase in the County's tax base that is generated by redevelopment within the CRA during that period. No payments of principal or interest shall be due in the first 5 years of the loan. The term may be up to 15 years after the five-year interest free period. The first principal and interest payments will be due on November 30, 2020.

The following table shows the debt service requirements of the above loan as of September 30, 2020:

Fiscal Year ending September 30:	Principal	Interest	Total
2021	\$ 1,930	\$ 669	\$ 2,599
2022	1,930	625	2,555
2023	1,930	580	2,510
2024	1,930	535	2,465
2025	1,930	491	2,421
2026-2030	9,650	1,785	11,435
2031-2035	9,650	669	10,319
	<u>\$ 28,951</u>	<u>\$ 5,355</u>	<u>\$ 34,305</u>

# CITY OF OAKLAND PARK, FLORIDA

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## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

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### NOTE 8. LONG-TERM DEBT (continued)

#### *Bank and Intergovernmental Loans (continued)*

##### *f. Broward County Redevelopment Capital Program – Loan X & XI*

In April 2017, the City and the Oakland Park Community Redevelopment Agency (CRA) entered into two loan agreements and promissory notes, loan X and XI with Broward County Redevelopment Capital Program in the amount of \$325,000 and \$753,752, respectively. These unsecured loans were used for the demolition and partial improvements for the Jaco Pastorius Park located in the downtown area and for street-end enhancements to NE 12<sup>th</sup> Avenue, respectively.

The loans have similar terms as the previous loans and may be converted to a grant in part or in full after 5 years, based on the amount of increase in the County's tax base that is generated by redevelopment within the CRA during that period. No payments of principal or interest shall be due in the first 5 years of the loan. The term may be up to 15 years after the five-year interest free period. The first payment for principal and interest will be due in February 2023.

##### *g. Capital One – Series 2007 Term Loan*

On October 19, 2007, the City entered into a loan agreement with Wachovia Bank and issued a promissory note, series 2007, for \$4,000,000. The loan was used as partial reimbursement of the acquisition of the new municipal building, which will house the Oakland Park Division of the Broward Sheriff's Office and various City offices.

Principal payments are due on October 1st of each year with interest payments due on October 1st and April 1st, and the final payment is due on October 1, 2027. The loan bears interest at a fixed rate of 4.47% per annum. As security for loan repayment, the City covenants and agrees to appropriate in its annual budget the amounts of legally available non-ad valorem revenues attributable to the General Fund sufficient to satisfy its annual debt service requirements under the loan agreement. In February 2015, the loan was assigned to Capital One Bank.

The loan agreement contains a provision that when the maximum federal corporate rate (MFCR) becomes less than 35%, the interest rate is adjusted to reflect the effect based on the margin rate factor. Relative to the decrease in the MFCR from 35% to 21% on January 1, 2018, the effective interest rate of this loan was adjusted from 4.47% to 5.43% effective April 1, 2018.

# CITY OF OAKLAND PARK, FLORIDA

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

### NOTE 8. LONG-TERM DEBT (continued)

#### *Bank and Intergovernmental Loans (continued)*

#### *g. Capital One – Series 2007 Term Loan (continued)*

The following table shows the debt service requirements of the above loan as of September 30, 2020:

Fiscal Year ending September 30:	Principal	Interest	Total
2021	\$ 215,704	\$ 103,892	\$ 319,596
2022	225,346	91,917	317,264
2023	235,419	79,407	314,827
2024	245,943	66,338	312,281
2025	256,936	45,710	302,646
2026-2028	841,796	47,042	888,838
	<u>\$ 2,021,145</u>	<u>\$ 434,306</u>	<u>\$ 2,455,451</u>

#### *h. Branch Banking & Trust Company Term Loan 2010*

In December 2010, the City entered into a loan with Branch Banking & Trust (BB&T) and issued a 20 year promissory note for \$15,637,000 at 3.7% interest to refund the balance of Florida Municipal Loan Council (FMLC) Revenue bonds, Series 2000B. The outstanding balance of the FMLC loan \$15,025,000 was retired on May 1, 2011. The advance refunding generated a net benefit of \$2,625,888 in cash flows savings and \$1,855,855 economic gain. The new loan principal payments are due every November 1st of the year with interest payments due on November 1st and May 1st. The final principal payment is due on November 1, 2030. As security for loan repayment, the City covenants and agrees to appropriate in its annual budget the amounts of non-ad valorem revenues sufficient to satisfy its annual debt service requirements under the loan agreement.

The following table shows the debt service requirements of the above loan as of September 30, 2020:

Fiscal Year ending September 30:	Governmental Activities		Business-type Activities		Total Payments	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 523,933	\$ 247,949	\$ 221,349	\$ 104,752	\$ 745,282	\$ 352,701
2022	542,089	228,227	229,019	96,420	771,108	324,648
2023	562,493	207,793	237,639	87,787	800,132	295,579
2024	585,656	186,552	247,425	78,813	833,081	265,364
2025	607,976	164,470	256,855	69,484	864,831	233,953
2026-2030	3,387,939	461,704	1,431,320	195,059	4,819,259	656,763
2031	753,197	13,934	318,207	5,887	1,071,404	19,821
	<u>\$ 6,963,282</u>	<u>\$ 1,510,628</u>	<u>\$ 2,941,813</u>	<u>\$ 638,202</u>	<u>\$ 9,905,097</u>	<u>\$ 2,148,827</u>

# CITY OF OAKLAND PARK, FLORIDA

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

### NOTE 8. LONG-TERM DEBT (continued)

#### *Bank and Intergovernmental Loans (continued)*

##### *i. SunTrust–2014 Term Loan*

In June 2014, the City entered into a loan with SunTrust and issued a 15-year promissory note for \$1,495,000 at 2.88% interest to refund the balance of Florida Municipal Loan Council (FMLC) Revenue bonds, Series 2004A. The outstanding balance of the FMLC loan \$1,445,000 was retired on July 3, 2014. The new loan principal payments are due on July 1<sup>st</sup> of each year with interest payments due on July 1<sup>st</sup> and January 1<sup>st</sup>. The final principal payment is due on July 1, 2029. As security for the loan, the City covenants and agrees to appropriate in its annual budget amounts of non-ad valorem revenues sufficient to satisfy its annual debt service requirements under the loan agreement.

The loan agreement contains a provision that when the maximum federal corporate rate (MFCR) becomes less than 35%, the interest rate is adjusted to reflect the effect based on the margin rate factor. Relative to the decrease in the MFCR from 35% to 21% on January 1, 2018, the effective interest rate was adjusted to the maximum of 3.32% from 2.88%.

The following table shows the debt service requirements of the above loan as of September 30, 2020:

September 30:	Principal	Interest	Total
2021	\$ 95,000	\$ 32,204	\$ 127,204
2022	100,000	29,050	129,050
2023	100,000	25,730	125,730
2024	105,000	22,410	127,410
2025	110,000	18,924	128,924
2026-2029	460,000	38,678	498,678
	<u>\$ 1,065,000</u>	<u>\$ 202,354</u>	<u>\$ 1,267,354</u>

##### *j. Branch Banking & Trust Company (BB&T) Loan 2016*

On July 22, 2016, the City entered into a loan with Branch Banking & Trust (BB&T) and issued a 7 year promissory note for \$745,000 at 1.57% interest to finance the purchase of firefighting equipment including a ladder truck. The new loan principal payments are due on October 1st of each year with interest payments due on April 1st. The final principal payment is due on October 1, 2023. As security for loan repayment, the City covenants and agrees to appropriate in its annual budget the amounts of non-ad valorem revenues sufficient to satisfy its annual debt service requirements under the loan agreement.

# CITY OF OAKLAND PARK, FLORIDA

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

### NOTE 8. LONG-TERM DEBT (continued)

#### *Bank and Intergovernmental Loans (continued)*

##### *k. Branch Banking & Trust Company (BB&T) Loan 2016 (continued)*

The following table shows the debt service requirements of the above loan as of September 30, 2020:

September 30:	Principal	Interest	Total
2021	\$ 105,000	\$ 6,005	\$ 111,005
2022	110,000	4,318	114,318
2023	110,000	2,591	112,591
2024	110,000	864	110,864
	<u>\$ 435,000</u>	<u>\$ 13,777</u>	<u>\$ 448,777</u>

##### *l. Florida Community Bank Loan 2018*

On August 3, 2018, the City entered into a loan with Florida Community Bank (FCB) and issued a 10-year promissory note for \$1,660,000 at 3.15% interest for the acquisition of a piece of land for municipal purposes. The new loan principal payments are due every December 1st of the year with interest payments due on December 1st and June 1st. The final principal payment is due on December 1, 2028. As security for loan repayment, the City covenants and agrees to appropriate in its annual budget the amounts of non-ad valorem revenues sufficient to satisfy its annual debt service requirements under the loan agreement.

The following table shows the debt service requirements of the above loan as of September 30, 2020:

Fiscal Year ending September 30:	Principal	Interest	Total
2021	\$ 150,000	\$ 45,360	\$ 195,360
2022	155,000	40,556	195,556
2023	155,000	35,674	190,674
2024	160,000	30,713	190,713
2025	165,000	25,594	190,594
2026 - 2029	<u>730,000</u>	<u>46,779</u>	<u>776,779</u>
	<u>\$ 1,515,000</u>	<u>\$ 224,676</u>	<u>\$ 1,739,676</u>

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# CITY OF OAKLAND PARK, FLORIDA

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

### NOTE 8. LONG-TERM DEBT (continued)

#### *m. JP Morgan Chase Loan 2019*

On January 10, 2019, the City entered into a loan agreement with JP Morgan Chase and issued a 7-year promissory note for \$1,399,700 at 3.01% interest to finance the purchase of solid waste trucks. Loan principal and interest payments are due on the 1st day of each month for the next seven years with the final principal payment due on January 1, 2026. As security for loan repayment, the City covenants and agrees to appropriate in its annual budget the amounts of non-ad valorem revenues sufficient to satisfy its annual debt service requirements under the loan agreement.

The following table shows the debt service requirements of the above loan as of September 30, 2020:

September 30:	Principal	Interest	Total
2021	\$ 191,610	\$ 30,235	\$ 221,845
2022	197,458	24,387	221,845
2023	203,484	18,361	221,845
2024	209,694	12,151	221,845
2025	289,580	6,214	295,794
	<u>\$ 1,091,826</u>	<u>\$ 91,348</u>	<u>\$ 1,183,174</u>

#### *General Obligation Bonds, Series 2020*

On June 11, 2020, the City issued \$26,000,000 of the \$40-million General Obligation (G.O.) Bonds which was approved by the residents at the general election in November 2018. The proceeds of G.O. Bonds are to be used to fund the modernization of the City facilities such as the three (3) fire rescue stations, the municipal library, the community centers and the City park. The G.O. Bonds of the City are payable from ad valorem taxes on all taxable real and tangible personal property within the City. There is no direct limitations imposed by the Florida Constitution or the Florida Statutes on the amount of debt that the City can issue.

The Series 2020 Bonds have an outstanding balance of \$26,000,000 due in varying installments through 2040 which bear interest rates from 4.0% to 5.0% with interest payable semi-annually on February 1 and August 1 of each year, beginning in February 2021. The bonds maturing prior to February 1, 2031 are not subject to optional redemption prior to maturity while the bonds maturing on or after February 1, 2031 are subject to redemption prior to maturity, at the option of the City from any funds legally available for such purpose, on or after February 1, 2030, in whole or in part on any date, and if in part in any order of maturity selected by the City, and by lot within a maturity if less than an entire maturity is to be redeemed, at the redemption price of par plus accrued interest to the redemption date.

# CITY OF OAKLAND PARK, FLORIDA

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

### NOTE 8. LONG-TERM DEBT (continued)

#### *General Obligation Bonds (continued)*

Following is the debt service requirements as of September 30, 2020:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 525,000	\$ 1,330,832	\$ 1,855,832
2022	845,000	1,132,625	1,977,625
2023	890,000	1,089,250	1,979,250
2024	935,000	1,043,625	1,978,625
2025	980,000	995,750	1,975,750
2026-2030	5,685,000	4,173,125	9,858,125
2031-2035	7,240,000	2,594,200	9,834,200
2036-2040	8,900,000	917,600	9,817,600
	<u>\$ 26,000,000</u>	<u>\$ 13,277,007</u>	<u>\$ 39,277,007</u>

#### *Revenue Bonds*

##### *a. Water and Sewer Revenue Bonds, Series 2010*

On August 23, 2010, the City issued \$3,370,000 tax-exempt bonds of Series 2010A and \$11,515,000 of taxable bonds, Series 2010B (Build America Bonds-Direct Subsidy) Water and Sewer Revenue Bonds, together, the "Series 2010 Bonds". The proceeds of the bonds and other funds made available through the refunding program will be used to (1) pay capital expenditures of water and wastewater system improvements, (2) to refund and defease the Utility System Revenue Refunding and Improvement Bonds, Series 1994, totaling \$1,533,024, (3) to purchase a debt service reserve and insurance policies for the Series 2010 bonds, and (4) to pay the costs of issuance. The portion of the net proceeds from the issuance of the bonds attributed to the defeasance were deposited with an escrow agent to provide for the interest and principal payments on the old bonds. All of the defeased bonds were subsequently called in October 2010.

The American Recovery and Reinvestment Act of 2009 authorizes the City to issue taxable bonds known as "Build America Bonds" or "BABs" to finance capital expenditures, for which it could issue tax-exempt bonds, and to elect to receive a subsidy payment from the federal government equal to 35% of the amount of each interest payment on such taxable bonds (the "Federal Direct Payments"). The available subsidy for the Series 2010B Bonds will be paid to the City; no holders of Series 2010B Bonds would be entitled to a tax credit. The City does not foresee the risk of loss on interest subsidy as probable, however, in the extraordinary event that a change does occur in the future and the subsidy is reduced or eliminated, the City has the option to redeem in whole or in part, the greater of 100% of the principal amount of the bonds or the sum of the present value of the remaining scheduled payments to the maturity date of the bonds being redeemed and to refinance the bonds through the issuance of tax-exempt debt.

## CITY OF OAKLAND PARK, FLORIDA

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### NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

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#### NOTE 8. LONG-TERM DEBT (continued)

##### *Revenue Bonds (continued)*

##### *a. Water and Sewer Revenue Bonds, Series 2010 (continued)*

The Series 2010A Bonds are composed of serial and term bonds. The serial bonds are due in varying annual installments from the year 2011 through 2020 and the term bonds are due in 2025. Series 2010A Bond interest rates vary from 2.0% to 4.0% with interest payable semi-annually. Series 2010B Bonds are term bonds, due in varying installments from the year 2025 through 2040, with interest payable semi-annually at interest rates varying from 5.451% to 6.243%. Interest payments are due on March 1 and September 1 of each year, beginning in 2011. The Series 2010 Bonds are limited obligations of the City, payable solely from water and sewer revenues of the Utility system. Net revenues are defined as the excess of the system's gross revenues over the operating costs.

The covenants of the Series 2010 bonds Ordinance require that certain accounts be maintained as follows:

- Reserve Fund – Deposits sufficient to restore in not more than 12 equal monthly payments the funds on deposit therein to an amount equal to the reserve fund requirement. In lieu of this fund the City has purchased with Assured Guaranty Municipal Corp., surety bond for 2010A and 2010B series to meet the reserve requirement and a bond insurance policy to guarantee the principal and interest payments of 2010B series.
- Renewal and Replacement Fund – The Ordinance requires that the City establish a renewal and replacement fund equal to 5% of the gross revenue of the preceding fiscal year or such other greater or lesser sum recommended by the consulting engineer. Whenever the balance is less than the requirement, the City shall deposit into or credit to the fund the lesser of the balance of all moneys remaining in the revenue fund or 2% of the deposits to the revenue fund during the current month, to the extent necessary to equal the renewal and replacement fund requirement. Excess moneys in the fund may be withdrawn by the City and deposited in the revenue fund. The City is in compliance with the renewal and replacement fund requirement.

The City had covenanted in the Ordinance to fix, establish and maintain and collect such rates and/or impact fees, and to revise the same to the extent necessary, so that the rates and/or impact fees will always provide in each fiscal year either (i) net revenues which are at least equal to 110% of the debt service requirement of the Bonds for such fiscal year plus 100% of the amount required to restore any deficiency in the reserve fund and to reimburse all providers of reserve fund insurance policies or letters of credit for amounts owing thereto or (ii) net revenues which are at least equal to 100% of the debt service requirement for such fiscal year plus 100% of the amount required to restore any deficiency in the reserve fund and to reimburse all providers of reserve fund insurance policies or letters of credit for amounts owing thereto plus, and which, together with the expansion project percentage of impact fees, are at least equal to 120% of the debt service requirement for such fiscal year plus 100% of the amount required to restore any deficiency in the reserve fund and to reimburse all providers of reserve fund insurance policies or letters of credit for amounts owing thereto. The City is in compliance with this requirement.

# CITY OF OAKLAND PARK, FLORIDA

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

### NOTE 8. LONG-TERM DEBT (continued)

#### *Revenue Bonds (continued)*

##### *a. Water and Sewer Revenue Bonds, Series 2010 (continued)*

The City is required by the bond resolution to establish, maintain and collect reasonable charges for the services furnished by the Utility System and it will adjust such charges as needed so that the gross revenues in each fiscal year will always be sufficient to pay 115% of the debt service requirements becoming due in the fiscal year on all bonds, in addition to the requirements to cover the cost of operations and maintenance and pay 100% of all reserve requirements set forth above. The City is in compliance with this requirement.

On September 1, 2020, the taxable Series 2010B bonds were retired through an advance refunding program. The said bond series were considered defeased as of September 1, 2020 and the liability for those bonds had been removed from the balance sheet. The advance refunding generated a net benefit of \$1,564,638 in cash flow savings and \$1,212,564 in economic gain.

Annual principal and interest payments on the remaining Series 2010A bonds are expected to require less than 20% of net revenues. Total principal and interest remaining to be paid on Series 2010A Bonds is \$313,000. Payments for principal and interest made during the year for the remaining 2010A amounted to \$386,063. Customer net revenues for the year were \$5,878,664.

The debt service for the remaining 2010A Series as of September 30, 2020 is as follows:

Fiscal Year ending September 30:	2010A	
	Principal	Interest
2021	\$ 35,000	\$ 9,200
2022	45,000	7,800
2023	50,000	6,000
2024	50,000	4,000
2025	50,000	2,000
	<u>\$ 230,000</u>	<u>\$ 29,000</u>

# CITY OF OAKLAND PARK, FLORIDA

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## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

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### NOTE 8. LONG-TERM DEBT (continued)

#### *Revenue Bonds (continued)*

##### *b. Water and Sewer Revenue Bonds, Series 2012*

On September 6, 2012, the City issued \$17,175,000 of Series 2012 Water and Sewer Revenue Bonds. The proceeds of the bonds are used to pay capital expenditures of water and wastewater improvements and to pay costs of issuance. The 2012 Bonds are issued on parity with the City's outstanding Water and Sewer Revenue Bonds, Series 2010.

The Series 2012 Bonds are composed of serial and term bonds. The serial bonds are due in varying annual installments from the year 2013 through 2025 and the term bonds are due in varying installments from the year 2032 through 2042. Interest rates on the serial bonds vary from 3.0% to 3.5% with interest payable semi-annually. The term bonds carry interest rates varying from 3.5% to 3.875% with interest payable semi-annually. The Series 2012 Bonds are limited obligations of the City, payable solely from water and sewer revenues of the Utility system. Net revenues are defined as the excess of the system's gross revenues over the operating costs.

The covenants of the Series 2012 bonds Ordinance require that certain accounts be maintained, as follows:

- Reserve Fund – Deposits sufficient to restore in not more than 12 equal monthly payments the funds on deposit therein to an amount equal to the reserve fund requirement. In lieu of this fund the City has purchased with Assured Guaranty Municipal Corp., surety bond for 2010A and 2010B series to meet the reserve requirement and a bond insurance policy to guarantee the principal and interest payments of 2010B series.
- Renewal and Replacement Fund – The Ordinance requires that the City establish a renewal and replacement fund. The City is required to deposit into or credit to the fund the lesser of the balance of all moneys remaining in the revenue fund or 2% of the deposits to the revenue fund during the current month, to the extent necessary to equal the renewal and replacement fund requirement. Excess moneys in the fund may be withdrawn by the City and deposited in the revenue fund. The City is in compliance with the renewal and replacement fund requirement.

The City had covenanted in the Ordinance to fix, establish and maintain and collect such rates and/or impact fees, and to revise the same to the extent necessary, so that the rates and/or impact fees will always provide in each fiscal year either (i) net revenues which are at least equal to 110% of the debt service requirement of the Bonds for such fiscal year plus 100% of the amount required to restore any deficiency in the reserve fund and to reimburse all providers of reserve fund insurance policies or letters of credit for amounts owing thereto or (ii) net revenues which are at least equal to 100% of the debt service requirement for such fiscal year plus 100% of the amount required to restore any deficiency in the reserve fund and to reimburse all providers of reserve fund insurance policies or letters of credit for amounts owing thereto plus, and which, together with the expansion project percentage of impact fees, are at least equal to 120% of the debt service requirement for such fiscal year plus 100% of the amount

# CITY OF OAKLAND PARK, FLORIDA

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

### NOTE 8. LONG-TERM DEBT (continued)

#### *Revenue Bonds (continued)*

#### *b. Water and Sewer Revenue Bonds, Series 2012 (continued)*

required to restore any deficiency in the reserve fund and to reimburse all providers of reserve fund insurance policies or letters of credit for amounts owing thereto. The City is in compliance with this requirement.

Annual principal and interest payments on the bonds are expected to require less than 15% of net revenues. Total principal and interest remaining to be paid on the bonds is \$23,004,650. Principal and interest paid for the current year were \$877,925. Customer net revenues for the year were \$5,878,664.

Following is the debt service requirements as of September 30, 2020:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 280,000	\$ 543,175	\$ 823,175
2022	290,000	534,775	824,775
2023	310,000	526,075	836,075
2024	330,000	515,225	845,225
2025	345,000	505,325	850,325
2026-2030	2,330,000	2,320,875	4,650,875
2031-2035	3,085,000	1,858,725	4,943,725
2036-2040	4,105,000	1,209,056	5,314,056
2041-2042	3,700,000	216,419	3,916,419
	<u>\$ 14,775,000</u>	<u>\$ 8,229,650</u>	<u>\$ 23,004,650</u>

#### *c. Water and Sewer Revenue Bonds, Series 2017*

On October 19, 2017, the City issued \$6,511,296 Water and Sewer Revenue Bonds, Series 2017, a single issue. The proceeds of the bonds are used to pay a major portion of the cost to improve the City's water and wastewater system. The term of the bond is 15 years at an interest rate of 2.02% with interest payable semi-annually on April 1 and October 1 of each year and principal due October 1 of each year. The final principal payment is due on October 1, 2032. An average of \$508,945 in water and sewer revenues is not being available for other uses by the City each for the next fifteen (15) years. Total principal and interest paid during the year was \$505,060. The following table shows the debt service requirements of the Water and Sewer Bond 2017 Series as of September 30, 2020:

# CITY OF OAKLAND PARK, FLORIDA

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

### NOTE 8. LONG-TERM DEBT (continued)

#### *Revenue Bonds (continued)*

##### *c. Water and Sewer Revenue Bonds, Series 2017 (continued)*

Fiscal Year Ending	Principal	Interest	Total
2021	\$ 392,429	\$ 112,552	\$ 504,981
2022	400,357	104,545	504,901
2023	408,444	96,376	504,820
2024	416,694	88,042	504,736
2025	425,112	79,540	504,652
2026-2030	2,257,889	249,243	2,507,132
2031-2032	1,467,166	59,668	1,526,834
	<u>\$ 5,768,091</u>	<u>\$ 789,966</u>	<u>\$ 6,558,057</u>

##### *d. Stormwater Assessment Bonds, Series 2011*

On December 15, 2011, the City issued \$5,765,000 of Series 2011 Stormwater Assessment Bonds. The proceeds of the bonds will be used to (1) pay capital expenditures and refinance a loan incurred to pay such expenditures with respect to the stormwater runoff management system of the City (the "2011 Project"), (2) purchase a debt service reserve insurance policy and bond insurance policy for the 2011 bonds and (3) pay costs of issuance.

The Series 2011 Bonds are composed of serial and term bonds. The serial bonds are due in varying annual installments from the year 2012 through 2026 and the term bonds are due in varying installments from the year 2023 through 2041. Interest rates on the serial bonds vary from 2.0% to 4.0% with interest payable semi-annually. The term bonds carry interest rates varying from 3.25% to 4.625% with interest payable semi-annually. The Series 2011 bonds are not general obligations of the City but are payable solely from and secured by the net revenues and pledged accounts. Net revenues are defined as the excess of the stormwater system's gross revenues over the operating costs.

The covenants of the Series 2011 bonds Ordinance require that certain accounts be maintained as follows:

- The 2011 Reserve Sub-account is to be funded in an amount equal to the least of (i) 10% of the aggregate initial principal amount of the Series 2011 Bonds secured by the 2011 Reserve Subaccount, (ii) the maximum amount of principal of and interest on the Series 2011 Bonds becoming due in the current or any succeeding fiscal year and (iii) 125% of the average annual amount of principal and interest becoming due on the Series 2011 Bonds. In connection with the issuance of the Series 2011 Bonds, the City deposited a debt service reserve insurance policy issued by Assured Guaranty Municipal Corp. in the amount of \$340,350 in the 2011 Reserve Subaccount. The City is in compliance with this requirement.

# CITY OF OAKLAND PARK, FLORIDA

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

### NOTE 8. LONG-TERM DEBT (continued)

#### *Revenue Bonds (continued)*

##### *d. Stormwater Assessment Bonds, Series 2011 (continued)*

- The City has covenanted in the Ordinance that it will, to the extent permitted by law, fix, establish and maintain and collect such assessments, and revise the same to the extent necessary, as will always provide in each fiscal year net revenues which are at least equal to 110% of the debt service requirement on the Bonds for such fiscal year plus 100% of the amount required to restore any deficiency in the reserve fund and to reimburse all providers of reserve fund insurance policies or letters of credit for the amounts owing thereto. The City is in compliance with this requirement.

Annual principal and interest payments on the bonds are expected to require less than 20% of net revenues. Total principal and interest remaining to be paid on the bonds is \$7,105,138. Principal and interest paid for the current year were \$338,775. Customer net revenues for the fiscal year were \$2,379,906.

Following is the debt service requirements as of September 30, 2020:

Fiscal Year ending September 30:	Principal	Interest	Total
2021	\$ 145,000	\$ 194,575	\$ 339,575
2022	150,000	190,225	340,225
2023	155,000	185,350	340,350
2024	160,000	180,313	340,313
2025	165,000	174,713	339,713
2026-2030	920,000	771,375	1,691,375
2030-2034	1,125,000	556,613	1,681,613
2035-2039	1,415,000	276,944	1,691,944
2040-2041	325,000	15,031	340,031
	<u>\$ 4,560,000</u>	<u>\$ 2,545,138</u>	<u>\$ 7,105,138</u>

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# CITY OF OAKLAND PARK, FLORIDA

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

### NOTE 8. LONG-TERM DEBT (continued)

#### *Revenue Bonds (continued)*

##### *e. Storm water Assessment Bond, Series 2015*

On August 7, 2015, the City issued \$2,145,530 of Series 2015 Stormwater Assessment Bond, a single issue. The proceeds of the bonds were used to (1) reimburse capital expenditures incurred for drainage improvement and (2) pay costs of issuance. The terms of the bond is 15 years at an interest rate of 2.64% with interest payable semi-annually.

The following table shows the debt service requirements of the BB&T Stormwater Assessment Bond as of September 30, 2020:

Fiscal Year ending September 30:	Principal	Interest	Total
2021	\$ 135,040	\$ 40,197	\$ 175,237
2022	138,600	36,632	175,232
2023	142,260	32,973	175,233
2024	146,020	29,218	175,238
2025	149,870	25,363	175,233
2026-2030	810,840	65,334	876,174
	<u>\$ 1,522,630</u>	<u>\$ 229,718</u>	<u>\$ 1,752,348</u>

##### *f. Water and Sewer Revenue Bonds, Series 2019*

On October 16, 2019, the City issued \$10,730,000 of Series 2019 Water and Sewer Revenue Bonds. The proceeds of the bonds were used to refund the Build America Bonds (BABs), series 2010B. The 2019 Bonds are issued on parity with the City's outstanding Water and Sewer Revenue Bonds - Series 2010A, Series 2012 and Series 2017 Bonds.

The Series 2019 Bonds are composed of serial and term bonds. The serial bonds are due in varying annual installments from the year 2021 through 2030 and the term bonds are due in varying installments from the year 2032 through 2040. Interest rate on the serial bonds is 5% payable semi-annually while the term bonds carry interest rates varying from 3% to 4% with interest also payable semi-annually. The Series 2019 Bonds are limited obligations of the City, payable solely from water and sewer revenues of the Utility system. Net revenues are defined as the excess of the system's gross revenues over the operating costs.

The City had covenanted in the Ordinance to fix, establish and maintain and collect such charges the services of the System, and to revise the same to the extent necessary, as will always provide in each fiscal year either (i) Net Revenues which are at least equal to 110% of the Debt Service Requirement of the Bonds for such fiscal year plus 100% of the amount required to restore any deficiency in the reserve

## CITY OF OAKLAND PARK, FLORIDA

### NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

#### NOTE 8. LONG-TERM DEBT (continued)

##### *Revenue Bonds (continued)*

##### *f. Water and Sewer Revenue Bonds, Series 2019 (continued)*

fund and to reimburse all providers of Reserve Fund Insurance Policies or Letters of Credit for amounts owing thereto or (ii) Net Revenues which are at least equal to 100% of the Debt Service Requirement on the Bonds for such fiscal year plus 100% of the amount required to restore any deficiency in the Reserve Fund and to reimburse all providers of Reserve Fund Insurance Policies or Letters of Credit for amounts owing thereto and Net Revenues plus the Expansion Percentage of Impact Fees which are at least equal to 120% of the debt service requirement on the bonds for such fiscal year plus 100% of the amount required to restore any deficiency in the reserve fund and to reimburse all providers of Reserve Fund Insurance Policies or Letters of Credit for amounts owing thereto. The City is in compliance with this requirement.

Annual principal and interest payments on the bonds are expected to require less than 15% of net revenues. Total principal and interest remaining to be paid on the bonds is \$15,543,000. No principal payment was due during the year while interest paid amounted to \$221,550. Customer net revenues for the current year were \$3,977,524.

The following table shows the debt service requirements of the Water & Sewer Revenue Bonds, Series 2019, as of September 30, 2020:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 345,000	\$ 443,100	\$ 788,100
2022	355,000	425,850	780,850
2023	370,000	408,100	778,100
2024	390,000	389,600	779,600
2025	410,000	370,100	780,100
2026-2030	2,385,000	1,521,250	3,906,250
2031-2035	2,315,000	924,550	3,239,550
2036-2040	4,160,000	330,450	4,490,450
	<u>\$ 10,730,000</u>	<u>\$ 4,813,000</u>	<u>\$ 15,543,000</u>

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# CITY OF OAKLAND PARK, FLORIDA

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

### NOTE 8. LONG-TERM DEBT (continued)

#### *Changes in Long-term Debt*

Long-term liability activities for governmental activities during the year were as follows:

	<u>Balance</u> <u>Beginning</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>Ending</u>	<u>Due Within</u> <u>One Year</u>
<b>Governmental activities:</b>					
Bonds and notes payable					
Capital lease 2013	\$ 96,485	\$ -	\$ (96,485)	\$ -	\$ -
Capital lease 2014	393,365	-	(74,959)	318,406	767,782
Capital lease 2018	499,684	-	(82,109)	417,575	84,616
Note payable 2007	2,227,620	-	(206,475)	2,021,145	215,704
Note payable 2016	540,000	-	(105,000)	435,000	105,000
BB&T refunding bonds 2010	7,468,464	-	(505,180)	6,963,284	523,933
Gen. Obligation Bonds series 2020	-	26,000,000	-	26,000,000	525,000
Florida Community Bank 2018	1,660,000	-	(145,000)	1,515,000	150,000
CRA RCP loan	3,313,747	-	(173,782)	3,139,965	175,712
Total bonds and notes payable	16,199,365	26,000,000	(1,388,990)	40,810,375	2,547,747
Add: Deferred amounts	-	5,761,739	(88,027)	5,673,712	-
Net bonds and notes payable	16,199,365	31,761,739	(1,477,017)	46,484,087	2,547,747
Other liabilities					
Compensated absences	1,155,065	1,257,152	(1,038,564)	1,373,653	315,439
Net pension liability	28,066,107	2,567,163	-	30,633,270	-
OPEB liability	1,166,313	48,672	(174,846)	1,040,139	-
Total other liabilities	30,387,485	3,872,987	(1,213,410)	33,047,062	315,439
<b>Total</b>	<b>\$ 46,586,850</b>	<b>\$ 35,634,726</b>	<b>\$ (2,690,427)</b>	<b>\$ 79,531,149</b>	<b>\$ 2,863,186</b>

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# CITY OF OAKLAND PARK, FLORIDA

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

### NOTE 8. LONG-TERM DEBT (continued)

#### *Changes in Long-term Debt (continued)*

Long-term liability activities for business-type activities during the year were as follows:

	<u>Balance</u> <u>Beginning</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>Ending</u>	<u>Due Within</u> <u>One Year</u>
<b>Business-type activities:</b>					
Bonds and notes payable					
Capital lease 2014 (US Bank)	\$ 263,305	\$ -	\$ (50,175)	\$ 213,130	\$ 51,388
Capital lease 2017 (US Bank)	696,559	-	(156,147)	540,412	158,868
Water & Sewer loan 2014 (SunTrust)	1,065,000	-	(95,000)	970,000	95,000
Water & Sewer refunding series 2010 A	595,000	-	(365,000)	230,000	35,000
Water & Sewer refunding series 2010 B	11,515,000	-	(11,515,000)	-	-
Water & Sewer bonds series 2012	15,100,000	-	(325,000)	14,775,000	280,000
Water & Sewer bonds series 2017	5,768,090	-	-	5,768,090	392,430
Water & Sewer refunding bonds 2019	-	10,730,000	-	10,730,000	345,000
Solidwaste loan 2019 (Chase Bank )	1,262,453	-	(170,700)	1,091,753	191,610
Stormwater refunding bonds 2010 (BB&T)	3,155,240	-	(213,426)	2,941,814	221,349
Stormwater bonds series 2011	4,700,000	-	(140,000)	4,560,000	145,000
Stormwater bonds series 2015	1,654,190	-	(131,560)	1,522,630	135,040
Total bonds and notes payable	45,774,837	10,730,000	(13,162,008)	43,342,829	2,050,685
Less: Deferred amounts	(181,332)	1,429,480	(60,310)	1,187,838	-
Net bonds and notes payable	45,593,505	12,159,480	(13,222,318)	44,530,667	2,050,685
Other liabilities					
Compensated absences	182,025	227,945	(197,305)	212,665	38,279
Net pension liability	4,031,778	535,702	-	4,567,480	-
OPEB liability	314,264	11,611	(41,708)	284,167	-
Total other liabilities	4,528,067	775,258	(239,013)	5,064,312	38,279
<b>Total</b>	<b>\$ 50,121,572</b>	<b>\$ 12,934,738</b>	<b>\$ (13,461,331)</b>	<b>\$ 49,594,979</b>	<b>\$ 2,088,964</b>

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# CITY OF OAKLAND PARK, FLORIDA

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## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

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### NOTE 9. EMPLOYEE RETIREMENT PLANS

The City's employee retirement plans include two (2) single-employer defined benefit plans, namely: the General Employees' Pension Plan (GEPP) and the Retirement System for Police and Firefighters (RSP&F), a cost-sharing multi-employer defined benefit plan, the Florida Retirement System Pension Plan (FRS) and three (3) defined contribution plans, the 401(a) Executive Plan, the General Employee 401(a) Plan and the FRS Investment Plan. Employees of the City must participate in the Plan appropriate to their positions.

#### Significant Accounting Policies

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 GEPP, the RSP&F, the FRS and the Florida Retirement System Health Insurance Subsidy Program (HIS) and additions to/deduction from the FRSP and HIS fiduciary net position have been determined on the same basis as they are reported by FRSP and HIS. The plans are accounted for on the accrual basis of accounting.

Plan member contributions are recognized in the period in which the contributions are due. City contributions are recognized when due pursuant to the actuarial valuation. State contributions to the RSP&F are recognized as revenue in the period in which they are approved by the State. 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. The preparation of these schedules requires estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources and changes therein, including appropriate disclosures at the date of the financial statements. Actual results could differ from those estimates.

#### Defined Benefit Pension Plans

##### *a. Florida Retirement System Pension Plan*

#### General Information

In October 2007, the City joined the FRS to provide retirement and survivor benefits to all new hired general employees. On that date, the employees that were in the GEPP plan had the option of making a one-time election of remaining in the GEPP plan or transferring to the FRS plan. The City's general employees hired after October 2007 participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two (2) cost-sharing, multiple-employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan ("Pension Plan") and the Retiree Health Insurance Subsidy ("HIS Plan").

Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan ("Investment Plan") alternative to the FRS Pension Plan, which is administered by the State Board of Administration ("SBA"). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a State agency, County government, District school board, State university, Community college, or a participating City or special district within the State

# CITY OF OAKLAND PARK, FLORIDA

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## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

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### NOTE 9. EMPLOYEE RETIREMENT PLANS (continued)

#### Defined Benefit Pension Plans (continued)

##### *a. Florida Retirement System Pension Plan (continued)*

#### General Information (continued)

of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the web site:

[www.dms.myflorida.com/workforce\\_operations/retirement/publications](http://www.dms.myflorida.com/workforce_operations/retirement/publications).

As required by Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions, this report includes the City's share of the collective net pension liability and associated pension expense, deferred outflows of resources and deferred inflows of resources in the system's cost-sharing, multiple employer defined benefit plans.

#### Plan Description

The FRS Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program ("DROP") for eligible employees. The general classes of membership are as follows:

- Regular Class
- Special Risk Class
- Elected Officials Class
- Senior Management Service Class

#### Benefits Provided

Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service.

# CITY OF OAKLAND PARK, FLORIDA

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## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

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### NOTE 9. EMPLOYEE RETIREMENT PLANS (continued)

#### Defined Benefit Pension Plans (continued)

##### *a. Florida Retirement System Pension Plan (continued)*

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular and Senior Management Service. Also, the final average compensation for all these members will be based on the eight (8) highest years of salary.

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is three percent (3%) per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of three percent (3%) determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

#### Contributions

Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent (3%) of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2019 through June 30, 2020 and from July 1, 2020 through September 30, 2020, respectively, were as follows: Regular - 8.47% and 10.0%; Senior Management Service – 25.41% and 27.29%; and Special Risk – 25.48% and 24.45%. These employer contribution rates include 1.66% HIS Plan subsidy for the periods October 1, 2019 through June 30, 2020 and from July 1, 2020 through September 30, 2020, respectively.

The City's contributions to the Pension Plan totaled \$1,397,543 for the fiscal year ended September 30, 2020 with covered payroll of \$15,520,218.

# CITY OF OAKLAND PARK, FLORIDA

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

### NOTE 9. EMPLOYEE RETIREMENT PLANS (continued)

#### Defined Benefit Pension Plans (continued)

##### *a. Florida Retirement System Pension Plan (continued)*

#### Net Pension Liability

At September 30, 2020, the City reported a liability of \$18,230,405 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The City's proportionate share of the net pension liability was based on the City's 2019-20 fiscal year contributions relative to the contributions of all participating members. At September 30, 2020, the City's proportionate share was 0.042062262 percent, which was an increase of 0.005428102 percent from its proportionate share measured as of June 30, 2020.

The components of the City's proportionate share in the net pension liability as of September 30, 2020, were as follows:

	<u>Amount</u>
Total pension liability	\$ 86,189,672
Plan fiduciary net position	<u>(67,959,267)</u>
Total net pension liability	<u>\$ 18,230,405</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>78.85%</u>

The fiduciary net position used by the actuary to determine the collective net pension liability was determined on the same basis used by the plan. Detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

#### Actuarial Assumptions

The total pension liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumption, applied to all period included in the measurement:

Valuation date	July 1, 2020
Measurement date	June 30, 2020
Actuarial cost method	Individual entry age normal
Inflation	2.40 %
Salary increases	3.25%, average, including inflation
Investment rate of return	6.80%, net of pension plan investment expense, including inflation
Mortality rate	PUB 2010 base table, projected generationally with Scale MP-2018



# CITY OF OAKLAND PARK, FLORIDA

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

### NOTE 9. EMPLOYEE RETIREMENT PLANS (continued)

#### Defined Benefit Pension Plans (continued)

##### *a. Florida Retirement System Pension Plan (continued)*

#### Actuarial Assumptions (continued)

The long-term expected rate of return assumption of 6.80 percent consists of two building block components: 1) a real (in excess of inflation) return of 4.30 percent, consistent with the capital market outlook model developed during 2020 by the outside investment consultant to the Florida State Board of Administration; and 2) a long-term average annual inflation assumption of 2.40 percent as adopted in October 2020 by the FRS Actuarial Assumption Conference. In the opinion of the FRS consulting actuary, Milliman, both components and the overall 6.80 percent return assumption were determined to be reasonable and appropriate per Actuarial Standards of Practice. The 6.80 percent reported investment return assumption differs from the 7.00 percent investment return assumption chosen by the 2020 FRS Actuarial Assumption Conference for funding policy purposes, as allowable under governmental accounting and reporting standards.

For reference, the table below contains a summary of the Pension actuarial assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset class	Target Allocation (1)	Annual		
		Arithmetic Return	Compound Annual Return	Standard Deviation
Cash	1%	2.2%	2.2%	1.2%
Fixed income	19%	3.0%	2.9%	3.5%
Global equity	54%	8.0%	6.7%	17.1%
Real estate (property)	10%	6.4%	5.8%	11.7%
Private equity	11%	10.8%	8.1%	25.7%
Strategic investments	4%	5.5%	5.3%	6.9%
Assumed inflation - mean			2.4%	1.7%

#### Discount Rate

The discount rate used to measure the total pension liability was 6.80%. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation the total pension liability is equal to the long-term expected rate of return.

# CITY OF OAKLAND PARK, FLORIDA

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

### NOTE 9. EMPLOYEE RETIREMENT PLANS (continued)

#### Defined Benefit Pension Plans (continued)

##### *a. Florida Retirement System Pension Plan (continued)*

#### Changes in the Net Pension Liability

	Total pension liability (A)	Fiduciary net position (B)	Net pension liability (A)-(B)
Balances, beginning of the year	\$ 83,288,467	\$ 68,803,205	\$ 14,485,262
Changes for the year:			
Service cost	1,113,580	-	1,113,580
Interest on total pension liability	5,661,130	-	5,661,130
Effect of plan changes	-	-	-
Effect of economic/demographic gains c	188,711	-	188,711
Effect of assumption changes or inputs	731,101	-	731,101
Benefit payments & refunds	(4,793,317)	(4,793,317)	-
Employer contributions	-	1,397,543	(1,397,543)
Member contributions	-	314,817	(314,817)
Net investment income	-	2,246,086	(2,246,086)
Administrative expenses	-	(9,067)	9,067
Net changes	2,901,205	(843,938)	3,745,143
Balances, end of the year	\$ 86,189,672	\$ 67,959,267	\$ 18,230,405

The schedule of changes in the City's net pension liability and related ratios, and the schedule of contributions which are presented as required supplementary information following the notes to the financial statements, are shown in multi-year trend information.

#### Sensitivity of the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate

The following represents the City's proportionate share of the net pension liability calculated using the discount rate of 6.80%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.80%) or one percentage point higher (7.80%) than the current rate:

	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
City's proportionate share of the net pension liability	\$ 29,110,892	\$ 18,230,405	\$ 9,142,974

# CITY OF OAKLAND PARK, FLORIDA

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

### NOTE 9. EMPLOYEE RETIREMENT PLANS (continued)

#### Defined Benefit Pension Plans (continued)

##### *a. Florida Retirement System Pension Plan (continued)*

#### Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the fiscal year ended September 30, 2020, the City recognized pension expense of \$4,881,227, as shown below. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Pension Expense	Deferred Outflows of Resources	Deferred Inflows of Resources
Service cost	\$ 1,113,580	\$ -	\$ -
Interest cost	5,661,130	-	-
Effect of economic/demographic gains or losses	341,192	-	-
Effect of changes in assumptions/ inputs	1,151,357	3,300,283	-
Member contributions	(314,817)	-	-
Projected investment earnings	(4,642,593)	-	-
Net difference between projected and actual earnings on pension plan investments	509,629	1,085,456	-
Difference between expected and actual experience	-	697,715	-
Administrative expenses	9,067	-	-
Net amortization of employer-specific amounts due to changes in employer proportion	1,052,682	-	-
Employer-specific amounts due to changes in employer proportion		4,222,440	-
Contribution subsequent to measurement date	-	395,884	-
Total	<u>\$ 4,881,227</u>	<u>\$ 9,701,778</u>	<u>\$ -</u>

The City's contributions to the Pension Plan made subsequent to the measurement date amounting to \$395,884 which is treated as deferred outflow of resources and will be recognized as a reduction of the net pension liability in the next fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense in the following years:

<u>Year Ending September 30:</u>	<u>Amount</u>
2021	\$ 2,056,887
2022	2,617,788
2023	2,309,421
2024	1,683,162
2025	638,636
Total	<u>\$ 9,305,894</u>

# CITY OF OAKLAND PARK, FLORIDA

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## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

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### NOTE 9. EMPLOYEE RETIREMENT PLANS (continued)

#### Defined Benefit Pension Plans (continued)

##### *a. Florida Retirement System Pension Plan (continued)*

#### Payables to the Pension Plan

At the end of the fiscal year, the City reported a payable in the amount of \$262,872 for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2020.

##### *b. Florida Retirement System - Health Insurance Subsidy (HIS) Plan*

#### Plan Description

The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

#### Benefits Provided

For the fiscal year ended September 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month pursuant to Section 112.363, Florida Statutes. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

#### Contributions

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2020, the HIS contribution for the period October 1, 2019 through June 30, 2020 and from July 1, 2020 through September 30, 2020, was 1.66% for both periods. The City contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The City's total contributions to the HIS Plan totaled \$175,071 for the fiscal year ended September 30, 2020 with covered payroll of \$10,546,873.

# CITY OF OAKLAND PARK, FLORIDA

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

### NOTE 9. EMPLOYEE RETIREMENT PLANS (continued)

#### Defined Benefit Pension Plans (continued)

##### *b. Florida Retirement System - Health Insurance Subsidy (HIS) Plan (continued)*

#### Net Pension Liability

At September 30, 2020, the City reported a liability of \$3,709,468 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The City's proportionate share of the net pension liability was based on the City's 2019-20 fiscal year contributions relative to the contributions of all participating members. At September 30, 2020, the City's proportionate share was 0.030380971 percent, which was an increase of 0.00002878955 percent from its proportionate share measured as of June 30, 2020.

The components of the City's proportionate share in the net pension liability as of September 30, 2020, were as follows:

	<u>Amount</u>
Total pension liability	\$ 3,824,387
Plan fiduciary net position	(114,919)
Net pension liability	<u>\$ 3,709,468</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>3.00%</u>

#### Actuarial Assumptions

The total pension liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	July 1, 2020
Measurement date	June 30, 2020
Actuarial cost method	Individual entry age
Inflation	2.40 %
Salary increases	3.25%, average, including inflation

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2018.

# CITY OF OAKLAND PARK, FLORIDA

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

### NOTE 9. EMPLOYEE RETIREMENT PLANS (continued)

#### Defined Benefit Pension Plans (continued)

##### *b. Florida Retirement System - Health Insurance Subsidy (HIS) Plan (continued)*

#### Discount Rate

The discount rate used to measure the total pension liability was 3.50%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

#### Changes in the Net Pension Liability

	<b>Total pension liability (A)</b>	<b>Fiduciary net position (B)</b>	<b>Net pension liability (A)-(B)</b>
Balances, beginning of the year	\$ 3,491,091	\$ 91,764	\$ 3,399,327
Changes for the year:			
Service cost	80,668	-	80,668
Interest on total pension liability	122,347	-	122,347
Effect of economic/demographic gains or loss	137,487	-	137,487
Effect of assumption changes or inputs	146,385	-	146,385
Benefit payments & refunds	(153,591)	(153,591)	-
Employer contributions	-	175,071	(175,071)
Member contributions	-	112	(112)
Net investment income	-	1,615	(1,615)
Administrative expenses	-	(52)	52
Net changes	<u>333,296</u>	<u>23,155</u>	<u>310,141</u>
Balances, end of the year	<u>\$ 3,824,387</u>	<u>\$ 114,919</u>	<u>\$ 3,709,468</u>

The schedule of changes in the City's net pension liability and related ratios, and the schedule of contributions which are presented as required supplementary information following the notes to the financial statements, are shown in multi-year trend information.

#### Pension Plan Fiduciary Net Position

The fiduciary net position used by the actuary to determine the collective net pension liability of the HIS Program was determined on the same basis used by the plan. Detailed information regarding the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

# CITY OF OAKLAND PARK, FLORIDA

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

### NOTE 9. EMPLOYEE RETIREMENT PLANS (continued)

#### Defined Benefit Pension Plans (continued)

#### *b. Florida Retirement System - Health Insurance Subsidy (HIS) Plan (continued)*

#### Sensitivity of the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate

The following shows the City's proportionate share of the net pension liability calculated using the discount rate of 2.21%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage lower (1.21%) or one percentage higher (3.21%) than the current rate:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
City's proportionate share of the net pension liability	\$ 4,287,978	\$ 3,709,468	\$ 3,235,957

#### Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the fiscal year ended September 30, 2020, the City recognized pension expense of \$595,217. In addition, the City reported deferred outflows of resources and deferred in flows of resources related to pensions from the following sources:

Description	Pension Expense	Deferred Outflows of Resources	Deferred Inflows of Resources
Service cost	\$ 80,668	\$ -	\$ -
Interest cost on total pension liability	122,347	-	-
Member contributions	(112)	-	-
Expected investment return	(3,585)	-	-
Net difference between projected and actual earnings on pension plan investments	-	2,962	-
Administrative expenses	52	-	-
Effect of economic/demographic gains or losses (difference in actual experience)	25,734	151,740	2,862
Effect of assumptions changes	78,980	398,873	215,691
Recognition of investment (gains) or losses	1,202	-	-
Net amortization of employer-specific amounts due to changes in employer proportion	289,931	1,186,724	-
Contribution subsequent to measurement date	-	46,905	-
Total	\$ 595,217	\$ 1,787,204	\$ 218,553

# CITY OF OAKLAND PARK, FLORIDA

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## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

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### NOTE 9. EMPLOYEE RETIREMENT PLANS (continued)

#### Defined Benefit Pension Plans (continued)

##### *b. Florida Retirement System - Health Insurance Subsidy (HIS) Plan (continued)*

#### **Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

The City's contributions to the HIS Plan made subsequent to the measurement date amounting to \$46,905 which is treated as deferred outflow of resources will be recognized as a reduction of the net pension liability in the next fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense in the following years, as shown on the table below:

<u>Year Ending September 30:</u>	<u>Amount</u>
2021	\$ 360,991
2022	321,065
2023	250,856
2024	239,783
2025	223,164
Thereafter	<u>125,887</u>
<b>Total</b>	<b><u>\$ 1,521,746</u></b>

#### **Payables to the Pension Plan**

At the end of the fiscal year, the City reported a payable in the amount of \$4,437 for outstanding contributions to the HIS Plan required for the fiscal year ended September 30, 2020.

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# CITY OF OAKLAND PARK, FLORIDA

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## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

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### NOTE 9. EMPLOYEE RETIREMENT PLANS (continued)

#### Defined Benefit Pension Plans (continued)

##### *c. General Employees' Pension Plan*

#### General Information

The City of Oakland Park General Employees' Pension Plan is a single employer defined benefit pension plan. It was established by Referendum on May 1, 1963 (collectively known as the "Referendum") as amended on September 1, 1968, as amended by Ordinances O-76-5 and O-76-25 effective April 1, 1976 and Ordinance O-77-11 effective August 13, 1977. The City amended the plan in August 2011 by ordinance O-2011-21 freezing the accrued benefits on all active participants effective October 1, 2011 and moved those participants to a 401(a) defined contribution plan. At which time, the active participants are considered 100% vested for their accrued credit as of that date. The Plan is administered by a governing board which comprises three members which comprises of City staff, to provide pension, disability, and death benefits for its employees and beneficiaries.

The GEPP Plan issues a publicly available financial report that includes financial statements and required supplementary information. These financial reports may be obtained by writing to the Board of Trustees c/o City of Oakland Park, 3650 N.E. 12th Avenue, Oakland Park, Florida 33334.

#### Benefits provided

Benefits under the GEPP Plan are computed on the basis of age, average final compensation, and service credit. The pension benefits is computed as 3.5% of average earnings times up to 20 years of service + 0.50% of average earnings times next 10 years of service payable at normal retirement age of 62 years old. In addition to regular retirement benefits, the Plan also provides for disability pension and pre-retirement death benefits. The disability pension is a temporary life annuity equal to two-thirds of base salary offset by social security disability benefit and worker's compensation. The pre-retirement death benefit is a lump sum payment equal to either 100% of base pay if less than 15 years of service, or 150% of base pay if at least 15 years of service. Maximum preretirement death benefit under the Plan is \$30,000.

The basic pension is computed as 3.5% of average earnings times up to 20 years of service + 0.50% of average earnings times next 10 years of service payable at normal retirement age of 62 years old. The normal date for retirement is the first day of the calendar month coinciding with or next following the participant's sixty-second birthday. Additionally, a participant may elect to retire, without reduction of benefits, after 30 years of continuous service, regardless of age. Participants may also elect retirement, with reduced benefits, within a ten-year period immediately preceding normal retirement age.

#### Contribution

The employer's annual required contributions to the Plan are determined as part of the most recent actuarial valuation. Members of the Plan do not contribute since the Plan is closed. The actual contributions from the City based on actuarial determination for the fiscal year amounted to \$1,479,012 with covered payroll of \$2,801,088.

# CITY OF OAKLAND PARK, FLORIDA

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

### NOTE 9. EMPLOYEE RETIREMENT PLANS (continued)

#### Defined Benefit Pension Plans (continued)

##### *c. General Employees' Pension Plan (continued)*

#### Net Pension Liability

The components of the net pension liability of the City at September 30, 2020, were as follows:

	<u>Amount</u>
Total pension liability	\$ 45,292,747
Plan fiduciary net position	<u>(42,191,516)</u>
Net pension liability	<u>\$ 3,101,231</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>93.15%</u>

#### Actuarial assumptions

The City's net pension liability for the GEPP is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the plan is measured as of September 30, 2020 using an annual actuarial valuation of October 1, 2019. The actuarial valuation used the following actuarial assumptions:

Valuation date	October 1, 2019
Measurement date	September 30, 2020
Actuarial cost method	Entry age normal
Inflation	2.92% long term
Salary increases	5% per annum
Investment rate of return	7.50% compounded
Mortality	Sex-distinct rates per RP-2000 Combined Mortality Table using Scale BB
Retirement age	Earlier of age 62 or 30 years of service

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# CITY OF OAKLAND PARK, FLORIDA

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

### NOTE 9. EMPLOYEE RETIREMENT PLANS (continued)

#### Defined Benefit Pension Plans (continued)

##### *c. General Employees' Pension Plan (continued)*

#### Actuarial assumptions (continued)

Estimates of long term rates of return for each major asset class included in the Plan's target asset allocation as of the valuation date of October 1, 2019, are summarized in the following table:

<u>Asset class</u>	<u>Target Allocation</u>	<u>Long-term expected real rate of return</u>
Core bonds	10%	1.60%
Core plus	10%	2.10%
U.S. large cap equity	39%	4.60%
U.S. small cap equity	13%	5.50%
Non-U.S. equity	18%	6.70%
Core real estate	<u>10%</u>	<u>5.00%</u>
Total or Weighted Arithmetic Average	<u>100%</u>	<u>4.58%</u>
Membership as of actuarial valuation date:		
Receiving Benefits	171	
Deferred Vested	44	
Active participants	<u>60</u>	
	<u>275</u>	

#### Discount rate

The discount rate used to measure the total pension liability was 7.50% for 2020. The projection of cash flows used to determine the discount rate assumed that contributions from the City will be made at statutorily required amount, actuarially determined. Based on these assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of 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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# CITY OF OAKLAND PARK, FLORIDA

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

### NOTE 9. EMPLOYEE RETIREMENT PLANS (continued)

#### Defined Benefit Pension Plans (continued)

##### *c. General Employees' Pension Plan (continued)*

#### Changes in the Net Pension Liability

	Total pension liability (A)	Fiduciary net position (B)	Net pension liability (A)-(B)
Balances, beginning of the year	\$ 45,547,838	\$ 41,531,792	\$ 4,016,046
Changes during the year:			
Expected interest growth	3,271,551	3,035,010	236,541
Unexpected investment income	-	(206,087)	206,087
Demographic experience	173,456	-	173,456
Employer contributions	-	1,612,366	(1,612,366)
Benefit payments & refunds	(3,700,098)	(3,700,098)	-
Administrative expense	-	(81,467)	81,467
Balances, end of the year	<u>\$ 45,292,747</u>	<u>\$ 42,191,516</u>	<u>\$ 3,101,231</u>

The schedule of changes in the City's net pension liability and related ratios, and the schedule of contributions which are presented as required supplementary information following the notes to the financial statements, are shown in multi-year trend information.

#### Sensitivity of the City's Net Position Liability to Changes in the Discount Rate

The following presents the net pension liability of the City calculated using the discount rate of 7.5% for 2020, as well as what the employer net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Total Pension Liability	\$ 49,532,884	\$ 45,292,747	\$ 41,677,822
Less: Fiduciary Net Position	<u>(42,191,516)</u>	<u>(42,191,516)</u>	<u>(42,191,516)</u>
Net Pension Liability	<u>\$ 7,341,368</u>	<u>\$ 3,101,231</u>	<u>\$ (513,694)</u>

#### Payables to the Pension Plan

At September 30, 2020, the City had no reported payable for outstanding contributions to the Plan required for the fiscal year 2020.

# CITY OF OAKLAND PARK, FLORIDA

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

### NOTE 9. EMPLOYEE RETIREMENT PLANS (Continued)

#### Defined Benefit Pension Plans (continued)

##### *c. General Employees' Pension Plan (continued)*

#### Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the fiscal year ended September 30, 2020, the City recognized pension expense of (\$190,975) as shown on the table below. The City also reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Pension Expense	Deferred Outflows of Resources	Deferred Inflows of Resources
Balances, beginning of the year	\$ -	\$ 2,746,076	\$ 2,198,487
Changes during the year:			
Service cost	-	-	-
Other recognized changes:			
Expected growth	236,541	-	-
Investment gain (loss)	(499,671)	206,087	-
Effect of economic/demographic gain (loss)	(410,303)	173,456	-
Administrative expenses	81,467	-	-
Effect of assumption changes/ inputs	400,991	-	-
Net amortization	-	(855,083)	(1,364,066)
Net changes	(190,975)	(475,540)	(1,364,066)
Balances, end of the year	<u>\$ (190,975)</u>	<u>\$ 2,270,536</u>	<u>\$ 834,421</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Plan will be recognized in pension expense in the following years:

Year Ending September 30:	Amount
2021	\$ 119,615
2022	589,246
2023	682,752
2024	44,502
Total	<u>\$ 1,436,115</u>

# CITY OF OAKLAND PARK, FLORIDA

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## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

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### NOTE 9. EMPLOYEE RETIREMENT PLANS (Continued)

#### *d. Retirement System for Police and Firefighters*

##### **General Information**

The City of Oakland Park Retirement System for Police and Firefighters (RSP&F) is a single employer defined benefit pension plan which provides pension, disability, and death benefits for its employees and beneficiaries. It was established on December 3, 1975 by Ordinance O-75-15, and amended by Ordinance O-76-23 dated September 15, 1976, Ordinance O-83-23 dated December 21, 1983, Ordinance O-95-10 adopted July 5, 1995 and Ordinance O-2005-030 adopted September 7, 2005, (collectively known as the "Ordinances"). On July 5, 1995, the City passed O-95-10 that amended and restated the retirement system for police, firefighters and public safety officers of the City and repealed prior ordinances related to the RSP&F Plan. The City further amended the Plan by Ordinance O-2018-018 freezing the membership effective September 1, 2018 and members as at such date had the option to move to the Florida Retirement System (FRS). Firefighters hired on or after that date become compulsory members of FRS.

The Plan is administered by a governing board comprised of five members and issues publicly available financial reports which may be obtained by writing to the Board of Trustees c/o City of Oakland Park, 3650 N.E. 12th Avenue, Oakland Park, Florida 33334.

##### **Benefits provided**

The Plan provides for monthly pension benefits to members, police officers and firefighters, who on March 1, 2013 are within 7 years of their normal retirement date, beginning at normal retirement age of 42 with 20 years continuous service or age 55 with 10 years of continuous service or age 58 regardless of length of service. The Plan permits early retirement on the first day of any month following the earlier of the member's 50th birthday and the completion of 10 years of continuous service or 20 years of continuous service. The Plan also provides certain disability and death benefits. For firefighters hired on or after March 1, 2013 and firefighters who, on March 1, 2013 are not within 7 years of the normal retirement date, the normal retirement date shall be 52 with 25 years continuous service or age 55 with 10 years of continuous service.

For firefighters who retired prior to June 20, 2007 and police officers, the normal monthly retirement benefit will be equal to 3% of the member's average monthly earnings for each year of continuous service, subject to a maximum benefit of 75% of average monthly earnings. Average monthly earnings is defined as the higher of the monthly average of the member's compensation for the best thirty-six (36) consecutive month period out of the last 120 consecutive months, or the average of the best five (5) of the last ten (10) years of service. Average monthly earnings include base pay and longevity pay and do not include overtime, bonuses, holiday premiums, vacation premiums, and any other non-regular payments. Effective October 1, 2003, up to three hundred (300) hours of overtime pay per year shall be included in final average earnings for police officers. For members who complete more than 37½ years of service, accrual of benefits shall recommence at the rate of 2% for each year of creditable service.

## CITY OF OAKLAND PARK, FLORIDA

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### NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

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#### NOTE 9. EMPLOYEE RETIREMENT PLANS (continued)

##### Defined Benefit Pension Plans (continued)

##### *d. Retirement System for Police and Firefighters*

##### Benefits provided (continued)

For firefighters who are actively employed on or after June 20, 2007 and firefighters who, on March 1, 2013 are within 7 years of the normal retirement date, the amount of benefit payable at the normal retirement date shall be 3% of the member's average monthly earnings for the first 10 years of continuous service and 4% of average monthly earnings for the next 10 years of service, and 3% of average monthly earnings for the next 5 years of continuous service, subject to a maximum benefit of 85% of average monthly earnings.

For firefighters who complete more than 42 1/2 years of service, accrual of benefits shall recommence at the rate of 2% for each year of creditable service.

For firefighters who are hired on or after March 1, 2013 and firefighters who, on March 1, 2013, are not within 7 years of the normal retirement date, the amount of benefit payable at normal retirement shall be the members' accrued benefit as of March 1, 2013, and 2.25% of the member's average monthly earnings for each year of continuous service after March 1, 2013, subject to a maximum benefit of 70% of average monthly earnings. Provided in no event the benefit of any member employed prior to March 1, 2013 be less than the member's accrued benefit percentage as of March 1, 2013.

##### Deferred Retirement Option Plan (DROP)

Effective January 3, 2001, the Plan implemented a Deferred Retirement Option Plan ("DROP") for police officers and firefighters who are eligible for normal service retirement at age 42 and have at least 20 years creditable service. Participation in the DROP for firefighters who on March 1, 2013 are within 7 years of the normal retirement date and police officers is limited to a maximum 60 months prior to termination of employment. Participation in the DROP for firefighters hired on or after March 1, 2013 and firefighters who, on March 1, 2013, are not within 7 years of the normal retirement date is limited to a maximum 36 months prior to termination of employment. The DROP is administered by the Plan's actuary and earns interest based upon the earnings and losses of the retirement plan. Once a member enters the DROP, their monthly retirement benefit is frozen, and their monthly benefit is paid into their DROP account. Upon termination of employment, the balance in the member's DROP account, including interest, is payable to them and they also begin to receive their (frozen) monthly retirement benefit.

# CITY OF OAKLAND PARK, FLORIDA

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## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

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### NOTE 9. EMPLOYEE RETIREMENT PLANS (continued)

#### Defined Benefit Pension Plans (continued)

##### *d. Retirement System for Police and Firefighters*

#### Contributions

The Plan is funded by member contributions from police officers of 8.5% and from firefighters of 8% for members hired after March 1, 2013 and 10.0% for members hired before such date, plus allowable contributions from the State of Florida under Chapters 175 and 185, Florida Statutes, and the actuarially-determined required employer contribution.

The actual contributions from the City for the fiscal year ended September 30, 2020, amounted to \$1,793,242 and the amount of covered payroll was \$1,273,939. Members' contributions were \$102,966 while County and State contributions were \$- and \$693,510, respectively.

Pursuant to Chapters 175 and 185 of the Florida Statutes, premium taxes on certain property and casualty insurance contracts written on City properties is collected by the State and is remitted to the Plan. The amounts of \$226,958 and \$466,522 from property insurance and casualty premium were recognized as revenues and expenditures during the year.

#### Net Pension Liability

The components of the net pension liability of the City at September 30, 2020, were as follows:

	<u>Amount</u>
Total pension liability	\$ 73,800,084
Plan fiduciary net position	<u>(63,640,438)</u>
Net pension liability	<u>\$ 10,159,646</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>86.23%</u>

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# CITY OF OAKLAND PARK, FLORIDA

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

### NOTE 9. EMPLOYEE RETIREMENT PLANS (continued)

#### Defined Benefit Pension Plans (continued)

##### *d. Retirement System for Police and Firefighters*

#### Actuarial assumptions

The City's net pension liability for the RSP&F plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the plan is measured as of September 30, 2020, using an annual actuarial valuation as of October 1, 2019 with the following assumptions:

Valuation date	October 1, 2019
Measurement date	September 30, 2020
Actuarial cost method	Entry age normal
Inflation	2.50%
Salary increases	5.00%
Investment rate of return	7.70% compounded
Mortality	Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB Male: RP2000 Generational, 10% Annuitant White Collar/ 90% Annuitant Blue Collar, Scale BB

The long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, Selection of Economic Assumptions for Measuring Pension Obligations. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance.

Estimates of long-term rate of return for each major asset class included in the Plan's target asset allocation as of the valuation date of October 1, 2019, are summarized in the following table:

Asset class	Target Allocation	Long-term expected
		real rate of return
Domestic equity	45%	9.30%
International equity	15%	10.30%
Domestic bonds	25%	4.30%
International bonds	5%	5.30%
Real estate	10%	6.30%
Total or weighted arithmetic average	<u>100%</u>	7.70%

# CITY OF OAKLAND PARK, FLORIDA

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

### NOTE 9. EMPLOYEE RETIREMENT PLANS (continued)

#### Defined Benefit Pension Plans (continued)

#### *d. Retirement System for Police and Firefighters*

#### Actuarial assumptions (continued)

Membership as of Actuarial Valuation Date	
Receiving Benefits	126
Terminated Vested	24
Active members	12
Drop participants	<u>7</u>
Total	<u>169</u>

#### Discount rate

The discount rate used to measure the total pension liability was 7.7% for 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from the City will be made at statutorily required rates, actuarially determined. Based on these assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the discount rate was applied to all periods of projected benefit payments to determine the total pension liability.

#### Changes in Net Pension Liability

	Total pension liability (A)	Fiduciary net position (B)	Net pension liability (A)-(B)
Balances, beginning of the year	\$ 73,647,947	\$ 61,357,225	\$ 12,290,722
Changes during the year:			
Service cost	118,175	-	118,175
Expected interest growth	5,512,965	4,564,967	947,998
Unexpected investment (gain) loss	-	1,862,123	(1,862,123)
Demographic experience	209,512	-	209,512
Employer contributions	-	2,486,752	(2,486,752)
Employee contributions	-	102,966	(102,966)
Benefit payments & refunds	(6,619,648)	(6,619,648)	-
Assumption changes	931,133	-	931,133
Administrative expense	-	(113,947)	113,947
Net changes	<u>152,137</u>	<u>2,283,213</u>	<u>(2,131,076)</u>
Balances, end of the year	<u>\$ 73,800,084</u>	<u>\$ 63,640,438</u>	<u>\$ 10,159,646</u>

# CITY OF OAKLAND PARK, FLORIDA

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## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

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### NOTE 9. EMPLOYEE RETIREMENT PLANS (continued)

#### Defined Benefit Pension Plans (continued)

##### *d. Retirement System for Police and Firefighters*

#### Changes in Net Pension Liability (continued)

The Schedules of Changes in the City's Net Pension Liability and related ratios and Schedule of Contributions are presented in multiyear trend information within the required supplementary information section following the notes to the financial statements.

#### Sensitivity of the City's Net Position Liability to Changes in the Discount Rate

The following presents the net pension liability of the City calculated using the discount rate of 7.70% for 2020, as well as what the employer net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.70%)	Current Discount Rate (7.70%)	1% Increase (8.70%)
Net pension liability	\$ 16,560,478	\$ 10,159,646	\$ 4,718,144

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# CITY OF OAKLAND PARK, FLORIDA

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

### NOTE 9. EMPLOYEE RETIREMENT PLANS (continued)

#### Defined Benefit Pension Plans (continued)

##### *d. Retirement System for Police and Firefighters*

#### Pension Expense, Deferred Outflows of Resources (DOR) and Deferred Inflows of Resources (DIR) Related to Pensions

For the fiscal year ended September 30, 2020, the City recognized pension expense of \$2,301,716 for the Retirement System of Police and Firefighters, as shown in the table below. The City also reported deferred outflows of resources and deferred in flows of resources related to pensions from the following sources.

Description	Pension Expense	Deferred Outflows of Resources	Deferred Inflows of Resources
Balances, beginning of the year	\$ -	\$ 5,648,412	\$ 3,000,784
Service cost	118,175	-	-
Changes during the year:			
Expected interest growth	5,512,965	-	-
Expected investment (gain)/loss	(4,564,967)	-	1,862,123
Effect of economic/demographic gain (loss)	-	209,512	-
Employee contributions	(102,966)	-	-
Administrative expenses	113,947	-	-
Assumption changes	-	931,133	-
Net amortization payments	-	(2,633,884)	(1,409,322)
Recognition of outflow (inflow) of resources	(81,654)	-	-
Recognition of outflow (inflow) of resources	1,306,216	-	-
Net changes	<u>2,301,716</u>	<u>(1,493,239)</u>	<u>452,801</u>
Balances, end of the year	<u>\$ 2,301,716</u>	<u>\$ 4,155,173</u>	<u>\$ 3,453,585</u>

Amounts reported as deferred outflows and deferred inflows of resources related to the Plan will be recognized in pension expense in the following fiscal years, as shown below:

Year Ending September 30:	Amounts to be recognized
2021	\$ 911,273
2022	260,355
2023	85,277
2024	<u>(555,318)</u>
Total	<u>\$ 701,587</u>

# CITY OF OAKLAND PARK, FLORIDA

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

### NOTE 9. EMPLOYEE RETIREMENT PLANS (continued)

#### Defined Benefit Pension Plans (continued)

##### *d. Retirement System for Police and Firefighters*

#### Payables to the Pension Plan

At September 30, 2020, the City's outstanding contributions payable to the Plan as required for the fiscal year 2020 was \$-0-.

#### Aggregate Amount for all Pension Plans

	<b>Net Pension Liabilities</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Pension Expenses</b>
Florida Retirement System	\$ 18,230,405	\$ 9,701,778	\$ -	\$ 4,881,227
Florida Retirement System - HIS	3,709,468	1,787,204	218,553	595,217
General Employees Pension Plan	3,101,231	2,270,536	834,421	(190,975)
Police & Firefighters Pension Plan	10,159,646	4,155,173	3,453,585	2,301,716
Grand Total	<u>\$ 35,200,750</u>	<u>\$ 17,914,691</u>	<u>\$ 4,506,559</u>	<u>\$ 7,587,185</u>

#### Defined Contribution Pension Plans

##### *a. 401(a) Executive Plan and the 401(a) General Employee Plan*

The City established two (2) defined contribution plans, titled the "401(a) Executive Plan", is offered to senior management and the '401(a) General Employee Plan' is offered to those employees that did not elect to move to the FRS Retirement System in 2007 when the GEPP Plan was closed to new entrants. The 401(a) Executive Plan is administered by International City Management Association Retirement Corporation (ICMA) and the 401(a) General Employee Plan is administered by the Florida Municipal Pension Trust Fund.

#### Funding Policy

The City contributed 12% to 26% per contract with each 401(a) Executive Plan participant. The senior management is required to contribute 3%. The City contribution to 401(a) General Employee Plan is determined annually by the City Commission which generally follows the contribution rates set by the FRS Retirement System. Contributions are directed to individual member accounts and the individual members allocate contributions and account balances among various approved investment choices. For FY20, the 401(a) General Employee Plan contribution rates for the City and the employees are 8.46% and 3%, respectively. Total contribution including employees' share for FY20 were \$82,667 for the executive plan and \$321,043 for the general employee plan, respectively.

# CITY OF OAKLAND PARK, FLORIDA

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## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

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### NOTE 9. EMPLOYEE RETIREMENT PLANS (continued)

#### Defined Contribution Pension Plans

##### *b. FRS Investment Plan (continued)*

#### Plan Description

The Florida Retirement System Investment Plan is a defined contribution retirement plan qualified under Section 401(a) of the Internal Revenue Code. The Florida Legislature enacted the Plan during the 2000 legislative session, and amendments to the Plan can only be made by an act of the Florida Legislature.

The SBA administers the defined contribution plan officially titled the FRS Investment Plan. The investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

#### Funding Policy

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. City employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts are defined by law but the ultimate benefit depends on the performance of the investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established by the Florida Legislature.

The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Senior Management, etc.), as the Pension Plan. Contributions are directed to individual member accounts who will allocate the contributions among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts based on a percentage of gross compensation by class, October 1, 2019 through June 30, 2020 and from July 1, 2020 through September 30, 2020, respectively, were as follows: Regular - 8.47% and 10.0%; Senior Management Service – 25.94% and 27.29%; and Special Risk – 25.48% and 24.45%; as established by Sec. 121.72, Fl Statutes. Total contributions including employees share for FY 2020 were \$251,165.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2020, the information for the amount of forfeitures was unavailable from the SBA. However, management believes that these amounts, if any, would be immaterial to the City.

## CITY OF OAKLAND PARK, FLORIDA

### NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

#### NOTE 9. EMPLOYEE RETIREMENT PLANS (continued)

##### Defined Contribution Pension Plans (continued)

##### Funding Policy (continued)

After termination and after an application to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lumpsum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

##### Contribution

For the fiscal year ended September 30, 2020, the City's and employees' contributions for all defined contribution plans were as follows:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contribution requirement	<u>\$ 654,876</u>	<u>\$ 571,886</u>	<u>\$ 543,210</u>
Contributions made by the City (100%)			
401 (a) Plan	\$ 308,666	\$ 320,842	\$ 316,181
FRS Investment Plan	200,584	115,762	89,054
Contributions made by employees (100%)			
401 (a) Plan	95,045	102,043	107,574
FRS Investment Plan	<u>50,581</u>	<u>33,239</u>	<u>30,401</u>
Total contributions made	<u>\$ 654,876</u>	<u>\$ 571,886</u>	<u>\$ 543,210</u>
Total covered payroll	<u>\$ 4,854,196</u>	<u>\$ 4,509,410</u>	<u>\$ 4,599,160</u>
% of contribution to total covered payroll	<u>13.49%</u>	<u>12.68%</u>	<u>11.81%</u>

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# **CITY OF OAKLAND PARK, FLORIDA**

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## **NOTES TO FINANCIAL STATEMENTS** **SEPTEMBER 30, 2020**

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### **NOTE 9. EMPLOYEE RETIREMENT PLANS (continued)**

#### **Deferred Compensation Plan**

An optional deferred compensation plan is offered to employees in addition to the defined benefit and defined contribution plans. The City adopted provisions of IRS Code 457(g) and GASB Statement No. 32, Accounting and Financial Reporting for IRS Code Section 457 Deferred Compensation Plans. All assets and income of the Plan are held in trust for the exclusive benefit of participants. The City makes no investment decisions and has no fiduciary responsibilities regarding the Plan, therefore, the assets and liabilities of the Plan are not included in the City's financial statements at September 30, 2020. The City currently contributes to the plan for executive management ranging from 2.12% to 12.23% of salaries. For fiscal year 2020, the amount contributed by the City was \$7,269.21. Members may make voluntary contributions to 457(b) up to the maximum annual contribution allowed by law.

### **NOTE 10. OTHER POST EMPLOYMENT BENEFITS (OPEB)**

#### **General Information**

Under Florida State Law, the City is required to offer retirees health and other insurance on the same basis as employees, provided that the retiree pays the full premium, for the relevant coverage; other OPEB may be eliminated at any time by the employer. The City has no formal plan that administers the City's post-employment healthcare, dental and life insurance coverage to eligible individuals that includes all regular employees of the City who retire from active service and are eligible for retirement or disability benefits. The City subsidizes implicitly by allowing the retirees to participate in the plan.

#### **Plan Description**

The retiree health, dental and other insurance program is a single-employer (unfunded) OPEB plan. Retirees, their spouses and dependents pay 100% of the blended premium rates to obtain their elected benefits. The blended rates provide an implicit subsidy to them because on an actuarial basis, retiree healthcare costs and future claims are generally expected to result in higher costs to the employer. Retirees must make an election to participate in the Plan within 60 days of the effective date of retirement or the termination date to continue in the Plan as a retiree. The Plan does not provide for a cost of living allowance increase.

The OPEB Plan operates on a pay-as-you-go basis based on the budget and there are no assets accumulated in the Plan.

#### **Benefits provided**

The City provides post-employment benefits to retirees, the same healthcare benefits as those provided to active employees. Spouses and dependents of eligible retirees are also eligible for medical coverage. All full-time equivalent employees of the City are eligible to receive postemployment health care benefits. Four types of health plans are offered to eligible participants:



# CITY OF OAKLAND PARK, FLORIDA

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

### NOTE 10. OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)

#### Benefits provided (continued)

- Standard Preferred Provider Organization (PPO) Plan
- High Deductible PPO Plan
- Standard Health Maintenance Organization (HMO) Plan
- High Deductible HMO Plan

#### Covered Individuals

At September 30, 2020, the following number of individuals were covered by the benefit terms:

Inactive employees entitled to but not receiving benefits	-
Inactive employees and beneficiaries receiving benefits	16
Active employees	<u>229</u>
Total	<u>245</u>

#### Contributions

The retirees and their spouses and dependents must contribute an amount determined periodically by the insurance carrier equal to 100% of the premium rates of their elected health, dental and other insurance benefits. The City implicitly subsidizes the healthcare premium rates paid by retirees by allowing them to participate in the same health plan offered to active employees.

#### Total OPEB Liability

The components of the City's OPEB liability as of September 30, 2020 were as follows:

	<u>Amount</u>
Total OPEB liability	\$ 1,324,306
Plan fiduciary net position	<u>-</u>
Net OPEB liability	<u>\$ 1,324,306</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>0.00%</u>

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# CITY OF OAKLAND PARK, FLORIDA

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

### NOTE 10. OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)

#### Actuarial Assumptions and Other Inputs

The City's OPEB liability as of September 30, 2020 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	January 1, 2020
Measurement date	September 30, 2020
Discount rate	3.26%
Salary increases	3% per annum
Cost of living increases	Retiree contributions, health insurance premiums, and the implied subsidy have been assumed to increase in accordance with the healthcare cost trend rates.
Healthcare cost trend rates	Increases in healthcare costs are assumed to be 7.0% for FY2020 graded down by 0.5% per year to an ultimate rate of 5.0% for FY 2024 and later years.
Retirees' share of benefit-related costs	Must contribute an amount equal to 100% of the applicable health insurance premium determined periodically by the insurance carrier; there are no minimum required employer contributions.

The discount rate was based on the return on the S&P Municipal Bond 20-year High Grade Index as of the measurement date.

The mortality rates were based on PUB-2010 Mortality Table (without income adjustments) for general and public safety employees, with full generational improvements in mortality using Scale MP-2017.

#### Changes in OPEB Liability

	<b><u>Total OPEB Liability</u></b>	<b><u>OPEB Net Position</u></b>	<b><u>Net OPEB Liability</u></b>
Balances, beginning of the year	\$ 1,480,578	\$ -	\$ 1,480,578
Changes during the year			
Service cost	119,881	-	119,881
Expected interest growth	56,745	-	56,745
Demographic experience	(43,393)	-	(43,393)
Benefit payments & refunds	(83,831)	-	(83,831)
Assumption changes	(205,674)	-	(205,674)
Net changes	(156,272)	-	(156,272)
Balances, end of the year	<u>\$ 1,324,306</u>	<u>\$ -</u>	<u>\$ 1,324,306</u>

The Schedules of Changes in the City's OPEB liability and related ratios and Schedule of Contributions are presented in the required supplementary information following the Notes to the Financial statements. Multi-year trend information will be presented as it becomes available.

# CITY OF OAKLAND PARK, FLORIDA

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

### NOTE 10. OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)

#### Sensitivity Analysis

*Sensitivity of the total OPEB liability to changes in the health care cost trends:*

The following presents the net pension liability of the City calculated using the current healthcare cost trend rate, as well as what the OPEB liability would be using a discount rates that are one percentage point lower (-1) or one percentage point higher (+1) than the current rate:

	<u>1% Decrease</u> <u>(2.26%)</u>	<u>Discount Rate</u> <u>(3.26%)</u>	<u>1% Increase</u> <u>(4.26%)</u>
Net OPEB liability	\$ 1,451,233	\$ 1,324,306	\$ 1,213,693

*Sensitivity of the total OPEB liability to changes in the health care cost trends:*

The following presents the net pension liability of the City calculated using the current healthcare cost trend rate, as well as what the OPEB liability would be using healthcare cost trend rate that are one percentage point lower (-1) or one percentage point higher (+1) than the current rate:

	<u>Trend Rate</u> <u>(- 1%)</u>	<u>Cost Trend Rate</u> <u>(7.5% graded down to 5%)</u>	<u>Trend Rate</u> <u>(+ 1%)</u>
Net OPEB liability	\$ 1,185,859	\$ 1,324,306	\$ 1,489,338

#### OPEB Expense, Deferred Outflow of Resources and Deferred Inflow of Resources Related to OPEB

In accordance with GASB 75, paragraphs 157 and 158, changes in the total OPEB liability and costs incurred by the employer related to the administration of OPEB are recognized in expense in the current measurement period, except as indicated below. For each of the following, a portion is recognized in expense in the current measurement period, and the balance is amortized as deferred outflows or deferred inflows of resources using a systematic and rational method over a closed period, as defined below:

- Differences between expected and actual experience with regard to economic and demographic factors – amortized over the average expected remaining service life of all employees who are provided with benefits through the OPEB Plan (active and inactive employees).
- Changes of assumptions or other inputs – amortized over the average expected remaining service life of all employees who are provided with benefits through the OPEB Plan (active and inactive employees).

# CITY OF OAKLAND PARK, FLORIDA

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

### NOTE 10. OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)

#### OPEB Expense, Deferred Outflow of Resources and Deferred Inflow of Resources Related to OPEB (continued)

For the fiscal year ended September 30, 2020, the City recognized OPEB expense of \$60,282. In addition, the City reported deferred outflows of resources related to OPEB from the following sources:

Description	OPEB Expense	Deferred Outflow of Resources	Deferred Inflows of Resources
Balances, beginning of the year	\$ -	\$ 42,871	\$ 139,137
Changes during the year:			
Service cost	119,881	-	
Other recognized changes in OPEB liability	-	-	-
Expected interest growth	56,745	-	-
Demographic gain(loss)	(2,561)	-	43,393
Benefit payments and refunds	(83,831)	-	-
Amortization payments	-	(6,158)	(38,672)
Assumption changes	(29,952)	-	205,674
Net changes	60,282	(6,158)	210,395
Balances, end of the year	\$ 60,282	\$ 36,713	\$ 349,532

Amounts reported as deferred outflows and deferred inflows of resources related to the Plan will be recognized in the following fiscal years, as shown below:

Year Ending September 30:	Deferred Outflow of Resources	Deferred Inflow of Resources	Amount to be Recognized
2021	\$ 6,159	\$ 38,672	\$ (32,513)
2022	6,159	38,672	(32,513)
2023	6,159	38,672	(32,513)
2024	6,159	38,672	(32,513)
2025	6,159	38,672	(32,513)
2026-2029	5,916	156,171	(150,255)
Total	\$ 36,711	\$ 349,531	\$ (312,820)

There are no financial statements for the OPEB plan.

# CITY OF OAKLAND PARK, FLORIDA

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## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

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### NOTE 11. POLLUTION REMEDIATION OBLIGATIONS

As of September 30, 2020, the City is involved in two (2) pollution remediation events as follows:

**West Dixie Lots** - The City owned property at 3869 N. Dixie Highway in Oakland Park (the northern lot of the commonly referred "Dixie Lots") has environmental issues that was determined to require remediation based on site assessments conducted by environmental engineering consultants. Under GASB 49, outlays for pollution remediation to prepare a property for sale can be capitalized. On October 2018, the City entered into a Purchase and Sale and Development Agreement with an investor for the redevelopment of the West Dixie Lots. The terms of the Purchase and Sale Agreement provided for the remediation of the contamination. In August 2019, the City engaged the services of environmental engineers who started to perform contamination remedial actions. The cost of the remediation outlays which amounted to \$483,443. Pollution remediation liability for this site is not recorded as they are being capitalized when incurred.

**3801 NE 5<sup>th</sup> Avenue** - This property is the current site of the City's fueling station. In April 1987, the City applied with Florida Department of Environmental Protection (FDEP) Early Detection Incentive (EDI) Program. FDEP deemed the site eligible to participate in the EDI program on July 10, 1987. In 1991, the City voluntarily removed three (3) 4,000-gallon diesel fuel and one 2,000-gallon underground storage tanks (USTs). No liability was recognized for such event because the EDI program allowed for funding and cleanup assistance for the site.

Furthermore in September 2016, FDEP completed soil and groundwater assessment of the same site which detected concentrations of petroleum hydrocarbons above groundwater cleanup target levels on the southeast side of the USTs. As of September 30, 2020, the City is in the process of assessing the options for cleanup of the petroleum-related chemicals in the site to address the outstanding environmental remediation requirement. Accordingly, the cost of the remedial action plan cannot be reasonably estimated, therefore a liability for this site is not recorded in the financial statements.

### NOTE 12. COMMITMENTS AND CONTINGENCIES

#### *a. Police Services*

On October 1, 2005, the City entered into a five-year contract with the Broward Sheriff's Office (BSO) for police services. The contract was last renewed in February 2020 for another five (5) years and will expire on September 30, 2025. The original contract called for the City to pay BSO approximately \$841,593 per month for the first year, plus actual fuel usage charged by the City. Annual future increases will be based on BSO's budgeted costs but in no event will the increase be more than 5% over the budgeted costs for the preceding year. BSO is obligated to reimburse the City for any staffing shortages. The City recorded expenses of \$16,035,706 under the contract for the fiscal year ended September 30, 2020.

At the date of the contract in August 2000, the City had eleven police officers that were eligible for retirement. The accrued compensated absence amount for these officers was approximately \$131,130 at September 30, 2020, which remains the responsibility of the City. This liability is recorded in the General Fund as accrued compensated absences with the funds maintained in a separate bank account. The compensated absences liability for the remaining officers was transferred to BSO.

# CITY OF OAKLAND PARK, FLORIDA

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

### NOTE 12. COMMITMENTS AND CONTINGENCIES (continued)

#### *b. Wastewater Services Interlocal Agreement*

On April 20, 1982 and November 2, 1988, the City entered into an agreement with Broward County, Florida and the City of Fort Lauderdale, respectively, for the transmission, treatment and disposal of wastewater. The charges for service provided by the County include operating, maintenance and debt service charges for the facilities and the County Improvement, Repair, and Replacement Fund Surcharge. The charges are adjusted annually based on actual costs incurred in the prior year. For the fiscal year ended September 30, 2020, the City recorded expenses of \$1,134,654 and \$5,486,825 under the Broward County and the Fort Lauderdale contracts, respectively. These agreements will continue in existence and cannot be cancelled on any condition except by mutual agreement between the City, Broward County and City of Fort Lauderdale.

Management's consideration to cancel this agreement is remote. In addition, future payments under this agreement cannot be estimated.

#### *c. Construction and Other Encumbrances*

Purchase Orders are issued throughout any given fiscal year to encumber funds and are liquidated upon the payment of the related invoice(s) for the delivery of the good or services ordered. The significant construction and other encumbrances outstanding as of September 30, 2020, which rolled over to the next fiscal year were as follows:

<u>Fund</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
General fund	\$ 530,887	\$ -
Capital projects fund	1,808,000	-
CRA	115,863	-
Water and Sewer fund	-	2,318,669
Solid Waste fund	-	13,215
Stormwater fund	-	308,942
<b>Total Commitments</b>	<b>\$ 2,454,750</b>	<b>\$ 2,640,826</b>

#### *d. Litigation*

During the ordinary course of its operations, the City is party to various claims, legal actions and complaints. The City is aggressively defending each action. The ultimate liability related to these claims is not presently determinable. Furthermore, it is the opinion of the City's management and legal counsel that the final resolution of these claims and legal proceedings would not have a material adverse effect on the financial condition of the City.

# CITY OF OAKLAND PARK, FLORIDA

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## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

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### NOTE 12. COMMITMENTS AND CONTINGENCIES (continued)

#### *e. Federally Assisted Programs – Compliance Audits*

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

### NOTE 13. SUBSEQUENT EVENT

The City and OPCRA submitted a request to the County relating to the Redevelopment Capital Program (RCP). As mentioned in Notes 8a thru 8f under Bank and Intergovernmental Loans, the program allows for the loans to be converted to grants based on revenues that can be quantified from the property developments in the OPCRA area for a period of twenty (20) years. The City requested to extend the period by another ten (10) years and the County approved the request on April 20, 2021.

Based on the City's current submission of development projects, the estimated value of RCP loans to be converted to grant in fiscal year 2021 is about \$2.78 million.

### NOTE 14. 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 for which the City carries commercial insurance. The City purchases commercial insurance for all types of claims with nominal deductible amount. There has not been any significant change in insurance coverage. Settled claims have not exceeded commercial coverage limitations in any of the past three fiscals.

### NOTE 15. NEW FINANCIAL STANDARDS NOT YET IMPLEMENTED

Due to the ongoing COVID-19 pandemic, the GASB issued Statement 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, in May 2020. The effective dates of the following GASB pronouncements, which were issued prior to May 2020, are based on the revised dates in Statement 95:

The City has not elected early implementation and, therefore, has not determined the financial statement impact, if any, of these new pronouncements:

- GASB Statement No. 84, *Fiduciary Activities*, which is effective for reporting periods beginning after December 15, 2019.
- GASB Statement No. 87, *Leases*, which is effective for reporting periods beginning after June 15, 2021;
- GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which is effective for reporting periods beginning after December 15, 2020;

## CITY OF OAKLAND PARK, FLORIDA

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### NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

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#### NOTE 15. NEW FINANCIAL STANDARDS NOT YET IMPLEMENTED

- GASB Statement No. 90, *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*, which is effective for reporting periods beginning after December 15, 2019;
- GASB Statement No. 91, *Conduit Debt Obligation*, which is effective for reporting periods beginning after December 15, 2019;
- GASB Statement No. 92, *Omnibus 2020*, which is effective for reporting periods beginning after June 15, 2021;
- GASB Statement No. 93, *Replacement of Interbank Offered Rates*, which is effective for reporting periods beginning after June 15, 2020;
- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which is effective for reporting periods beginning after June 15, 2022;
- GASB Statement No. 96, *Subscription-based Information Technology Arrangements*, which is effective for reporting periods beginning after June 15, 2022; and
- GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, which is effective for reporting periods beginning after June 15, 2021, except for the requirement in (1) paragraph 4 of this Statement as it applies to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans and (2) paragraph 5 of this Statement are effective immediately.

The City of Oakland Park will implement new GASB pronouncements no later than the required effective date. The City is currently evaluating whether or not the above listed new GASB pronouncements will have a significant impact to the City's financial statements and component unit.



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## **REQUIRED SUPPLEMENTARY INFORMATION**

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# CITY OF OAKLAND PARK, FLORIDA

## BUDGETARY COMPARISON SCHEDULE - GENERAL FUND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Positive (Negative)</u>
<b>Revenues:</b>				
Taxes:				
Property	\$ 20,413,847	\$ 20,413,847	\$ 20,616,499	\$ 202,652
Franchise fees	2,700,550	2,700,550	2,600,936	(99,614)
Utility taxes	4,915,000	4,915,000	4,876,392	(38,608)
Communications service taxes	1,200,000	1,200,000	1,434,626	234,626
Other taxes	1,953,295	1,953,295	1,783,997	(169,298)
Licenses and permits	1,622,282	1,622,282	1,799,108	176,826
Intergovernmental	4,783,593	4,871,340	4,319,726	(551,614)
Charges for services	14,059,988	14,059,988	14,156,962	96,974
Fines and forfeitures	551,000	551,000	449,752	(101,248)
Investment earnings	250,000	250,000	273,862	23,862
Grants	12,000	248,167	416,545	168,378
Other	487,581	514,135	792,801	278,666
Total revenues	<u>52,949,136</u>	<u>53,299,604</u>	<u>53,521,206</u>	<u>221,602</u>
<b>Expenditures:</b>				
General government:				
City commission	220,316	230,316	202,197	28,119
City manager	801,847	828,847	788,183	40,664
City clerk	800,714	800,714	613,203	187,511
Human resources	1,315,176	1,466,391	1,369,540	96,851
Legal	552,000	552,000	467,262	84,738
Financial services	1,387,264	1,398,283	1,243,903	154,380
Information technology service	1,217,315	1,273,164	983,938	289,226
Non-departmental	475,596	500,979	340,104	160,875
Total general government	<u>6,770,228</u>	<u>7,050,694</u>	<u>6,008,330</u>	<u>1,042,364</u>
Public safety:				
Police	16,704,573	16,680,667	16,502,258	178,409
Fire rescue	10,851,899	11,560,070	11,853,546	(293,476)
Total public safety	<u>27,556,472</u>	<u>28,240,737</u>	<u>28,355,804</u>	<u>(115,067)</u>
Public works:				
Administration	174,417	174,417	133,732	40,685
Parks maintenance	2,406,729	2,271,410	1,920,097	351,313
Street maintenance	2,367,892	2,521,094	2,028,774	492,320
Building and maintenance	1,702,108	1,709,728	1,360,911	348,817
Fleet	1,782,576	1,786,351	1,468,065	318,286
Total public works	<u>8,433,722</u>	<u>8,463,000</u>	<u>6,911,579</u>	<u>1,551,421</u>
Engineering and community development:				
Planning and zoning	865,919	1,348,692	1,011,238	337,454
Engineering and construction management	1,196,578	1,779,797	1,340,236	439,561
Building and permitting	2,106,599	2,189,467	2,032,308	157,159
Community enhancement	1,173,416	1,303,369	1,160,932	142,437
Total ECD	<u>5,342,512</u>	<u>6,621,325</u>	<u>5,544,714</u>	<u>1,076,611</u>
Culture/recreation:				
Library	879,740	879,740	776,322	103,418
Parks and recreation	3,160,825	2,620,088	2,356,912	263,176
Total culture/recreation	<u>4,040,565</u>	<u>3,499,828</u>	<u>3,133,234</u>	<u>366,594</u>
Total expenditures	<u>52,143,499</u>	<u>53,875,584</u>	<u>49,953,661</u>	<u>3,921,923</u>
<b>Excess of revenues over expenditures</b>	<b>805,637</b>	<b>(575,980)</b>	<b>3,567,545</b>	<b>4,143,525</b>
<b>Other financing sources (uses):</b>				
Other sources	1,961,504	2,723,455	-	(2,723,455)
Transfers in	-	658,549	658,549	-
Transfers (out)	(2,767,141)	(2,806,024)	(2,806,024)	-
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>1,420,070</b>	<b>\$ 1,420,070</b>
<b>Fund balance, beginning</b>			<b>17,435,486</b>	
<b>Fund balance, end</b>			<b>\$ 18,855,556</b>	

See notes to budgetary comparison schedule.

# CITY OF OAKLAND PARK, FLORIDA

## BUDGETARY COMPARISON SCHEDULE OAKLAND PARK COMMUNITY REDEVELOPMENT AGENCY FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Other revenues	\$ 42,021	\$ 42,021	\$ 42,021	\$ -
Miscellaneous income	2,500	2,500	70	(2,430)
Total revenues	<u>44,521</u>	<u>44,521</u>	<u>42,091</u>	<u>(2,430)</u>
<b>Expenditures:</b>				
Current:				
Community redevelopment	<u>562,440</u>	<u>599,321</u>	<u>340,147</u>	<u>259,174</u>
Total expenditures	<u>562,440</u>	<u>599,321</u>	<u>340,147</u>	<u>259,174</u>
<b>Deficiency of revenues over expenditures</b>	(517,919)	(554,800)	(298,056)	256,744
<b>Other financing sources (uses):</b>				
Other sources	100,000	207,914	-	(207,914)
Transfers in (out)	<u>417,919</u>	<u>346,886</u>	<u>346,886</u>	<u>-</u>
Total other financing sources	<u>517,919</u>	<u>554,800</u>	<u>346,886</u>	<u>(207,914)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	48,830	<u>\$ 48,830</u>
Fund balance, beginning			<u>205,616</u>	
Fund balance, end			<u>\$ 254,446</u>	

See notes to budgetary comparison schedule.

# CITY OF OAKLAND PARK, FLORIDA

## NOTES TO BUDGETARY COMPARISON SCHEDULE FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

The following procedures are used to establish the budgetary data reflected in the financial statements:

### ***Budgetary Information***

Annual appropriated budgets are adopted for the General fund, Grant fund (a special revenue fund), Debt Service fund and Capital Projects fund on a basis consistent with accounting principles generally accepted in the United States of America (GAAP), except for encumbrances which are reported as expenditures for budgetary purposes. In addition, the City prepares annual operating budgets for the enterprise funds.

During the month of July each year, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing October 1. This budget includes proposed expenditures as well as the expected means of financing them. The Commission holds public hearings and a final budget must be prepared and adopted no later than October 1.

The appropriated budget is prepared by fund, function and department. Only the General Fund is subject to budgetary control on a department level. The City Manager is authorized to transfer budgeted amounts between expenditure categories within individual departments but transfers between departments and revisions that alter the department totals must be approved by the City Commission. The Special Revenue funds, Debt Service fund, Capital Projects fund and the Enterprise funds are subject to budgetary control on an individual fund basis.

For the fiscal year ended September 30, 2020, General Fund supplemental appropriations amounted to about \$1.8 million while CRA had a budget increase of about \$108 thousand. Individual type amendments were not material in relation to the original appropriations.

Encumbrance accounting is employed in governmental funds. All unencumbered appropriations lapse at year-end are re-budgeted in the next fiscal year.

### ***Budget/GAAP Reconciliation***

There are no reconciling items between GAAP and Budget.

### ***Excess of Expenditure over Appropriations***

Expenditures of the Fire Rescue Department which is within the General Fund exceeded the final budget for the fiscal year ended September 30, 2020 at the departmental level, which is the legally-controlled level of appropriations, by the amount shown below:

	<u>Budget</u>	<u>Actual</u>	<u>Amount in Excess of Final Budget</u>
Fire Rescue Division	\$11,560,070	\$11,853,546	(\$293,476)

## CITY OF OAKLAND PARK, FLORIDA

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### NOTES TO BUDGETARY COMPARISON SCHEDULE FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

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#### *Excess of Expenditure over Appropriations (continued)*

The negative budget-to-actual variance in the Fire Rescue Department is due to timing difference between the budget appropriation and the recognition of the expenditure. In FY 2018, the City Commission approved the appropriation for the purchase of a fire truck. Upon placement of the order, the City advanced the payment of \$600 thousand to the vendor. Due to manufacturing and assembly lead time, delivery of the firetruck that was ordered in FY 2018 took place FY 2020. Accordingly, the capital outlay expenditure for such purchase was only recognized in FY 2020 when the asset was placed into service.

On a technical and legal authority basis, the Fire Rescue Department did not exceed its budget during FY 2020. But due to timing difference between the budget appropriation and the recognition of the expenditure, as explained above, the Department appears in the FY 2020 results.

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## CITY OF OAKLAND PARK, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (NPL)**  
**FLORIDA RETIREMENT SYSTEM PENSION PLAN**  
**LAST SEVEN FISCAL YEARS**  
(Unaudited)

<b><u>Year Ended</u></b>	<b><u>City's Proportion of NPL</u></b>	<b><u>City's Proportionate Share of NPL</u></b>	<b><u>City's Covered Payroll</u></b>	<b><u>% of NPL to Covered Payroll</u></b>	<b><u>% of Fiduciary Net Position to TPL</u></b>
2020	0.00042062262	\$ 18,230,404	\$ 15,520,218	117.46%	78.85%
2019	0.00036634160	12,616,295	13,031,210	96.82%	82.61%
2018	0.00017638560	5,312,826	6,116,174	86.87%	84.26%
2017	0.00015685038	4,639,529	5,297,747	87.58%	83.89%
2016	0.00011984992	3,026,220	3,980,721	76.02%	84.88%
2015	0.00010863684	1,403,190	3,555,253	39.47%	92.00%
2014	0.00009752654	559,055	2,411,204	23.19%	96.09%

*Note: This schedule is intended to have ten (10) years of data. For years prior to 2014, data are not available. Additional years will be presented as they become available. The amounts presented for each fiscal year were determined as of the June 30 measurement date. The Plan's fiduciary net position as a percentage of the total pension liability is published in the Plan's Comprehensive Annual Financial Report.*

## CITY OF OAKLAND PARK, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (NPL)**  
**FLORIDA RETIREMENT SYSTEM HEALTH INSURANCE SUBSIDY PROGRAM**  
**LAST SEVEN FISCAL YEARS**  
(Unaudited)

<b><u>Year Ended</u></b>	<b><u>City's Proportion of NPL</u></b>	<b><u>City's Proportionate Share of NPL</u></b>	<b><u>City's Covered Payroll</u></b>	<b><u>% of NPL to Covered Payroll</u></b>	<b><u>% of Fiduciary Net Position to TPL</u></b>
2020	0.00030380971	\$ 3,709,468	\$ 10,546,873	35.17%	3.00%
2019	0.00027502017	3,077,200	9,200,147	33.45%	2.63%
2018	0.00019527954	2,066,861	6,379,962	32.40%	2.15%
2017	0.00017349410	1,855,079	5,531,969	33.53%	1.67%
2016	0.00014467970	1,686,182	4,467,025	37.75%	0.97%
2015	0.00012782764	1,303,641	3,878,348	33.61%	0.50%
2014	0.00011727468	1,096,547	3,480,283	31.51%	0.99%

*Note: This schedule is intended to have ten (10) years of data. For years prior to 2014, data are not available. Additional years will be presented as they become available. The amounts presented for each fiscal year were determined as of the June 30 measurement date. The Plan's fiduciary net position as a percentage of the total pension liability is published in the Plan's Comprehensive Annual Financial Report.*



# CITY OF OAKLAND PARK, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN EMPLOYER NET PENSION LIABILITY**  
**FLORIDA RETIREMENT CONTRIBUTION**  
(Unaudited)

	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability (TPL):</b>							
Beginning balance	\$ 83,288,467	\$ 70,087,522	\$ 32,390,144	\$ 26,198,876	\$ 19,340,270	\$ 16,959,923	\$ 14,655,911
Changes during the year							
Service cost	1,113,580	924,306	427,556	325,269	255,629	229,663	220,092
Interest on total pension liability	5,661,130	4,833,841	2,266,190	1,958,146	1,451,276	1,273,394	1,120,572
Effect of plan changes	-	4,178	-	14,459	3,872	-	-
Effect of economic/demographic gains or losses	188,711	90,663	97,861	221,545	117,476	176,085	(43,772)
Effect of assumption changes or inputs	731,101	580,881	394,337	1,630,984	123,525	-	122,498
Benefit payments and refunds	(4,793,317)	(3,981,235)	(1,830,455)	(1,546,438)	(1,273,396)	(1,108,259)	(849,871)
Net change in total pension liability	2,901,205	2,452,634	1,355,489	2,603,966	678,382	570,884	569,519
Ending balance (a)	86,189,672	72,540,156	33,745,633	28,802,842	20,018,652	17,530,807	15,225,430
<b>Plan Fiduciary Net Position:</b>							
Beginning balance	68,803,205	59,053,123	27,170,986	22,238,391	17,792,247	16,297,079	12,977,045
Changes during the year							
Benefit payments and refunds	(4,793,317)	(3,981,235)	(1,830,455)	(1,546,438)	(1,273,396)	(1,108,259)	(849,871)
Employer contributions	1,397,543	1,135,923	502,685	408,320	292,273	264,866	213,624
Member contributions	314,817	275,787	131,649	116,828	85,179	75,862	66,563
Net investment income	2,246,086	3,447,436	2,461,502	2,949,088	98,347	600,032	2,224,803
Administrative expenses	(9,067)	(7,173)	(3,559)	(2,877)	(2,218)	(1,963)	(1,790)
Net change in fiduciary net position	(843,938)	870,738	1,261,822	1,924,922	(799,815)	(169,462)	1,653,330
Ending balance (b)	67,959,267	59,923,861	28,432,808	24,163,313	16,992,432	16,127,616	14,630,375
<b>Employer Net Pension Liability, ending (a)-(b)</b>	<b>\$ 18,230,405</b>	<b>\$ 12,616,295</b>	<b>\$ 5,312,826</b>	<b>\$ 4,639,529</b>	<b>\$ 3,026,220</b>	<b>\$ 1,403,190</b>	<b>\$ 595,055</b>
Covered payroll	\$ 15,520,218	\$ 13,031,210	\$ 6,116,174	\$ 5,297,747	\$ 3,980,721	\$ 3,555,253	\$ 2,411,204
Plan fiduciary net position as a percentage of the total pension liability	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%
Net pension liability as a percentage of covered payroll	117.46%	96.82%	86.87%	87.58%	76.02%	39.47%	24.68%

Note: This schedule is intended to have ten (10) years of data. Data for years prior to 2014 are not available.

**CITY OF OAKLAND PARK, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN EMPLOYER NET PENSION LIABILITY**

**FLORIDA RETIREMENT CONTRIBUTION HEALTH INSURANCE SUBSIDY PROGRAM (HIS)**

(Unaudited)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Total Pension Liability (TPL):</b>							
Beginning balance	\$ 3,491,091	\$ 2,974,776	\$ 2,122,839	\$ 2,041,756	\$ 1,482,851	\$ 1,207,157	\$ 1,039,551
Changes during the year							
Service cost	80,668	63,837	50,470	52,835	37,141	27,805	22,326
Interest on total pension liability	122,347	115,002	76,101	58,552	56,535	51,827	48,072
Effect of economic/demographic gains or losses	137,487	-	36,746	-	(4,460)	-	-
Effect of assumption changes or inputs	146,385	141,933	(77,916)	(186,283)	195,673	77,681	45,313
Benefit payments and refunds	(153,591)	(135,280)	(95,986)	(80,845)	(65,085)	(54,338)	(47,763)
Net change in total pension liability	<u>333,296</u>	<u>185,492</u>	<u>(10,583)</u>	<u>(155,741)</u>	<u>219,804</u>	<u>102,974</u>	<u>67,947</u>
Ending balance (a)	<u>3,824,387</u>	<u>3,160,268</u>	<u>2,112,256</u>	<u>1,886,015</u>	<u>1,702,655</u>	<u>1,310,131</u>	<u>1,107,498</u>
<b>Plan Fiduciary Net Position:</b>							
Beginning balance	91,764	63,932	34,820	19,754	7,346	11,937	18,521
Changes during the year							
Benefit payments and refunds	(153,591)	(135,280)	(95,986)	(80,845)	(65,085)	(54,338)	(47,763)
Employer contributions	175,071	152,716	105,901	91,818	74,158	48,888	40,174
Member contributions	112	54	46	-	-	-	-
Net investment income	1,615	1,700	647	239	82	27	26
Administrative expenses	(52)	(54)	(33)	(31)	(27)	(24)	6
Net change in fiduciary net position	<u>23,155</u>	<u>19,136</u>	<u>10,575</u>	<u>11,182</u>	<u>9,127</u>	<u>(5,447)</u>	<u>(7,557)</u>
Ending balance (b)	<u>114,919</u>	<u>83,068</u>	<u>45,395</u>	<u>30,936</u>	<u>16,473</u>	<u>6,490</u>	<u>10,964</u>
<b>Employer Net Pension Liability, ending (a)-(b)</b>	<b><u>\$ 3,709,468</u></b>	<b><u>\$ 3,077,200</u></b>	<b><u>\$ 2,066,861</u></b>	<b><u>\$ 1,855,079</u></b>	<b><u>\$ 1,686,182</u></b>	<b><u>\$ 1,303,641</u></b>	<b><u>\$ 1,096,534</u></b>
Covered payroll	<u>\$ 10,546,873</u>	<u>\$ 9,200,147</u>	<u>\$ 6,379,962</u>	<u>\$ 5,531,969</u>	<u>\$ 4,467,025</u>	<u>\$ 3,878,348</u>	<u>\$ 3,480,283</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>3.00%</u>	<u>2.63%</u>	<u>2.15%</u>	<u>1.64%</u>	<u>0.97%</u>	<u>0.50%</u>	<u>0.99%</u>
Net pension liability as a percentage of covered payroll	<u>35.17%</u>	<u>33.45%</u>	<u>32.40%</u>	<u>33.53%</u>	<u>37.75%</u>	<u>33.61%</u>	<u>31.51%</u>

*Note: This schedule is intended to have ten (10) years of data. Data for years prior to 2014 are not available.*

# CITY OF OAKLAND PARK, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN EMPLOYER NET PENSION LIABILITY**  
**GENERAL EMPLOYEES PENSION PLAN**  
(Unaudited)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Total Pension Liability (TPL):</b>							
Beginning balance	\$ 45,547,838	\$ 47,292,370	\$ 47,095,099	\$ 44,993,140	\$ 44,027,314	\$ 40,770,051	\$ 40,731,647
Changes during the year							
Expected interest growth	3,271,551	3,412,120	3,403,524	3,246,037	3,178,167	2,934,291	3,283,975
Demographic changes	173,456	(1,691,558)	145,358	(206,608)	879,003	(248,412)	-
Changes in assumptions	-	-	-	2,201,333	-	3,584,856	-
Benefit payments	(3,700,098)	(3,465,094)	(3,351,611)	(3,138,803)	(3,091,344)	(3,013,472)	(3,245,571)
Net change in total pension liability	(255,091)	(1,744,532)	197,271	2,101,959	965,826	3,257,263	38,404
Ending balance (a)	<u>45,292,747</u>	<u>45,547,838</u>	<u>47,292,370</u>	<u>47,095,099</u>	<u>44,993,140</u>	<u>44,027,314</u>	<u>40,770,051</u>
<b>Plan Fiduciary Net Position:</b>							
Beginning balance	41,531,792	41,181,250	39,088,389	35,489,764	33,876,392	34,476,947	32,014,820
Changes during the year							
Employer contributions	1,612,366	1,789,505	1,962,213	1,610,387	1,868,141	2,326,446	2,423,532
Expected interest growth	3,035,010	3,023,540	2,984,127	2,602,502	2,492,646	2,557,604	2,659,281
Unexpected investment income	(206,087)	(906,290)	579,490	2,604,679	426,556	(2,393,198)	453,926
Benefit payments	(3,700,098)	(3,465,094)	(3,351,611)	(3,138,803)	(3,091,344)	(3,013,472)	(2,999,689)
Administrative expenses	(81,467)	(91,119)	(81,358)	(80,140)	(82,627)	(77,935)	(74,923)
Net change in fiduciary net position	659,724	350,542	2,092,861	3,598,625	1,613,372	(600,555)	2,462,127
Ending balance (b)	<u>42,191,516</u>	<u>41,531,792</u>	<u>41,181,250</u>	<u>39,088,389</u>	<u>35,489,764</u>	<u>33,876,392</u>	<u>34,476,947</u>
<b>Employer Net Pension Liability, ending (a)-(b)</b>	<b><u>\$ 3,101,231</u></b>	<b><u>\$ 4,016,046</u></b>	<b><u>\$ 6,111,120</u></b>	<b><u>\$ 8,006,710</u></b>	<b><u>\$ 9,503,376</u></b>	<b><u>\$ 10,150,922</u></b>	<b><u>\$ 6,293,104</u></b>
Covered payroll	<u>\$ 2,801,088</u>	<u>\$ 2,877,185</u>	<u>\$ 3,333,110</u>	<u>\$ 3,616,327</u>	<u>\$ 4,067,102</u>	<u>\$ 4,547,339</u>	<u>\$ 4,757,815</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>93.15%</u>	<u>91.18%</u>	<u>87.08%</u>	<u>83.00%</u>	<u>78.88%</u>	<u>76.94%</u>	<u>84.56%</u>
Net pension liability as a percentage of covered payroll	<u>110.72%</u>	<u>139.58%</u>	<u>183.35%</u>	<u>221.40%</u>	<u>233.66%</u>	<u>223.23%</u>	<u>132.27%</u>

*Note: This schedule is intended to have ten (10) years of data. Data for years prior to 2014 are not available.*

# CITY OF OAKLAND PARK, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN EMPLOYER NET PENSION LIABILITY**  
**POLICE AND FIREFIGHTERS RETIREMENT SYSTEM**  
(Unaudited)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Total Pension Liability (TPL):</b>							
Beginning balance	\$ 73,647,947	\$ 74,945,653	\$ 74,437,099	\$ 69,803,871	\$ 71,184,117	\$ 68,911,765	\$ 66,605,338
Changes during the year							
Service cost	118,175	111,884	381,535	362,043	516,314	518,137	557,925
Expected interest growth	5,512,965	5,949,655	6,033,930	6,034,650	5,629,161	5,727,406	5,780,261
Differences between expected and actual experience			-	1,469,830	(1,847,492)	(398,244)	1,074,801
Demographic experience	209,512	(1,097,380)	(611,388)	-	-	-	-
Changes in assumptions	931,133	-	546,026	3,643,950	-	1,878,441	-
Benefit payments	(6,619,648)	(6,261,865)	(5,841,549)	(6,877,245)	(5,678,229)	(5,453,388)	(5,106,560)
Net change in total pension liability	152,137	(1,297,706)	508,554	4,633,228	(1,380,246)	2,272,352	2,306,427
Ending balance (a)	73,800,084	73,647,947	74,945,653	74,437,099	69,803,871	71,184,117	68,911,765
<b>Plan Fiduciary Net Position:</b>							
Beginning balance	61,357,225	62,823,563	60,448,233	58,294,508	57,128,247	58,645,609	55,001,663
Changes during the year							
Employer contributions	2,486,752	2,912,789	2,739,615	2,350,995	2,175,763	2,449,834	2,708,484
Employee contributions	102,966	119,816	353,882	368,038	368,419	394,574	404,467
Investment income	4,564,967	5,136,667	4,956,027	6,434,826	4,419,539	1,199,339	5,738,765
Unexpected investment income	1,862,123	(3,257,464)	315,125	-	-	-	-
Benefit payments	(6,619,648)	(6,261,865)	(5,841,549)	(6,877,245)	(5,678,229)	(5,453,388)	(5,106,560)
Administrative expenses	(113,947)	(116,281)	(147,770)	(122,889)	(119,231)	(107,721)	(101,210)
Net change in fiduciary net position	2,283,213	(1,466,338)	2,375,330	2,153,725	1,166,261	(1,517,362)	3,643,946
Ending balance (b)	63,640,438	61,357,225	62,823,563	60,448,233	58,294,508	57,128,247	58,645,609
<b>Employer Net Pension Liability, ending (a)-(b)</b>	<b>\$ 10,159,646</b>	<b>\$ 12,290,722</b>	<b>\$ 12,122,090</b>	<b>\$ 13,988,866</b>	<b>\$ 11,509,363</b>	<b>\$ 14,055,870</b>	<b>\$ 10,266,156</b>
Covered payroll	\$ 1,273,939	\$ 1,218,521	\$ 4,317,687	\$ 3,880,334	\$ 4,233,012	\$ 4,143,754	\$ 4,568,578
Plan fiduciary net position as a percentage of the total pension liability	86.23%	83.31%	83.83%	81.21%	83.51%	80.25%	85.10%
Net pension liability as a percentage of covered payroll	797.50%	1008.66%	280.75%	360.51%	271.90%	339.21%	224.71%

*Note: This schedule is intended to have ten (10) years of data. Data for years prior to 2014 are not available.*

## CITY OF OAKLAND PARK, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**FLORIDA RETIREMENT SYSTEM PENSION PLAN**  
**LAST SEVEN FISCAL YEARS**  
(Unaudited)

<b>Year Ended</b>	<b>Contractually Required Contribution</b>	<b>City's Contribution</b>	<b>Contribution Excess (Deficiency)</b>	<b>City's Covered Payroll</b>	<b>% of City Contributions to Covered Payroll</b>
2020	\$ 1,397,543	\$ 1,397,543	-	\$ 10,932,892	12.78%
2019	1,135,923	1,135,923	-	10,224,419	11.11%
2018	502,685	502,685	-	6,338,429	7.93%
2017	408,320	408,320	-	5,913,348	6.91%
2016	292,273	292,273	-	4,549,574	6.42%
2015	264,866	264,866	-	3,878,095	6.83%
2014	213,625	213,625	-	3,347,833	6.38%

*Note:*

*This schedule is intended to have ten (10) years of data. For years prior to 2014, data are not available. Additional years will be presented as they become available. The amounts presented for each fiscal year were determined as of the June 30 measurement date.*

## CITY OF OAKLAND PARK, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**FLORIDA RETIREMENT SYSTEM - HEALTH INSURANCE SUBSIDY PROGRAM**  
**LAST SEVEN FISCAL YEARS**  
(Unaudited)

<b><u>Year Ended</u></b>	<b><u>Contractually Required Contribution</u></b>	<b><u>City's Contribution</u></b>	<b><u>Contribution Excess (Deficiency)</u></b>	<b><u>City's Covered Payroll</u></b>	<b><u>% of City Contributions to Covered Payroll</u></b>
2020	\$ 175,071	\$ 175,071	\$ -	\$ 10,932,892	1.60%
2019	152,716	152,716	-	10,224,419	1.49%
2018	105,901	105,901	-	6,338,429	1.67%
2017	91,818	91,818	-	5,913,348	1.55%
2016	74,158	74,158	-	4,549,574	1.63%
2015	48,864	48,864	-	3,878,095	1.26%
2014	40,174	40,174	-	3,347,833	1.20%

*Note:*

*This schedule is intended to have ten (10) years of data. For years prior to 2014, data are not available. Additional years will be presented as they become available. The amounts presented for each fiscal year were determined as of the June 30 measurement date.*

# CITY OF OAKLAND PARK, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**GENERAL EMPLOYEES PENSION PLAN**  
**LAST TEN FISCAL YEARS**  
(Unaudited)

<u>Year Ended</u>	<u>Employer Contributions</u>	<u>Actuarially Determined Contributions</u>	<u>Contribution Deficiency</u>	<u>City's Covered Payroll</u>	<u>Percent of Payroll Covered</u>
2020	\$ 1,612,366	\$ 1,612,366	\$ -	\$ 2,801,088	57.56%
2019	1,789,505	1,846,600	(57,095)	2,877,185	64.18%
2018	1,962,213	1,835,540	126,673	3,333,110	55.07%
2017	1,709,600	1,709,600	-	3,616,327	47.27%
2016	1,868,141	1,868,141	-	4,067,102	45.93%
2015	2,326,446	2,230,002	96,444	4,547,339	49.04%
2014	2,423,532	2,519,977	(96,445)	4,757,815	52.97%
2013	2,295,850	2,295,850	-	5,152,927	44.55%
2012	1,871,345	1,871,345	-	5,386,307	34.74%
2011	4,744,632	4,744,632	-	6,281,203	75.54%

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation is as follows:

Measurement date : September 30, 2020

Actuarial valuation date : October 1, 2019

**Actuarial assumptions:**

Actuarial cost method : Entry age normal level percentage of pay

Discount rate : 7.50% per annum (2.89% per annum is attributable to long-term inflation). This rate was used to discount all future benefit payments

Projected salary increases : 5% per annum

Cost-of-living adjustments : None assumed

Mortality basis : Sex-distinct rates set forth in the RP-2000 Mortality Table for annuitants and non-annuitants using Scale BB

Future generational improvements in mortality have not been reflected in the calculations.

Retirement : Retirement is assumed to occur upon the earlier of age 62 or 30 years of service.

## CITY OF OAKLAND PARK, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**POLICE AND FIREFIGHTERS RETIREMENT SYSTEM**  
**LAST TEN FISCAL YEARS**  
(Unaudited)

<u>Year Ended</u>	<u>Employer Contributions</u>	<u>Actuarially Determined Contributions</u>	<u>Contribution Deficiency</u>	<u>City's Covered Payroll</u>	<u>Percent of Payroll Covered</u>
2020	\$ 3,068,561	\$ 3,068,561	\$ -	\$ 1,218,521	251.83%
2019	2,158,556	2,158,556	-	1,273,939	169.44%
2018	2,481,476	2,481,476	-	4,317,687	57.47%
2017	2,368,831	2,368,831	-	3,880,334	61.05%
2016	2,154,993	2,154,993	-	4,233,012	50.91%
2015	1,893,776	1,893,776	-	4,143,754	45.70%
2014	2,169,212	2,169,212	-	4,568,578	47.48%
2013	2,399,739	2,399,739	-	4,560,724	52.62%
2012	2,733,956	2,733,956	-	5,086,610	53.75%
2011	2,992,829	2,992,829	-	5,323,729	56.22%

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation is as follows:

Measurement date : September 30, 2020

Actuarial valuation date : October 1, 2019

**Actuarial assumptions:**

Actuarial cost method : Entry age normal level percentage of pay

Discount rate : 7.70% per annum (2.50% per annum is attributable to long-term inflation). This rate was used to discount all future benefit payments

Projected salary increases : 5% per annum

Cost-of-living adjustments : None assumed

Mortality basis : RP 2000 Generational, 100% Annuitant White Collar, Scale BB with separate rates for males and females. No future improvements in mortality are assumed.

Retirement : Retirement is assumed to occur upon the earlier of age 58 or 25 years of service.



## CITY OF OAKLAND PARK, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF INVESTMENT RETURNS**  
**LAST SEVEN FISCAL YEARS**  
(Unaudited)

	<b>Florida Retirement System</b>	<b>General Employees Pension Plan</b>	<b>Police &amp; Fire Retirement System</b>
<b>Annual money-weighted rate of return, net of investment expense for fiscal year ended:</b>			
2020	3.35%	6.99%	7.70%
2019	5.98%	7.62%	3.30%
2018	9.28%	8.91%	9.10%
2017	13.59%	14.97%	11.90%
2016	57.00%	8.76%	8.10%
2015	3.77%	0.48%	2.10%
2014	17.57%	9.72%	10.90%

*Note: 10-year historical information on annual money-weighted rate of return is not available since this is only the 4th year of GASB 67 implementation.*

# CITY OF OAKLAND PARK, FLORIDA

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN OTHER POST-EMPLOYMENT**  
**BENEFIT (OPEB) LIABILITY AND RELATED RATIOS**  
**LAST THREE FISCAL YEARS**  
(Unaudited)

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability:</b>			
Beginning balance	\$ 1,480,578	\$ 1,539,544	\$ 1,363,727
Changes during the year			
Service cost	119,881	119,881	130,377
Expected interest growth	56,745	58,891	46,334
Demographic changes	(43,393)	(47,476)	55,188
Benefit payments	(83,831)	(83,831)	(56,082)
Assumption changes	(205,674)	(106,431)	-
Net change in pension liability	(156,272)	(58,966)	175,817
Ending balance (a)	<u>1,324,306</u>	<u>1,480,578</u>	<u>1,539,544</u>
<b>OPEB Net Position (b)</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net OPEB Liability, ending (a)-(b)</b>	<u><u>\$ 1,324,306</u></u>	<u><u>\$ 1,480,578</u></u>	<u><u>\$ 1,539,544</u></u>
Covered payroll	<u><u>\$ 13,878,362</u></u>	<u><u>\$ 13,529,498</u></u>	<u><u>\$ 13,679,407</u></u>
Plan fiduciary net position as a percentage of the net OPEB liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Net OPEB liability as a percentage of covered payroll	<u>9.54%</u>	<u>10.94%</u>	<u>11.25%</u>

*Note: This schedule is intended to have ten (10) years of data. Data is not available for years prior to FY 2018.*

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# **COMBINING AND INDIVIDUAL FUND STATEMENTS**

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## NON-MAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for proceeds of resources that are legally restricted or committed for particular purposes and comprise of substantial inflow reported in the funds.

**Grants Fund** – to account for all grant monies and related program income from various grants such as firefighter’s assistance, law enforcement, federal equitable sharing, library, etc.

**Impact Fee Fund** – to account for impact fee related revenues from developer contributions, Downtown Mixed Use and the Federal Highway Overlay pursuant to City Ordinances.

### DEBT SERVICE FUND

Debt Service funds are used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs.

**Debt Service Fund** – to account for the accumulation of transfers from other funds for the debt services of various loan agreements.

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# CITY OF OAKLAND PARK, FLORIDA

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS SEPTEMBER 30, 2020

	<u>Special Revenue</u>		<u>Debt</u>	<u>Total Nonmajor</u>
	<u>Grant</u>	<u>Impact Fee</u>	<u>Service</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ -	\$ 233,379	\$ 233,379
Accounts receivable	-	-	-	-
Prepaid expenses	-	-	-	-
Temporarily restricted asset:				
Cash and cash equivalents	284,103	44,019	-	328,122
Total Assets	<u>\$ 284,103</u>	<u>\$ 44,019</u>	<u>\$ 233,379</u>	<u>\$ 561,501</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 81	\$ -	\$ -	\$ 81
Due to other funds	-	-	-	-
Unearned revenue	73,901	-	-	73,901
Advances from other funds	-	-	-	-
Total Liabilities	<u>73,982</u>	<u>-</u>	<u>-</u>	<u>73,982</u>
<b>Deferred Inflow of Resources</b>				
Unavailable revenue	-	-	-	-
Total Deferred Inflow of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>				
Non-spendable				
Inventories	-	-	-	-
Prepayments	-	-	-	-
Interfund loan	-	-	-	-
Restricted for:				
Public safety	102,225	-	-	102,225
Library	48,340	-	-	48,340
Park development	-	30,471	-	30,471
Parks and recreation	59,556	-	-	59,556
Education	-	-	-	-
Tree preservation	-	11,679	-	11,679
Fire station facility	-	1,868	-	1,868
Committed				
Capital projects	-	-	-	-
Assigned to:				
Debt service	-	-	233,379	233,379
Total Fund Balances	<u>210,121</u>	<u>44,019</u>	<u>233,379</u>	<u>487,519</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 284,103</u>	<u>\$ 44,019</u>	<u>\$ 233,379</u>	<u>\$ 561,501</u>

# CITY OF OAKLAND PARK, FLORIDA

## COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Special Revenue</u>		<u>Debt</u>	<u>Total Nonmajor</u>
	<u>Grant</u>	<u>Impact Fee</u>	<u>Service</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>
<b>Revenues:</b>				
Grants	\$ 33,864	\$ -	\$ -	\$ 33,864
Investment earnings (loss)	2,709	4,343	-	7,052
Licenses and permits	-	384,402	-	384,402
Fines and forfeitures	9,501	-	-	9,501
Other	-	-	-	-
Total revenues	<u>46,074</u>	<u>388,745</u>	<u>-</u>	<u>434,819</u>
<b>Expenditures:</b>				
Current:				
Public safety	912	-	-	912
Public works	-	-	-	-
Culture and recreation	19,426	-	-	19,426
Debt service:				-
Principal	-	-	1,388,990	1,388,990
Interest	-	-	528,950	528,950
Capital Outlay	-	-	-	-
Total expenditures	<u>20,337</u>	<u>-</u>	<u>1,917,940</u>	<u>1,938,277</u>
<b>Excess (deficiency) of revenues over expenditures</b>	25,737	388,745	(1,917,940)	(1,503,458)
<b>Other financing sources (uses):</b>				
Issuance of debt	-	-	-	-
Debt issuance cost	-	-	-	-
Transfers in	-	-	1,962,629	1,962,629
Transfers out	-	(417,604)	-	(417,604)
Total other financing sources	<u>-</u>	<u>(417,604)</u>	<u>1,962,629</u>	<u>1,545,025</u>
<b>Net change in fund balance</b>	25,737	(28,859)	44,689	41,566
<b>Fund balance, beginning</b>	<u>184,385</u>	<u>72,878</u>	<u>188,690</u>	<u>445,953</u>
<b>Fund balance, ending</b>	<u>\$ 210,122</u>	<u>\$ 44,019</u>	<u>\$ 233,379</u>	<u>\$ 487,521</u>

# CITY OF OAKLAND PARK, FLORIDA

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL - GRANT FUND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<b>Budgeted Amounts</b>			<b>Variance With Final Budget Positive (Negative)</b>
	<b><u>Original</u></b>	<b><u>Final</u></b>	<b><u>Actual</u></b>	<b><u>(Negative)</u></b>
<b>Revenues:</b>				
Grants	\$ 41,000	\$ 43,500	\$ 33,864	\$ (9,636)
Investment earnings (loss)	2,800	2,800	2,709	(91)
Fines and forfeitures	-	-	9,501	9,501
Total revenues	<u>43,800</u>	<u>46,300</u>	<u>46,074</u>	<u>(227)</u>
<b>Expenditures:</b>				
Current:				
Public safety	16,300	16,300	912	15,388
Culture and recreation	<u>36,500</u>	<u>39,000</u>	<u>19,426</u>	<u>19,574</u>
Total expenditures	<u>52,800</u>	<u>55,300</u>	<u>20,337</u>	<u>34,963</u>
<b>Deficiency of revenues over expenditures</b>	(9,000)	(9,000)	25,737	34,736
<b>Other financing sources (uses):</b>				
Other sources	9,000	9,000	-	-
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>9,000</u>	<u>9,000</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	25,737	<u>\$ -</u>
<b>Fund balance, beginning</b>			<u>184,385</u>	
<b>Fund balance, end</b>			<u>\$ 210,122</u>	

# CITY OF OAKLAND PARK, FLORIDA

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL - IMPACT FEE FUND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance With Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Grants	\$ -	\$ -	\$ -	\$ -
Investment earnings (loss)	4,000	4,000	4,343	343
Licenses and permits	-	-	384,402	384,402
Total revenues	<u>4,000</u>	<u>4,000</u>	<u>388,745</u>	<u>384,745</u>
<b>Expenditures:</b>				
Current:				
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deficiency of revenues over expenditures</b>	4,000	4,000	388,745	384,745
<b>Other financing sources (uses):</b>				
Other sources	39,932	413,604	-	(413,604)
Transfers in	-	-	-	-
Transfers out	<u>(43,932)</u>	<u>(417,604)</u>	<u>(417,604)</u>	<u>-</u>
Total other financing sources	<u>(4,000)</u>	<u>(4,000)</u>	<u>(417,604)</u>	<u>(413,604)</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	(28,859)	<u>\$ (413,604)</u>
<b>Fund balance, beginning</b>			<u>72,877</u>	
<b>Fund balance, end</b>			<u>\$ 44,018</u>	



# CITY OF OAKLAND PARK, FLORIDA

## COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL - DEBT SERVICE FUND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Grants	\$ -	\$ -	\$ -	\$ -
Investment earnings (loss)	-	-	-	-
Fines and forfeitures	-	-	-	-
Total revenues	-	-	-	-
<b>Expenditures:</b>				
Debt service:				
Principal	1,445,404	1,433,679	1,388,990	44,689
Interest	517,225	528,950	528,950	-
Total expenditures	1,962,629	1,962,629	1,917,940	44,689
<b>Deficiency of revenues over expenditures</b>	(1,962,629)	(1,962,629)	(1,917,940)	44,689
<b>Other financing sources (uses):</b>				
Transfers in	1,962,629	1,962,629	1,962,629	-
Total other financing sources	1,962,629	1,962,629	1,962,629	-
<b>Excess of revenues over expenditures</b>	-	-	44,689	-
Interfund account write-off	-	-	-	-
<b>Net change in fund balance</b>	\$ -	\$ -	44,689	\$ -
<b>Fund balance, beginning</b>			188,690	
<b>Fund balance, end</b>			\$ 233,379	



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## **FIDUCIARY FUND TYPES**

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## **PENSION TRUST FUNDS**

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**EMPLOYEE RETIREMENT FUNDS** — TO ACCOUNT FOR THE ACCUMULATION OF RESOURCES TO BE USED FOR RETIREMENT BENEFITS FOR THE CITY'S GENERAL EMPLOYEES AND POLICE OFFICERS AND FIREFIGHTERS.

## CITY OF OAKLAND PARK, FLORIDA

### COMBINING STATEMENT OF FIDUCIARY NET POSITION PENSION TRUST FUNDS SEPTEMBER 30, 2020

	<b><u>General Employees Pension Fund</u></b>	<b><u>Police and Firefighters Pension Fund</u></b>	<b><u>Total</u></b>
<b>Assets</b>			
Cash and short-term investments	\$ 207,659	\$ 2,371,905	\$ 2,579,564
Receivables:			
Contributions and others	-	740,911	740,911
Accrued interest and dividends	-	61,396	61,396
Total receivables	-	802,307	802,307
Investments, at fair value:			
Money market funds	-	37,214,286	37,214,286
Corporate bonds and notes	-	5,429,460	5,429,460
U.S. Government and agency securities	-	4,372,943	4,372,943
Fixed income funds	41,324,133	5,364,455	46,688,588
Real estate fund	-	8,595,107	8,595,107
Total investments	41,324,133	60,976,251	102,300,384
Prepayments	-	6,795	6,795
Total assets	41,531,792	64,157,258	105,689,050
<b>Liabilities</b>			
Accounts payable and accrued expenses	-	376,850	376,850
Payable for securities purchased	-	139,970	139,970
Total liabilities	-	516,820	516,820
<b>Net Position Restricted for Pensions</b>	<b>\$ 41,531,792</b>	<b>\$ 63,640,438</b>	<b>\$ 105,172,230</b>

# CITY OF OAKLAND PARK, FLORIDA

## COMBINING STATEMENT OF FIDUCIARY NET POSITION PENSION TRUST FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<b><u>General Employees Pension Fund</u></b>	<b><u>Police and Firefighters Pension Fund</u></b>	<b><u>Total</u></b>
<b>Additions</b>			
Contributions:			
Plan members	\$ -	\$ 102,966	\$ 102,966
City	(67,000)	1,793,242	1,726,242
State of Florida	-	693,510	693,510
Broward Sheriff's Office	67,000	-	67,000
Total contributions	<u>-</u>	<u>2,589,718</u>	<u>2,589,718</u>
Investment income:			
Investment earnings	-	1,311,482	1,311,482
Net appreciation in fair value of investments	-	5,443,971	5,443,971
Total	-	6,755,453	6,755,453
Less: Investment expenses	-	(328,847)	(328,847)
Net investment income	-	6,426,606	6,426,606
Miscellaneous income	-	484	484
Total additions	<u>-</u>	<u>9,016,808</u>	<u>9,016,808</u>
<b>Deductions:</b>			
Pension benefits paid	-	6,619,648	6,619,648
Administrative expenses	-	113,947	113,947
Total deductions	<u>-</u>	<u>6,733,595</u>	<u>6,733,595</u>
<b>Change in net position</b>	-	2,283,213	2,283,213
<b>Net position held in trust for pension benefits, beginning</b>	<u>41,531,792</u>	<u>61,357,225</u>	<u>102,889,017</u>
<b>Net position held in trust for pension benefits, ending</b>	<u><u>\$ 41,531,792</u></u>	<u><u>\$ 63,640,438</u></u>	<u><u>\$ 105,172,230</u></u>

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## STATISTICAL SECTION

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# CITY OF OAKLAND PARK, FLORIDA

## STATISTICAL SECTION

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This part of the City of Oakland Park's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents	Page No.
<b>Financial Trends</b> – These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Net Position by Component	145 - 146
Changes in Net Position	147 - 150
Fund Balances, Governmental Funds	151 - 152
Changes in Fund Balance, Governmental Funds	153 - 154
<b>Revenue Capacity</b> – These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	
Assessed Value and Estimated Actual Value of Taxable Property	155
Direct and Overlapping Property Tax Rates	156
Principal Property Taxpayers	157
Property Tax Levies and Collections	158
<b>Debt Capacity</b> - These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
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Direct and Overlapping Governmental Activities Debt	162
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<b>Demographic and Economic Information</b> – These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
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# CITY OF OAKLAND PARK, FLORIDA

## STATISTICAL SECTION

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Contents	Page No.
<b>Operating Information</b> – these schedules contain service and infrastructure data to help the reader the information understand how in the City’s financial report relates to the services the City provides and the activities it performs.	
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### ***Sources:***

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

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## CITY OF OAKLAND PARK, FLORIDA

### Net Position by Component Last Ten Fiscal Years (Accrual Basis)

	2011	2012	2013	2014
<b>Governmental activities</b>				
Net investment in capital assets	\$ 64,905,390	\$ 65,134,366	\$ 66,684,747	\$ 67,984,473
Restricted for:				
Special revenue	769,920	987,573	684,139	2,487,168
Capital projects	2,955,884	2,279,506	-	-
Grant match	-	-	-	-
Unrestricted	14,908,051	12,004,977	13,993,521	13,170,502
Total governmental activities net position	<u>\$ 83,539,245</u>	<u>\$ 80,406,422</u>	<u>\$ 81,362,407</u>	<u>\$ 83,642,143</u>
<b>Business-type activities</b>				
Net investment in capital assets	\$ 59,006,190	\$ 65,033,304	\$ 62,752,703	\$ 65,115,434
Restricted for:				
Capital projects	2,385,823	-	-	-
Grant match	-	-	-	-
Debt service & debt covenants	-	-	-	-
Unrestricted	10,359,372	11,020,934	17,709,020	16,987,819
Total business-type activities net position	<u>\$ 71,751,385</u>	<u>\$ 76,054,238</u>	<u>\$ 80,461,723</u>	<u>\$ 82,103,253</u>
<b>Primary Government</b>				
Net investment in capital assets	\$ 123,911,580	\$ 130,167,670	\$ 129,180,247	\$ 133,099,907
Restricted for:				
Special revenue	769,920	987,573	684,139	2,487,168
Capital projects	5,341,707	2,279,506	-	-
Debt service & debt covenants	-	-	-	-
Grant match	-	-	-	-
Unrestricted	25,267,423	23,025,911	31,702,541	30,158,321
Total primary government net position	<u>\$ 155,290,630</u>	<u>\$ 156,460,660</u>	<u>\$ 161,566,927</u>	<u>\$ 165,745,396</u>

Source: City of Oakland Park Financial Services Department

Fiscal Years					
2015	2016	2017	2018	2019	2020
\$ 67,127,854	\$ 68,813,605	\$ 69,559,837	\$ 70,518,249	\$ 72,489,283	\$ 72,332,872
713,729	481,583	368,948	477,673	577,956	574,832
224,139	-	-	-	-	-
-	-	-	565,985	878,366	482,396
4,308,851	3,874,904	3,989,503	3,168,756	404,191	(339,115)
\$ 72,374,573	\$ 73,170,092	\$ 73,918,288	\$ 74,730,663	\$ 74,349,796	\$ 73,050,985
\$ 70,090,827	\$ 77,348,537	\$ 77,642,349	\$ 75,002,190	\$ 80,460,347	\$ 79,554,947
-	-	-	-	400,000	-
-	-	-	-	-	400,000
1,065,461	1,023,200	1,034,314	1,054,148	1,081,054	1,093,876
15,551,504	12,059,270	15,717,833	20,494,333	15,304,838	16,071,725
\$ 86,707,792	\$ 90,431,007	\$ 94,394,496	\$ 96,550,671	\$ 97,246,239	\$ 97,120,548
\$ 137,218,681	\$ 146,162,143	\$ 147,202,186	\$ 145,520,439	\$ 152,949,630	\$ 151,887,819
713,729	481,583	368,948	477,673	577,956	574,832
224,139	-	-	-	-	-
1,065,461	1,023,200	1,034,314	1,054,148	1,081,054	1,093,876
-	-	-	565,985	878,366	882,396
19,860,355	15,934,174	19,707,336	23,663,089	15,709,029	15,732,610
\$ 159,082,365	\$ 163,601,100	\$ 168,312,784	\$ 171,281,334	\$ 171,196,035	\$ 170,171,533

# CITY OF OAKLAND PARK, FLORIDA

## Changes in Fund Net Position Last Ten Fiscal Years (Accrual Basis)

	2011	2012	2013	2014
<b>Expenses</b>				
Governmental activities:				
General government	\$ 1,258,173	\$ 997,799	\$ 337,068	\$ 469,137
Public safety	22,515,601	21,819,794	21,923,435	23,437,947
Public works	3,631,164	5,139,923	4,651,117	5,034,095
Eng. & Community development	3,547,260	3,641,854	3,600,636	3,188,050
Culture and recreation	5,943,331	5,854,059	5,372,980	5,892,221
Interest on long term debt	814,840	554,176	532,350	555,710
Total governmental activities expenses	37,710,369	38,007,605	36,417,586	38,577,160
Business type activities				
Water and sewer	12,740,960	14,038,761	\$ 14,034,929	\$ 15,903,626
Solid waste	7,525,930	6,356,474	6,319,981	5,497,740
Stormwater	3,054,220	3,250,247	3,151,444	2,978,161
Total business type activities expenses	23,321,110	23,645,482	23,506,354	24,379,527
Total primary government expenses	\$ 61,031,479	\$ 61,653,087	\$ 59,923,940	\$ 62,956,687
<b>Program Revenues</b>				
Governmental activities				
Charges for services				
General government	\$ 689,905	\$ 665,305	\$ 639,536	\$ 580,917
Public safety	5,134,575	5,866,561	6,533,279	7,094,092
Eng. & Community development	998,090	1,243,449	1,297,196	1,462,295
Culture/Recreation	539,417	525,175	517,130	1,031,871
Operating grants and contributions	657,434	350,691	104,729	44,590
Capital grants and contributions	1,815,646	462,974	1,356,205	2,141,441
Total governmental activities program revenues	9,835,067	9,114,155	10,448,075	12,355,206
Business type activities				
Charges for services:				
Water and sewer	14,292,649	15,232,281	16,399,284	16,684,366
Solid waste	7,294,361	6,527,762	7,303,375	5,544,291
Stormwater	2,735,721	3,129,533	3,154,975	3,081,078
Operating grants and contributions	334,879	413,722	764,026	224,967
Capital grants and contributions	2,896,277	2,541,022	196,520	937,730
Total business type activities program revenues	27,553,887	27,844,320	27,818,180	26,472,432
Total primary government program revenues	\$ 37,388,954	\$ 36,958,475	\$ 38,266,255	\$ 38,827,638
<b>Net (Expense)/Revenue</b>				
Governmental activities	\$ (27,875,302)	\$ (28,893,450)	\$ (25,969,511)	\$ (26,221,954)
Business type activities	4,232,777	4,198,838	4,311,826	2,092,905
Total primary government net expense	\$ (23,642,525)	\$ (24,694,612)	\$ (21,657,685)	\$ (24,129,049)

(Continued)

Fiscal Years					
2015	2016	2017	2018	2019	2020
\$ 296,421	\$ 533,871	\$ 1,117,467	\$ 1,474,358	\$ 1,596,733	\$ 1,356,283
23,147,659	22,779,946	25,710,343	26,184,629	28,763,597	29,497,937
4,130,236	5,209,646	4,845,675	8,120,139	7,681,229	7,724,735
3,117,032	4,621,904	5,174,156	5,565,711	5,389,927	6,103,528
6,178,785	6,477,191	7,217,705	4,621,007	4,809,098	4,223,347
511,576	495,864	546,959	556,959	547,224	1,068,199
37,381,709	40,118,422	44,612,305	46,522,803	48,787,808	49,974,029
\$ 16,126,887	\$ 16,892,145	\$ 16,557,929	\$ 18,452,247	\$ 21,810,139	\$ 20,316,249
5,360,148	5,788,497	6,651,441	7,012,329	5,357,114	6,554,379
2,631,128	2,918,272	3,220,532	3,570,048	3,771,114	3,827,287
24,118,163	25,598,914	26,429,902	29,034,624	30,938,367	30,697,915
\$ 61,499,872	\$ 65,717,336	\$ 71,042,207	\$ 75,557,427	\$ 79,726,175	\$ 80,671,944
\$ 608,883	\$ 471,490	\$ 355,277	\$ 306,617	\$ 310,896	\$ 196,996
7,612,745	7,385,928	7,372,365	7,487,042	7,815,440	7,887,246
703,407	2,368,887	3,010,117	2,155,813	2,200,576	2,145,981
1,649,195	880,861	746,651	835,254	729,070	787,117
52,689	61,435	574,004	444,746	221,310	257,581
466,870	926,016	1,102,931	2,082,492	947,984	606,426
11,093,790	12,094,617	13,161,345	13,311,964	12,225,276	11,881,347
18,555,649	18,007,209	19,495,458	19,798,530	21,036,346	20,135,698
6,654,671	5,511,260	5,624,963	5,988,644	6,172,819	6,435,078
3,161,747	3,578,013	3,645,281	3,634,621	3,475,698	3,472,884
224,724	225,936	225,694	1,975,796	237,392	114,966
2,485,283	3,359,516	1,144,635	-	100,000	-
31,082,074	30,681,934	30,136,031	31,397,591	31,022,255	30,158,626
\$ 42,175,864	\$ 42,776,551	\$ 43,297,376	\$ 44,709,555	\$ 43,247,531	\$ 42,039,973
\$ (26,287,919)	\$ (28,023,805)	\$ (31,450,960)	\$ (33,210,839)	\$ (36,562,532)	\$ (38,092,682)
6,963,911	5,083,020	3,706,129	2,362,967	83,888	(539,289)
\$ (19,324,008)	\$ (22,940,785)	\$ (27,744,831)	\$ (30,847,872)	\$ (36,478,644)	\$ (38,631,971)

## CITY OF OAKLAND PARK, FLORIDA

### Changes in Fund Net Position Last Ten Fiscal Years (Accrual Basis)

	2011	2012	2013	2014
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Taxes:				
Ad valorem	\$ 12,632,161	\$ 12,150,587	\$ 12,831,277	\$ 13,566,402
Franchise fees	2,569,590	2,457,781	2,424,270	2,631,913
Utility taxes	3,676,217	3,760,525	4,059,906	4,364,202
Communication service taxes	2,025,458	1,935,672	1,803,813	1,636,717
Other taxes	1,634,116	1,668,976	1,674,677	1,706,931
Unrestricted investment earnings	68,935	83,304	49,793	22,405
Intergovernmental revenue - unrestricted	3,337,877	3,446,807	3,713,871	3,907,222
Miscellaneous	167,812	256,975	367,889	665,899
Transfers - net	-	-	-	-
Special item	-	-	-	-
Total governmental activities	26,112,166	25,760,627	26,925,496	28,501,691
Business type activities:				
Unrestricted investment earnings	66,552	104,015	95,659	55,830
Transfers	-	-	-	-
Special item	-	-	-	-
Total business type activities	66,552	104,015	95,659	55,830
Total primary government	\$ 26,178,718	\$ 25,864,642	\$ 27,021,155	\$ 28,557,521
<b>Change in Net Position</b>				
Governmental activities	\$ (1,763,136)	\$ (3,132,823)	\$ 955,985	\$ 2,279,737
Business type activities	4,299,329	4,302,853	4,407,485	2,148,735
Total primary government	\$ 2,536,193	\$ 1,170,030	\$ 5,363,470	\$ 4,428,472

Source: City of Oakland Park Financial Services Department

Fiscal Years					
2015	2016	2017	2018	2019	2020
\$ 14,128,644	\$ 15,064,291	\$ 16,185,976	\$ 17,518,760	\$ 18,987,785	\$ 20,616,499
2,663,154	2,616,140	2,723,389	2,700,264	2,671,496	2,600,936
4,510,535	4,566,369	4,697,743	4,870,984	4,972,469	4,876,392
1,662,895	1,503,326	1,613,895	1,412,591	1,352,718	1,434,626
1,768,768	1,730,203	1,854,639	1,921,986	1,938,173	1,783,997
62,991	117,100	250,116	459,792	588,002	326,804
4,138,359	4,304,238	4,461,100	4,650,307	4,752,294	4,319,726
487,374	707,533	503,116	633,168	918,728	834,891
-	1,110,000	-	-	-	-
-	-	(90,818)	-	-	-
29,422,720	31,719,200	32,199,156	34,167,852	36,181,665	36,793,871
86,456	163,525	257,360	518,745	611,680	413,599
-	(1,110,000)	-	-	-	-
-	-	-	(628,450)	-	-
86,456	(946,475)	257,360	(109,705)	611,680	413,599
\$ 29,509,176	\$ 30,772,725	\$ 32,456,516	\$ 34,058,147	\$ 36,793,345	\$ 37,207,470
\$ 3,134,801	\$ 3,695,395	\$ 748,196	\$ 957,013	\$ (380,867)	\$ (1,298,811)
7,050,367	4,136,545	3,963,489	2,253,262	695,568	(125,690)
\$ 10,185,168	\$ 7,831,940	\$ 4,711,685	\$ 3,210,275	\$ 314,701	\$ (1,424,501)

# CITY OF OAKLAND PARK, FLORIDA

## Fund Balances, Governmental Funds Last Ten Fiscal Years (Modified accrual basis)

	2011	2012	2013	2014
<b>General Fund</b>				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:				
General fund, designated for:				
Subsequent year expenditures	-	-	-	-
Fiscal contingency*	-	-	-	-
Grant matching	-	-	-	-
General fund, unreserved, undesignated	-	-	-	-
Nonspendable				
Inventories	72,761	67,971	61,410	74,129
Prepaid Costs	1,787,620	48,927	118,598	137,841
Interfund loan	114,531	112,971	112,971	1,726,848
Restricted for				
Grant match	839,952	839,952	586,551	-
Education	92,541	102,538	113,535	128,846
Transportation improvement	-	-	-	-
Tree preservation	-	-	-	-
Committed to:				
Grant match	-	-	-	-
Assigned to				
Subsequent year's budget	1,894,337	2,558,680	2,700,369	2,089,752
Unassigned	11,486,394	12,214,133	12,343,763	11,986,648
<b>Total general fund</b>	<b>16,288,136</b>	<b>15,945,172</b>	<b>16,037,197</b>	<b>16,144,064</b>
<b>All Other Governmental Funds</b>				
Reserved				
Special Revenue Funds	-	-	-	-
Capital Project Funds	-	-	-	-
Debt service	-	-	-	-
Other	-	-	-	-
Unreserved, designated - sub. Year expend.				
Special Revenue Funds	-	-	-	-
Un reserved, Undesignated:				
Special revenue fund	-	-	-	-
Nonspendable				
Prepaid Costs	30,485	-	-	-
Restricted for:				
Public safety	324,755	521,195	477,321	364,529
Library	43,543	28,792	28,172	30,031
Tree preservation	344,824	229,821	102,832	5,788
Fire station facility	129,584	131,114	42,491	208
Park development	16,653	17,521	18,483	18,949
Parks and recreation	-	10,777	14,840	18,006
Grant match	-	-	-	-
Committed to:				
Capital Projects	2,644,485	2,009,326	1,841,393	1,861,862
Public safety	1,219,296	-	-	-
Streets and resurfacing	77,129	-	-	-
Assigned to:				
Community redevelopment	(116,044)	(555,584)	-1,497,314	-1,772,516
Debt Service	-	11,087	11,516	11,516
Subsequent year's budget				
<b>Total all other governmental funds</b>	<b>4,714,710</b>	<b>2,404,049</b>	<b>1,039,734</b>	<b>538,373</b>
<b>Total governmental funds</b>	<b>\$ 21,002,846</b>	<b>\$ 18,349,221</b>	<b>\$ 17,076,931</b>	<b>\$ 16,682,437</b>

Source: City of Oakland Park, Financial Services Department

Note: The City implemented GASB54 fund balance reporting prospectively from FY2011. Fiscal 1 unassigned fund balance was che



Fiscal Years					
2015	2016	2017	2018	2019	2020
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
76,838	70,068	74,786	86,448	79,657	75,168
157,601	1,219,525	751,773	1,285,025	1,083,302	479,853
1,726,848	1,751,356	1,591,356	185,938	185,938	-
224,139	-	-	-	331,300	482,396
153,920	162,577	211,380	235,484	283,844	317,878
-	-	-	35,818	35,818	1,783
-	-	-	-	1,031	1,031
-	-	-	-	-	-
2,017,430	2,625,518	5,548,817	3,171,683	2,741,280	4,085,977
14,440,351	15,540,356	12,358,935	11,473,344	12,693,316	13,411,470
18,797,127	21,369,400	20,537,047	16,473,740	17,435,486	18,855,556
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	2,388	113,554	110,063	117,346	-
270,587	209,510	31,521	80,210	89,002	-
28,709	29,251	30,038	16,731	39,327	102,225
6,204	33,653	33,973	34,556	35,337	48,340
809	1,439	1,604	1,632	1,669	11,679
19,061	19,724	22,385	27,789	35,872	1,868
23,849	25,428	38,047	45,453	56,056	30,471
-	-	-	565,985	547,066	59,556
2,710,817	2,554,954	3,028,902	5,140,006	2,677,856	33,916,927
-	-	-	-	-	-
-	-	-	-	-	-
-1,788,828	(2,604,011)	(1,599,830)	6,645	205,512	138,583
11,516	29,573	26,656	74,482	71,449	233,379
-	-	-	-	-	115,863
1,282,724	301,909	1,726,850	6,103,552	3,876,492	34,658,891
\$ 20,079,851	\$ 21,671,309	\$ 22,263,897	\$ 22,577,292	\$ 21,311,978	\$ 53,514,448

unded in Sept. 2012 to 25% of next year's appropriations.

# CITY OF OAKLAND PARK, FLORIDA

## Changes in Fund Balances, Governmental Funds Last Ten Fiscal Years (Modified accrual basis)

	2011	2012	2013
<b>Revenues</b>			
Taxes:			
Ad Valorem	\$ 12,632,161	\$ 12,150,587	\$ 12,831,277
Utility taxes	3,676,217	3,760,525	4,059,906
Communication Service	2,025,458	1,935,672	1,803,813
Other Taxes	1,634,116	1,668,976	1,674,676
Franchise fees	2,569,590	2,457,781	2,424,270
Licenses and permits	1,143,739	1,159,311	1,251,212
Intergovernmental	3,337,877	3,446,807	3,713,871
Charges for service	11,479,407	10,625,666	11,479,964
Fines and forfeitures	491,432	742,431	472,778
Grants	1,911,047	1,055,355	1,313,380
Investment earnings	68,935	83,304	49,793
Other	197,790	350,710	495,174
Total revenues	41,167,769	39,437,125	41,570,114
<b>Expenditures</b>			
Current:			
General government	5,003,438	4,772,781	4,463,378
Public safety	22,097,602	21,374,664	21,572,490
Public works	3,809,861	3,635,786	3,298,663
Eng. and Community development	3,331,934	3,583,745	3,530,597
Culture and recreation	5,141,525	4,982,035	4,797,349
Debt service:			
Principal	600,365	689,118	553,439
Interest	891,892	557,495	533,841
Bond issue costs	148,969	-	-
Capital outlay	5,255,883	3,551,425	4,790,041
Total expenditures	46,281,469	43,147,049	43,539,798
Excess (deficiency) of revenues over expenditures	(5,113,700)	(3,709,924)	(1,969,684)
<b>Other Financing Sources (Uses)</b>			
Issuance of debt	13,078,254	1,056,300	697,394
Payment to refunding bond agent	(10,565,000)	-	-
Transfers in	5,746,564	3,560,200	3,536,298
Transfers out	(5,746,564)	(3,560,200)	(3,536,298)
Insurance recoveries	-	-	-
Total other financing sources (uses)	2,513,254	1,056,300	697,394
<b>Special Item</b>			
Return of Federal Equitable Sharing Funds	-	-	-
Net change in fund balances	\$ (2,600,446)	\$ (2,653,624)	\$ (1,272,290)
Debt service as a percentage of noncapital expenditures	<u>3.6%</u>	<u>3.1%</u>	<u>2.8%</u>

Source: City of Oakland Park, Financial Services Department

Fiscal Years						
2014	2015	2016	2017	2018	2019	2020
\$ 13,566,402	\$ 14,128,644	\$ 15,064,291	\$ 16,185,976	\$ 17,518,760	\$ 18,987,785	\$ -
4,364,202	4,510,535	4,566,369	4,697,743	4,870,984	4,972,469	4,741,731
1,636,717	1,662,895	1,503,326	1,613,895	1,412,591	1,352,718	-
1,735,031	1,768,768	1,730,203	1,854,639	1,921,986	1,938,173	75,168
2,631,913	2,663,154	2,616,140	2,723,389	2,700,264	2,671,496	18,339,283
1,875,880	1,403,593	2,081,632	2,687,258	1,856,793	1,726,823	479,853
3,879,122	4,138,359	4,304,238	4,461,100	4,650,307	4,752,294	-
11,806,480	13,162,629	13,454,340	13,389,381	13,873,238	13,795,959	-
928,123	927,519	839,130	625,707	516,038	578,543	35,685,561
1,224,032	1,895,104	869,908	1,160,268	1,160,006	1,015,872	-
22,405	62,991	117,100	250,116	455,845	588,001	59,321,596
687,553	489,070	707,532	503,116	642,204	786,013	-
44,357,859	46,813,261	47,854,209	50,152,588	51,579,016	53,166,146	118,643,192
4,885,134	4,628,450	4,879,013	5,324,188	5,888,136	5,638,239	131,130
23,066,104	23,762,084	23,470,455	25,019,649	25,811,454	27,336,150	566,158
3,572,735	3,667,082	3,763,159	3,839,996	7,193,874	7,227,845	501,926
3,154,231	3,288,485	4,635,561	4,973,013	5,402,587	5,118,910	-
5,132,554	5,548,883	5,674,756	6,119,304	3,578,865	3,593,849	4,582,407
659,442	758,660	774,938	805,236	951,978	1,178,349	-
523,303	509,776	490,058	531,902	540,535	546,627	-
-	-	-	-	-	-	-
4,362,130	2,030,942	4,429,810	3,934,647	4,157,803	3,924,208	-
45,355,633	44,194,362	48,117,750	50,547,935	53,525,232	54,564,177	5,781,621
(997,774)	2,618,899	(263,541)	(395,347)	(1,946,216)	(1,398,031)	112,861,571
603,280	778,515	745,000	1,078,752	2,259,611	-	-
-	-	-	-	-	-	-
5,153,487	2,140,495	5,198,688	3,437,407	7,119,564	2,192,813	-
(5,153,487)	(2,140,495)	(4,088,688)	(3,437,407)	(7,119,564)	(2,192,813)	-
-	-	-	-	-	132,718	-
603,280	778,515	1,855,000	1,078,752	2,259,611	132,718	-
-	-	-	(90,818)	-	-	-
\$ (394,494)	\$ 3,397,414	\$ 1,591,459	\$ 592,587	\$ 313,395	\$ (1,265,313)	\$ 112,861,571
2.9%	3.0%	2.9%	2.9%	3.0%	3.4%	0.0%

## CITY OF OAKLAND PARK, FLORIDA

### Assessed Value and Actual Value of Taxable Property Last Ten Fiscal Years

(dollars in thousands)

Fiscal Year	Assessment Value				Total Assessed Property Value(1)	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Residential Property	Commercial Property	Industrial Property	Personal & Other Property				
2011	1,701,485	1,004,413	361,761	141,028	3,208,687	949,516	2,259,171	5.7252
2012	1,649,147	961,225	317,364	129,776	3,057,512	934,497	2,123,015	6.0138
2013	1,658,054	948,483	307,548	132,881	3,046,966	949,832	2,097,134	6.3142
2014	1,818,424	941,357	321,619	139,965	3,221,365	1,017,908	2,203,457	6.3995
2015	2,144,707	937,752	367,699	143,705	3,593,863	1,215,085	2,378,778	6.2744
2016	2,379,158	950,629	384,570	154,484	3,868,841	1,338,149	2,530,692	6.1995
2017	2,639,069	1,016,255	430,673	157,475	4,243,472	1,516,389	2,727,083	6.1555
2018	3,000,946	1,082,394	473,489	161,014	4,717,843	1,733,069	2,984,774	6.0985
2019	3,305,524	1,107,337	526,733	175,012	5,114,606	1,823,124	3,291,482	5.9985
2020	3,605,855	1,147,615	592,205	175,304	5,520,979	1,991,370	3,529,609	6.0880

*Source: Broward County Property Appraiser DR403, 420 & real estate use code summary report.*

Note: (1) State Law requires that assessed values be established at 100% of current fair market value.

(2) As of December 31st of each year listed.

Tax rates are per \$1,000 of taxable assessed value.

## CITY OF OAKLAND PARK, FLORIDA

### Direct and Overlapping Property Tax Rates Last Ten Fiscal Years

Fiscal Year	City Direct Rate	Overlapping Rates						Total Direct & Overlapping Rates
	Oakland Park Operating Rate	Broward County	Broward County School Board	Florida Water Mgmt District	North Broward Hospital District	Florida Inland Navigation District	Children Services Council	
2011	5.7252	5.5530	7.6310	0.6240	1.8750	0.0345	0.4696	21.9123
2012	6.0138	5.5530	7.4180	0.4363	1.8750	0.0345	0.4789	21.8095
2013	6.3142	5.2576	7.4560	0.4289	1.8564	0.0345	0.4902	21.8378
2014	6.3995	5.4400	7.4800	0.4110	1.7554	0.0345	0.4882	22.0086
2015	6.2744	5.4584	7.4380	0.3842	1.5939	0.0345	0.4882	21.6716
2016	6.1995	5.4741	7.2030	0.3551	1.4425	0.0320	0.4882	21.1944
2017	6.1555	5.4474	6.8360	0.3307	1.3462	0.0320	0.4882	20.6360
2018	6.0985	5.4623	6.4740	0.3100	1.2483	0.0320	0.4882	20.1133
2019	5.9985	5.4878	6.4029	0.2936	1.0855	0.0320	0.4882	19.7885
2020	6.0880	5.4878	6.6350	0.2795	1.0324	0.0320	0.4882	20.0429

Source: Broward County Property Appraiser

Note: Tax rates are per \$1,000 of taxable assessed value.  
The city's basic property tax rate may be increased only by a majority vote of the city's residents.  
Overlapping rates are those of local and county governments that apply to property owners within the city.

## CITY OF OAKLAND PARK, FLORIDA

### Principal Property Tax Payers Current Year and Ten Years Ago (Dollars in thousands)

Taxpayer	2020			2011		
	Taxable Assessed Value (a)	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value (a)	Rank	Percentage of Total City Taxable Assessed Value
WRI JT Northridge LP	\$45,242	1	1.28%	\$ 31,876	1	1.41%
Alliance HTFL LP	27,092	2	0.77%	17,023	3	0.75%
Brookwood CP II LLC	24,560	3	0.70%			
Northland Greentree LLC	24,532	4	0.70%			
Shores Behavioral Hospital LLC	23,090	5	0.65%			
SSC Property Holdings Inc	17,960	6	0.51%			
Jorken Crystal Lake LLC	16,676	7	0.47%			
Set Point Associates LTD PRTNR	15,379	8	0.44%			
Affordable Watehouses, Inc	14,491	9	0.41%			
Oakland Commerce Center LLC	13,884	10	0.39%			
Florida Power & Light Co.				31,208	2	1.38%
Lowe's Home Centers Inc.				16,248	4	0.72%
Southern Tier Southeast				15,815	5	0.70%
Mainstreet AEW V				14,745	6	0.65%
Sela LLC				13,996	7	0.62%
Oakland Center Associates, LTD				12,502	8	0.55%
Bridgewater Place Assoc LTD				12,085	9	0.53%
SSTI 4950 N Dixie Hwy LLC				11,019	10	0.49%
Total	<u>\$222,906</u>		<u>6.32%</u>	<u>\$ 187,159</u>		<u>8.28%</u>

Source: Broward County Revenue Collection

## CITY OF OAKLAND PARK, FLORIDA

### Property Tax Levies and Collections Last Ten Fiscal Years

Fiscal Year	Taxes Levied for Fiscal Year (from BCPA)	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	12,933,809	12,461,669	96.35%	(16,232)	12,445,437	96.22%
2012	12,844,598	12,186,893	94.88%	(7,297)	12,179,597	94.82%
2013	13,274,836	12,784,619	96.31%	(53,851)	12,730,768	95.90%
2014	14,147,792	13,563,259	95.87%	(66,774)	13,496,485	95.40%
2015	14,930,547	14,168,828	94.90%	17,036	14,185,865	95.01%
2016	15,689,028	15,024,930	95.77%	16,075	15,041,005	95.87%
2017	16,786,562	16,132,394	96.10%	15,382	16,147,776	96.19%
2018	18,202,649	17,486,037	96.06%	29,935	17,515,973	96.23%
2019	19,578,834	18,944,914	96.76%	1,497	18,946,411	96.77%
2020	21,335,400	20,604,060	96.57%	-	20,604,060	96.57%

Source: Broward County Property Appraiser (BCPA) and City of Oakland Park, Financial Services Department

## CITY OF OAKLAND PARK, FLORIDA

### Ratios of Outstanding Debt by Type Last Ten Fiscal Years

Governmental Activities								Business-Type		
Fiscal Year	Refunding Bonds BB&T	CapitalOne Series 2007 Note	CRA RCP Loan	Capital Leases	Note Payable 2016	FCB Bank Loan 2018	General Obligation Bonds 2020	2010 Utility Bonds	2012 Utility Bonds	2019 Utility Refunding Bonds
2011	10,992,811	3,591,176	2,085,443	87,674	-	-	-	14,615,000	-	-
2012	10,536,890	3,445,652	3,141,743	-	-	-	-	14,345,000	16,982,710	-
2013	10,143,268	3,293,623	3,141,743	689,606	-	-	-	14,065,000	16,881,137	-
2014	9,737,029	3,134,798	3,745,023	595,216	-	-	-	13,780,000	16,420,565	-
2015	9,314,072	2,968,874	3,773,977	1,174,998	-	-	-	13,470,000	16,136,992	-
2016	8,878,506	2,795,533	3,773,977	1,008,965	745,000	-	-	13,145,000	15,853,420	-
2017	8,423,846	2,614,444	4,852,729	839,479	745,000	-	-	12,810,000	15,559,847	-
2018	7,954,313	2,425,261	3,447,321	1,245,829	645,000	1,660,000	-	12,465,000	15,415,000	-
2019	7,468,464	2,227,620	3,313,745	982,986	540,000	1,660,000	-	12,110,000	15,100,000	-
2020	6,963,283	2,021,145	3,139,967	735,981	435,000	1,515,000	26,000,000	230,000	14,775,000	10,730,000

Source: City of Oakland Park, Financial Services Department

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Activities									
2011 Stormwater Assessment Bonds	Stormwater Refunding Bonds BB&T	2017 Water & Sewer JPMorgan	SunTrust 2014 Loan	Stormwater 2015 Bonds	2019 Solid- waste JP Morgan Chase Loan	Capital Leases	Total Primary Government	Percent. of Personal Income	Per Capita
-	4,644,189	-	-	-	-	834,335	38,853,265	3.75%	935
5,614,949	4,451,574	-	-	-	-	625,805	60,674,323	5.71%	1,444
5,411,610	4,285,278	-	-	-	-	410,953	59,812,218	5.55%	1,396
5,293,169	4,113,653	-	1,495,000	-	-	189,588	58,504,041	5.41%	1,352
5,174,728	3,934,964	-	1,415,000	2,145,530	-	452,433	59,961,568	5.53%	1,382
5,051,287	3,750,948	-	1,330,000	2,028,920	-	406,832	58,768,388	5.46%	1,333
4,927,846	3,558,865	-	1,245,000	1,907,250	-	1,460,128	58,944,434	5.46%	1,327
4,835,000	3,360,500	6,511,296	1,155,000	1,782,370	-	1,162,327	64,064,217	6.05%	1,478
4,700,000	3,155,240	5,768,090	1,065,000	1,654,190	1,262,453	959,864	61,967,652	2.96%	1,367
4,560,000	2,941,814	5,768,090	970,000	1,522,630	1,091,753	753,542	84,153,205	5.40%	1,841

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## CITY OF OAKLAND PARK, FLORIDA

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### Ratios of General Bonded Debt Outstanding Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>General Bonded Debt Outstanding</b>	<b>Percentage of Estimated Actual Taxable Value of Property</b>	<b>Per Capita</b>
2011	-	0.00%	-
2012	-	0.00%	-
2013	-	0.00%	-
2014	-	0.00%	-
2015	-	0.00%	-
2016	-	0.00%	-
2017	-	0.00%	-
2018	-	0.00%	-
2019	-	0.00%	-
2020	\$26,000,000	100.00%	\$569

Source: City of Oakland Park, Financial Services Department

*Note: Details regarding the city's outstanding debt can be found in the notes to the financial statement*

## CITY OF OAKLAND PARK, FLORIDA

### Direct and Overlapping Governmental Activities Debt As of September 30, 2020

Governmental Unit	Debt Outstanding (in thousands)	Estimated Percentage Applicable	Estimated Share of Overlapping Debt (in thousands)
<b>Debt repaid with property taxes</b>			
Broward County Debt Service *	\$ 693,230	1.759%	\$ 12,191
Broward Public Schools Debt Service **	337,681	1.719%	5,805
Subtotal, overlapping debt			17,998
<b>Oakland Park direct debt (in thousands)</b>			16,193
<b>Total direct and overlapping debt</b>			<u>\$ 34,191</u>

Note: Overlapping governments are those that coincide with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Oakland Park. The estimated percentage is determined by dividing the city's taxable assessed value by each overlapping unit's total taxable assessed value. Details regarding the city's outstanding debt can be found in the notes to the financial statements.

Sources:

City of Oakland Park, Financial Services Department

\* Broward County Accounting Division

\*\* School Board of Broward County Financial Reporting Division

# CITY OF OAKLAND PARK, FLORIDA

## Legal Debt Margin Information Last Ten Fiscal Years (dollars in thousands)

### Legal Debt Margin Calculation for Fiscal Year 2020

Assessed value (in thousands)		\$ 3,529,609
Bonded debt limit - 15% of assessed value		\$ 529,441
Debt applicable to limit		
General Obligation Bonds	\$ 26,000	
Less: Amount set aside for repayment of general obligation debt	-	
Total net debt applicable to limit		26,000
Legal debt margin		\$ 503,441

	2011	2012	2013
Debt Limit	\$ 338,876	\$ 318,452	\$ 314,570
Total net debt application to limit	-	-	-
Legal debt margin	\$ 338,876	\$ 318,452	\$ 314,570
Total net debt applicable to the limit as a % of debt limit	0%	0%	0%

Source: City of Oakland Park, Financial Services Department

*Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.*

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Fiscal Years						
2014	2015	2016	2017	2018	2019	2020
\$ 330,519	\$ 356,817	\$ 379,453	\$ 408,900	\$ 447,543	\$ 492,621	\$ 503,441
-	-	-	-	-	-	-
\$ 330,519	\$ 356,817	\$ 379,453	\$ 408,900	\$ 447,543	\$ 492,621	\$ 503,441
0%	0%	0%	0%	0%	0%	0%

# CITY OF OAKLAND PARK, FLORIDA

## Pledged-Revenue Coverage Last Ten Fiscal Years (dollars in thousands)

Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
<b>General - 2007 CapitalOne Loan</b>						
2011	\$ 20,035	\$ 15,705	\$ 4,330	\$ 139	\$ 164	14.29
2012	25,916	23,917	1,999	146	158	6.58
2013	27,213	24,979	2,234	152	150	7.40
2014	28,970	26,060	2,910	159	144	9.60
2015	30,604	26,697	3,907	166	136	12.94
2016	31,588	27,482	4,106	173	129	13.60
2017	32,620	28,379	4,241	181	121	14.04
2018	32,729	30,627	2,102	189	113	6.96
2019	33,090	30,077	3,013	198	126	9.30
2020	52,455	45,988	6,467	206	115	20.15
<b>Utility System Revenue Bonds, 2010 series</b>						
2011	\$ 14,293	\$ 9,825	\$ 4,468	\$ 270	\$ 776	\$ 4
2012	15,232	10,960	4,272	270	775	4.09
2013	16,399	10,455	5,944	280	770	5.66
2014	16,684	10,882	5,802	285	764	5.53
2015	18,556	11,189	7,367	310	759	6.89
2016	18,007	11,774	6,233	325	752	5.79
2017	19,495	11,736	7,759	335	743	7.20
2018	20,639	12,882	7,757	345	735	7.18
2019	21,036	16,319	4,717	355	725	4.37
2020	20,136	14,257	5,879	365	714	5.45
<b>General - 2010 BB&amp;T Refunding Bonds</b>						
2011	\$ 20,035	\$ 15,705	\$ 4,330	\$ 290	\$ 428	6.03
2012	25,916	23,917	1,999	456	398	2.34
2013	27,213	24,979	2,234	394	383	2.88
2014	28,970	26,060	2,910	406	368	3.76
2015	30,604	26,697	3,907	423	352	5.04
2016	31,588	27,482	4,106	436	337	5.31
2017	32,620	28,379	4,241	455	320	5.47
2018	32,729	30,627	2,102	470	303	2.72
2019	33,090	30,077	3,013	486	285	3.91
2020	52,455	45,988	6,467	505	267	8.38
<b>Stormwater - 2010 BB&amp;T Refunding Bonds</b>						
2011	\$ 20,035	\$ 15,705	\$ 4,330	\$ 125	\$ 270	10.96
2012	25,916	23,917	1,999	193	168	5.54
2013	27,213	24,979	2,234	166	162	6.81
2014	28,970	26,060	2,910	172	155	8.90
2015	30,604	26,697	3,907	178	148	11.98
2016	31,588	27,482	4,106	184	142	12.60
2017	32,620	28,379	4,241	192	132	13.09
2018	32,729	30,627	2,102	198	128	6.45
2019	33,090	30,077	3,013	205	121	9.24
2020	52,455	45,988	6,467	213	113	19.84
<b>Stormwater Assessment Bonds, 2011 series</b>						
2012	\$ 3,130	\$ 1,113	\$ 2,017	\$ 195	\$ 141	6.00
2013	3,154	1,002	2,152	115	221	6.40
2014	3,081	1,042	2,039	120	219	6.01
2015	3,161	868	2,293	120	217	6.80
2016	3,578	965	2,613	125	214	7.71
2017	3,645	1,103	2,542	125	210	7.59
2018	3,113	1,087	2,026	130	207	6.01
2019	3,476	1,023	2,453	135	203	7.26
2020	3,472	1,093	2,379	140	199	7.02

# CITY OF OAKLAND PARK, FLORIDA

## Pledged-Revenue Coverage

### Last Ten Fiscal Years

(dollars in thousands)

Fiscal Year	Gross Revenues	Less:	Net	Debt Service		Coverage
		Operating Expenses	Available Revenue	Principal	Interest	
Water and Sewer Revenue Bonds, 2012 series						
2012	\$ 15,232	\$ 10,960	\$ 4,272	\$ -	\$ -	-
2013	16,399	10,455	5,944	275	607	6.74
2014	16,684	10,882	5,802	300	607	6.40
2015	18,556	11,189	7,367	290	598	8.30
2016	18,007	11,774	6,233	290	589	7.09
2017	19,495	11,736	7,759	300	580	8.82
2018	20,639	12,882	7,757	305	572	8.84
2019	21,036	16,319	4,717	315	562	5.38
2020	20,136	14,257	5,879	325	553	6.70
Water and Sewer 2014 loan - refunding						
2015	\$ 18,556	\$ 11,189	\$ 7,367	\$ 80	\$ 44	59.41
2016	18,007	11,774	6,233	85	41	49.47
2017	19,495	11,736	7,759	85	38	63.08
2018	20,639	15,705	4,934	90	36	39.16
2019	21,036	16,319	4,717	90	33	38.35
2020	20,136	14,257	5,879	95	35	45.22
Stormwater Assessment Bonds, 2015 series						
2015	\$ 30,604	\$ 26,697	\$ 3,907	\$ -	\$ -	-
2016	31,588	27,482	4,106	117	56	23.74
2017	32,620	28,379	4,241	122	53	24.23
2018	15,232	10,960	4,272	125	50	24.41
2019	33,090	30,077	3,013	128	47	17.22
2020	52,455	45,988	6,467	132	44	36.74
Water and Sewer Bonds, 2017 series						
2018	\$ 25,916	\$ 23,917	\$ 1,999	\$ -	\$ 59	33.88
2019	21,036	16,319	4,717	359	128	9.69
2020	-	14,257	(14,257)	385	120	(28.23)

Source: City of Oakland Park, Financial Services Department

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.  
 Gross revenues exclude grants and restricted revenues. Operating expenses exclude depreciation and administrative support fees.  
 2000B bonds were defeased in 2011 and removed from City's balance sheet  
 2004A FMLC loan was defeased in 2014 and removed from the City's balance sheet

## CITY OF OAKLAND PARK, FLORIDA

### Demographic and Economic Statistics Last Ten Fiscal Years

Year	Population*	Personal Income*	Per Capita Personal income*	Unemployment Rate**
2011	41,549	\$ 1,037,436,981	24,969	7.00%
2012	42,020	\$ 1,062,013,480	25,274	5.80%
2013	42,832	\$ 1,077,438,960	25,155	4.50%
2014	43,286	\$ 1,080,894,706	24,971	4.10%
2015	43,390	\$ 1,083,491,690	24,971	4.30%
2016	44,090	\$ 1,076,854,160	24,424	3.90%
2017	44,409	\$ 1,079,760,426	24,314	3.10%
2018	43,347	\$ 1,058,707,128	24,424	2.80%
2019	45,339	\$ 2,091,740,645	26,611	2.60%
2020	45,709	\$ 1,558,814,027	34,103	8.50%

Source: \*City Engineering and Community Development Department

\*\*Florida Agency for Workforce Innovation

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## CITY OF OAKLAND PARK, FLORIDA

### Principal Employers Current Year and Ten Years Ago

2020

Employer	Employees	Rank	Percentage of Total City Employment
Sunshine Cleaning Services	439	1	2.42%
Publix Supermakets	336	2	1.85%
Behavioral Shores	296	3	1.63%
US Dept of Veterans	285	4	1.57%
City of Oakland Park	277	5	1.53%
GMRI	228	6	1.26%
Atlas Apex Roofing	225	7	1.24%
Home Depot	193	8	1.06%
Concrete Protection Restoration	169	9	0.93%
Lowes	151	10	0.83%

2011

Employer	Employees	Rank	Percentage of Total City Employment
Ngu Nations Group USA	300	1	1.70%
Home Depot	300	2	1.70%
City of Oakland Park	254	6	1.44%
Agency Workforce Innovation	172	9	0.97%
US Dept of Veterans	145	4	0.82%
H Lamm Industries	140	7	0.79%
Broward Paper & Packaing	135	8	0.77%
Lipton Toyota	130	10	0.74%
Gateway Insurance	110	3	0.62%
Warranty USA	110	4	0.62%

**Source:** *InfoGroup Employer Database 2017 ed. 1*

via Florida Department of Economic Opportunity (DEO), Bureau of Labor Market Statistics

# CITY OF OAKLAND PARK, FLORIDA

## Operating Indicators by Function/Program Last Ten Fiscal Years

Function/Program	2011	2012	2013	2014
Police				
Physical arrests	2,038	1,926	1,881	2,389
Parking violations	116	139	74	280
Traffic violations	5,586	5,844	5,595	8,071
Fire Rescue				
Emergency responses	7,394	7,512	7,541	7,780
Fires extinguished	122	87	141	104
Inspections	3,200	3,116	2,656	2,953
Refuse collection				
Refuse collected (tons per day)	145	144	137	142
Recyclables collected (tons per day)	8	8	11	15
Other public works				
Street resurfacing (miles)	5	2	-	2
Potholes repaired	1,164	1,578	1,643	2,228
Parks and Leisure				
Athletic field permits issued	392	404	448	461
Community center admissions	56,010	57,937	63,580	69,700
Library				
Volumes in collection	48,462	48,462	47,825	51,676
Total volumes borrowed	106,904	106,200	98,695	82,965
Water				
New connections	1,044	32	23	26
Water main breaks	66	50	46	57
Average daily consumption (thousands of gallons)	3,105	3,084	3,039	3,190
Sewer				
Avg. daily sewage treatment by other (in thousands)	5,387	6,129	7,431	6,560

Source: Various City departments

\*\*Includes 57 resulting from Hurricane Wilma, 10/05

\*\*\*The City does not have a wastewater treatment facility

2015	2016	2017	2018	2019	2020
1,675	997	1,491	1,614	1,237	1,046
243	309	32	52	33	46
10,520	7,348	6,176	8,657	6,450	4,235
7,976	8,427	9,123	9,032	8,346	8,368
105	130	160	134	129	123
5,585	5,890	4,385	5,953	5,281	3,680
138	159	141	140	140	180
13	15	13	13	13	18
3	2	2	2	6	0
1,705	2,032	2,228	1,991	1,812	1,494
403	355	400	432	436	198
70,000	72,100	73,500	74,500	75,300	56,328
55,170	59,225	71,770	50,594	43,856	44,383
73,334	73,719	63,307	60,354	49,732	25,040
23	57	260	40	73	57
70	27	12	6	8	21
3,236	2,530	2,262	2,478	2,971	3,297
5,703	5,778	6,328	11,861	9,731	12,256

# CITY OF OAKLAND PARK, FLORIDA

## Capital Asset Statistics by Function/Program Last Ten Fiscal Years

Function/Program	Fiscal Year			
	2011	2012	2013	2014
Police				
Stations	1	1	1	1
Zone offices	1	1	1	1
Patrol units	63	68	63	65
Fire stations	3	3	3	3
Refuse Collection				
Collection trucks	11	10	10	13
Other public works				
Streets (miles)	134	134	134	134
Highways (miles)	(a) -	(a) -	(a) -	(a) -
Streetlights	* 2,351	* 2,383	* 2,406	* 2,466
Traffic signals	(a) -	(a) -	(a) -	(a) -
Parks and Leisure				
Acreage	189	198	199	199
Playgrounds	10	10	10	10
Baseball/softball diamonds	9	9	9	7
Soccer/football fields	3	3	3	4
Tennis courts	14	14	14	14
Community centers	4	4	4	4
Basketball Courts	5	5	5	5
Handball/Racquetball Courts	4	4	4	4
Bocce Courts	2	2	2	2
Dog Park	1	1	1	1
Exercise Trail with Exercise Stations	3	3	3	3
Boat Ramp	1	1	1	1
Canoe/Kayak Launch	1	1	1	1
Water				
Water mains (miles)	197	197	197	197
Fire hydrants	1,135	1,135	785	791
Storage capacity (thousand of gallons)	** -	** -	** -	** -
Sewer				
Sanitary sewers (miles)	100	100	100	100
Storm sewers (miles)	62	62	62	62
Treatment capacity (thousand of gallons)	*** -	*** -	*** -	*** -
Transit - minibuses	-	-	-	-

Source: Various City departments

\*Majority are owned by FPL; the City pays a maintenance fee

\*\*No water storage tanks owned by the City

\*\*\*The City does not have a wastewater treatment facility

Note: Data prior to 2006 are not available

(a) None owned by the City

s

	2015	2016	2017	2018	2019	2020
	1	1	1	1	1	1
	1	1	1	1	1	1
	69	69	69	69	88	88
	3	3	3	3	3	3
	10	10	8	8	8	8
	134	134	134	134	134	134
(a)	-	(a)	-	(a)	-	(a)
*	2,596	*	2,646	*	*	*
(a)	-	(a)	-	(a)	-	(a)
	199	199	201	201	201	201
	10	10	10	10	10	10
	7	4	4	4	4	4
	4	3	3	3	3	3
	14	14	14	14	14	14
	4	4	4	4	4	4
	5	5	5	5	5	5
	4	4	4	4	4	4
	2	2	2	2	2	2
	1	1	1	1	1	1
	3	3	3	3	3	3
	1	1	1	1	1	1
	1	1	1	1	1	1
	197	197	197	197	197	197
	811	851	855	896	910	910
**	-	**	-	**	-	**
	100	100	100	100	100	100
	62	62	63.8	62	62	62
***	-	***	-	***	-	***
	-	-	-	-	-	-

## CITY OF OAKLAND PARK, FLORIDA

### Full-time Equivalent City Government Employees by Function/Program Last Ten Fiscal Years

#### Full-time Equivalent Employees as of September 30

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government	24	22	24	24	22	25	28	28	24	23
Broward Sheriff's Office*	92	97	98	99	98	99	99	99	99	99
Fire Rescue	66	65	63	69	73	67	67	67	67	68
Public Works	15	14	14	15	14	15	16	16	16	20
Engineering	7	8	8	10	9	8	7	7	4	7
Community Development	15	15	16	9	11	24	28	28	26	22
Library	7	7	7	6	7	6	6	6	6	6
Parks and Leisure	43	40	42	40	42	36	14	14	20	14
Parks Maintenance	0	0	0	0	0	0	23	23	22	13
Water & Sewer	23	25	20	22	22	25	26	26	25	24
Solid Waste	23	23	24	22	20	23	23	23	23	21
Storm Water	10	10	10	10	10	10	11	11	10	9
<b>Total</b>	<b>325</b>	<b>326</b>	<b>326</b>	<b>326</b>	<b>328</b>	<b>338</b>	<b>346</b>	<b>346</b>	<b>342</b>	<b>326</b>

\*Staffing level set by contract

Source: City of Oakland Park, Financial Services Department

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## COMPLIANCE SECTION

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# CITY OF OAKLAND PARK, FLORIDA

## Schedule of Expenditures of Federal Awards For The Fiscal Year Ended September 30, 2020

<u>Federal Agency/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Pass-through Identifying Number</u>	<u>Expenditures</u>
<b>Federal Emergency Management Agency (FEMA)</b>			
Staffing for Adequate Fire & Emergency Response	97.083	N/A	\$ 146,650
<b>Total Federal Emergency Management Agency (FEMA)</b>			<u>146,650</u>
<b>U.S. Department of Transportation/ Federal Highway Administration</b>			
<i>Pass-Through State of Florida Department of Transportation</i>			
Highway Planning & Construction Grant - Local Agency Program Agreement	20.205	G1491	606,425
<b>Total U.S. Department of Transportation/ Federal Highway Administration</b>			<u>606,425</u>
<b>U.S. Department of Agriculture</b>			
<i>Pass-Through State of Florida Department of Education</i>			
Summer Food Service Program	10.559	04-0773	18,288
<b>Total U.S. Department of Agriculture</b>			<u>18,288</u>
<b>U.S. Department of Justice</b>			
Coronavirus Emergency Supplemental Funding Program	16.034	N/A	50,479
<b>Total U.S. Department of Justice</b>			<u>50,479</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><u>\$ 821,842</u></u>

See Notes to Schedule of Expenditures of Federal Awards.

## **CITY OF OAKLAND PARK, FLORIDA**

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### **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

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#### **NOTE 1. BASIS OF PRESENTATION**

The accompanying schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Oakland Park, Florida and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulation CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

#### **NOTE 2. INDIRECT COST RATE**

The City has not elected to use the ten percent de minimus indirect cost rate.

#### **NOTE 3. LOAN BALANCES**

The City does not have any outstanding loan or loan guarantee balances at the end of the fiscal year.

#### **NOTE 4. SUB-RECIPIENTS**

No federal award amounts have been passed through to sub-recipients during the fiscal year.

## **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*

The Honorable Mayor and  
Members of the City Commission of the  
City of Oakland Park, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Oakland Park, Florida ("the City") as of and for the year ended September 30, 2020, 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 30, 2021.

#### ***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 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.

Fort Lauderdale, Florida  
April 30, 2021

BCA Watson Rice LLP

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## **REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

### *Independent Auditor's Report*

Honorable Mayor and  
Members of the City Commission of the  
City of Oakland Park, Florida

#### **Report on Compliance for Each Major Federal Program**

We have audited the City of Oakland Park, Florida ("the City")'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2020. The City's major federal programs 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City's major federal programs 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; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 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. However, our audit does not provide a legal determination of the City's compliance.

#### ***Opinion on Each Major Federal Program***

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 for the year ended September 30, 2020.

## 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 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 to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 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 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 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. Accordingly, this report is not suitable for any other purpose.

Fort Lauderdale, Florida  
April 30, 2021

*BCA Watson Rice LLP*

**CITY OF OAKLAND PARK, FLORIDA**  
**SEPTEMBER 30, 2020**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**Section I: Summary of Auditor's Results**

***Financial Statements***

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:		
• Material weakness(es) identified?	___ Yes	_X_ No
• Significant deficiency(ies) identified?	___ Yes	_X_ None Reported
Noncompliance material to financial statements noted?	___ Yes	_X_ No

***Federal Awards***

Internal control over major federal programs:	
• Material weakness(es) identified?	___ Yes      _X_ No
• Significant deficiency(ies) identified?	___ Yes      _X_ None reported
Type of auditor's report issued on compliance for major federal programs :	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	___ Yes      _X_ No
Identification of major federal programs:	
CFDA Number(s)	Name of Federal Program or Cluster
20.205	Highway Planning and Construction
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as a low-risk auditee?	_X_ Yes      ___ No

**CITY OF OAKLAND PARK, FLORIDA  
SEPTEMBER 30, 2020**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**Section II: Financial Statement Findings**

None.

**Section III: Federal Awards Findings**

None.

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**CITY OF OAKLAND PARK, FLORIDA  
SEPTEMBER 30, 2020**

**SUMMARY OF PRIOR YEAR FINDINGS**

None.

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## Management Letter

To the Honorable Mayor and Members or the City Commission  
The City of Oakland Park, Florida.  
Report on the Financial Statements

We have audited the financial statements of the City of Oakland Park, Florida (the “City”), as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated April 30, 2021.

### **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; and Chapter 10.550, Rules of the Auditor General.

### **Other Reporting Requirements**

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 the Financial Statements Performed in Accordance with Government Auditing Standards; and Report on Internal Control over Compliance; and Independent Accountant’s Report(s) on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated April 30, 2021, 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 financial audit report. There were no prior audit findings in the preceding financial audit report.

### **Official Title and Legal Authority**

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

### **Financial Condition and Management**

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate 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 to identify 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 for the City. 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 review of financial information provided by same.

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

### **Annual Financial Report**

Sections 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the annual financial report for the City for the fiscal year ended September 30, 2020, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2020. In connection with our audit, we determined that these two reports were in agreement.

### **Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate 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 warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

### **Purpose of this Letter**

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

Fort Lauderdale, Florida  
April 30, 2021

*BCA Watson Rice LLP*

## Independent Auditor's Report

Honorable Mayor and  
Members of the City Commission of the  
City of Oakland Park, Florida

We have examined the City of Oakland Park, Florida (the "City's") compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2020. Management is responsible for 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, 2020.

This report is intended solely for the information and use of the City and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

Fort Lauderdale, Florida  
April 30, 2021

*BCA Watson Rice LLP*