

Comprehensive Annual Financial Report



City of Oakland Park, Florida
ENGAGED • INSPIRED • UNITED

*For Fiscal Year Ended
September 30, 2018*

Comprehensive Annual Financial Report

of the



Fiscal Year Ended September 30, 2018

Prepared by the

Financial Services Department

CITY OF OAKLAND PARK, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

Table of Contents

	<u>Page No.</u>
I. Introductory Section	
Letter of Transmittal	i - vii
Organizational Chart	viii
List of Principal Officials	ix
Certificate of Achievement in Financial Reporting	x
Mission/Vision Statement	xi
II. Financial Section	
Independent Auditor's Report	1 - 3
Management's Discussion and Analysis	4 - 21
Basic Financial Statements:	
<i>Government-Wide Financial Statements:</i>	
Statement of Net Position	22
Statement of Activities	23
<i>Fund Financial Statements:</i>	
Balance Sheet - Governmental Funds	24
Reconciliation of the Balance Sheet to the Statement of Net Position	25
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	26
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	27
Statement of Net Position – Proprietary Funds	28
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	29
Statement of Cash Flows – Proprietary Funds	30
Statement of Fiduciary Net Position – Fiduciary Funds	31
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	32
Notes to Financial Statements	33 - 115

CITY OF OAKLAND PARK, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

Table of Contents

(continued)

	<u>Page No.</u>
II. Financial Section (continued)	
Required Supplementary Information:	
Budgetary Comparison Schedules:	
General Fund	116
Oakland Park CRA Fund	117
Notes to Budgetary Comparison Schedule	118
Schedule of Proportionate Share of Net Pension Liability	119 - 120
Schedule of Changes in Net Pension Liability and Related Ratios	121 - 122
Schedule of Employer Contributions	123 - 126
Schedule of Investment Returns	127
Schedule of Changes in Other Post-Employment Liability and Related Ratios	128
Combining Financial Statements:	
Combining Balance Sheet – Nonmajor Governmental Funds	129
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds	130
Combining Statement of Fiduciary Net Position – Pension Trust Funds	131
Combining Statement of Changes in Fiduciary Net Position – Pension Trust Funds	132
III. Statistical Section	
Net Position by Component	133 - 134
Changes in Net Position	135 - 138
Fund Balances of Governmental Funds	139 - 140
Changes in Fund Balances of Governmental Funds	141 - 142
Assessed Value and Estimated Actual Value of Taxable Property	143
Direct and Overlapping Property Tax Rates	144
Principal Property Taxpayers	145
Property Tax Levies and Collection	146
Ratios of Outstanding Debt by Type	147 - 148
Ratios of General Bonded Debt Outstanding	149

CITY OF OAKLAND PARK, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

Table of Contents

(continued)

	<u>Page No.</u>
III. Statistical Section (continued)	
Direct and Overlapping Governmental Activities Debt	150
Legal Debt Margin Information	151 - 152
Pledged Revenue Coverage	153 - 154
Demographic and Economic Statistics	155
Principal Employers	156
Full-Time Equivalent City Government Employees by Function/Program	157
Operating Indicators by Function/Program	158 - 159
Capital Assets Statistics by Function/Program	160 - 161
IV. Compliance Section	
Schedule of Expenditures of Federal Awards	162
Notes to Schedule of Expenditures of Federal Awards	163
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on An Audit of Financial Statements Performed In Accordance with <i>Government Auditing Standards</i>	164 - 165
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Federal Program and Internal Control over Compliance in Accordance with OMB Uniform Guidance and Chapter 10.550 Rules of the Auditor General	166 - 167
Schedule of Findings and Questioned Costs – Federal Awards	168 - 169
Summary Schedule of Prior Audit Findings	170
Management Letter in Accordance with the Rules of the Auditor General of the State of Florida	171 - 174

INTRODUCTORY SECTION



March 29, 2019

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

It is our pleasure to submit the Comprehensive Annual Financial Report (CAFR) of the City of Oakland Park, Florida (the “City” or “Oakland Park”), for the fiscal year ended September 30, 2018, 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 opinions that provides a reasonable basis for an opinions 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 14, as amended by GASB 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), library, 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.



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.

Oakland Park, with a 2017 population from US Census Bureau of approximately 45,035, reflects a diverse residential community. Of the total population, 38.26% of our residents are white, 26.36% are black and 35.38 % are of other races. Hispanic and Latino residents of any race are 29.05% of the population. Close to 58% of our residents are under the age of 45 with the median age being 42. 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.

In 2018, the housing market and the economy have continued to stabilize. The Building Division of the Engineering and Community Development Department served approximately 18,166 counter customers and issued 4,158 permits. The job construction value of permits issued is \$ 64.5 million, a decrease of approximately 40% from last year. The unemployment rate in Broward County declined by 0.9% from 3.7% in September 2017 to 2.8% for September 2018. The region’s jobless rate was 0.9 percentage point lower than the state rate (3.7 %). Overall real property taxable value has increased significantly. The City’s tax base is comprised of 61.3% residential, 22.6% commercial, 14.7% industrial use and 1.3% miscellaneous. The value of new construction, together with the taxable value of the property located within Oakland Park, over the past twelve (13) years is shown below:

<u>Year</u>	<u>(\$ millions)</u> <u>Construction Value</u>	<u>(\$ billions)</u> <u>Property Taxable Value</u>
2006	71.7	2.6
2007	107.2	3.2
2008	62.3	3.5
2009	47.7	3.2
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	64.4	3.3



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 and waste water distribution and collection systems, in addition to drainage improvements. The following milestones are a testament to the City’s progress:

- Completed tree plantings as part of a grant from the TD Bank Green Streets Program. This project enhanced the tree canopy in the Prospect Gardens Community, NW 5th Avenue from W Prospect Road to NW 40th Street.
- Completed the construction of the Stunson Nature Trail. This project created a landscaped nature trail on the area leased from the Broward County School Board located on the north side of NW 38th Street, west of NW 10th Avenue.
- Completed the construction of West Oakland Park Boulevard Landscape project – Phase 1. This project beautified the medians along West Oakland Park, west of I-95 to NW 21st Avenue.

Building on the prudent fiscal management of years past, FY 18 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. 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:

- Stunson Nature Trail Mid-Phase Improvements Project
- NW 10th Avenue Streetscape and Landscape Improvements
- Sewer System Lining – Main Lines and Laterals
- Citywide Tree Canopy Enhancements
- NE 11th Avenue Streetscape and Sidewalk Improvements
- Oakland Park Blvd West Landscaping Improvements Phase 2
- Andrews Avenue Improvement Project
- Main Street Enhancements
- Powerline Road Improvement Project
- NE 6th Avenue Roadway Enhancement



In addition to the above-ground improvements, the City also continues to make investments in infrastructure serving the City’s residents and businesses. Bid Pack 8 started in fiscal year 2018; this final bid pack covers 315 acres in the southeast corner of the City and provides for new water mains, fire hydrants, repaving, drainage improvements, and pedestrian enhancements. Through the framework of an energy-savings performance agreement, the City began implementation of a “smart-meter” program that replaces the City’s existing water meters with advanced metering infrastructure, which combine interval data measurement with continuously available remote communications. The new system, which is nearing completion, will reduce operational expenses through remote reading of meters, increase revenue through enhanced accuracy, and promote sustainability through early leak detection and customer access to water consumption during a billing cycle.

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.

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 2017, the City issued a \$6,511,296 Water and Sewer Revenue Bonds, Series 2017, a single issue. The proceeds of the bonds are used to pay for 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.

In June 2018, the City amended its Master tax-exempt installment purchase agreement with US Bancorp Government Leasing and Finance, Inc. that was originally entered into in August 2013, for an additional \$599,611 funding for a fire truck purchase. The loan is payable for 7 years at a fixed annual rate of 3.01%.



In July 2018, the City successfully satisfied the requirements to convert Redevelopment Capital Program (RCP) loans totaling \$1,405,418 into grants providing huge savings to the City.

In August 2018, the City entered into a bank qualified loan agreement with Florida Community Bank, N.A. for a loan amount of \$1.66 million to provide funding for the purchase of the Omega Church property. The agreement is for a 10-year term at a fixed annual rate of 3.15%.

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, the Oakland Park staff in 2013 created a comprehensive two-year program, Proud Oakland Park (POP), endorsed by the Commission that engages staff and the community in the implementation of 100 business plan initiatives that provide a framework to maintain, improve, and regulate the appearance of our main corridors, city facilities, properties, and private property. Building on the success of the POP program, the FY16 & FY17 budgets included \$2.3 million appropriations for a successor "POP Too" program in FY 16 and then a Proud To Be Oakland Park program or P2(b)OP in 2017, which continued to make investments in redevelopment, beautification, and curb-appeal. Under these programs, the community is integrated in the City's strategic plan and mission. Major components of the program included an enhanced Tree-Give-Away Program for residents and businesses, new recognition programs for residential and commercial landscape improvements, and additional resources for Code Enforcement, now rebranded as Community Enhancement. Major projects included capital improvements included a citywide tree canopy project along major corridors, median enhancements on Powerline Road and Oakland Park Boulevard, and a new Grand Plaza & Fountain linking downtown Oakland Park and Jaco Pastorius Park.

In addition, the City continues to implement major changes in its information technology system. The City is in its last leg of a four-phase strategic plan modifying the manner in which the City has handled its technological requirements into the future. The four phases are to (1) eliminate the single point of network infrastructure failure, (2) eliminate in-house email systems, (3) move software applications from in-house servers to industrial strength data centers, and (4) identify a new enterprise resource plan (ERP) that can be provided to the City in a Software-as-a-Service (SaaS) model.

The financial and accounting function implementation including the general ledger, project ledger, accounts payable and other functionality were completed at the end of 2013, followed by payroll, human resources, and cashiering systems in 2014. The ERP Utility Billing module was implemented in the summer of 2015. In November 2016, the City Commission amended the agreement with the City's ERP vendor to add a permitting and community development system; implementation is expected to be completed in 2019.



In December 2017, a further amendment was made to add a system for managing Parks & Leisure Services activities; implementation is expected to be completed in 2019. When these two final systems will be implemented next year, the City will have successfully completed all phases of the information technology strategy.

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.

The City has seen transformational change in recent years. The effects of the recession continue to subside as the market recovers and Oakland Park's tax base has almost reached full recovery. Broward County Property Appraiser data shows that Oakland Park's growth in taxable value is strong, with 2018 tax year data showing almost 11% growth in total adjusted taxable value, the second highest rate among Broward County's 31 cities. 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.

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 is currently engaged in planning efforts to strategically implement the bond projects 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 this City goes through this process, it is evaluating the long-term placement of facilities and services to ensure decisions are considered in a manner that also promotes economic development and sustainability, is grounded in fiscal responsibility, addresses long-term needs, and realizes the highest and best use of City property. Part of this fiscal responsibility includes the aggressive pursuit of grant funding and other resources to maximize the leverage of bond dollars.

Even as economic conditions improve, and new opportunities arise, the City remains dedicated to a cultural of efficiency. The City continues to examine the ways it does its business and strives to reduce operational costs without a huge impact to the services it provides to residents. The City is committed to explore all avenues to ensure that residents continue to be provided with excellent services in the most cost-efficient manner. 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.

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, 2017. 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.

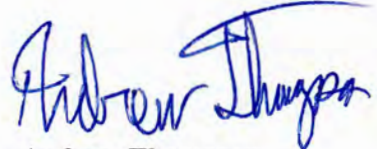
Acknowledgments

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.

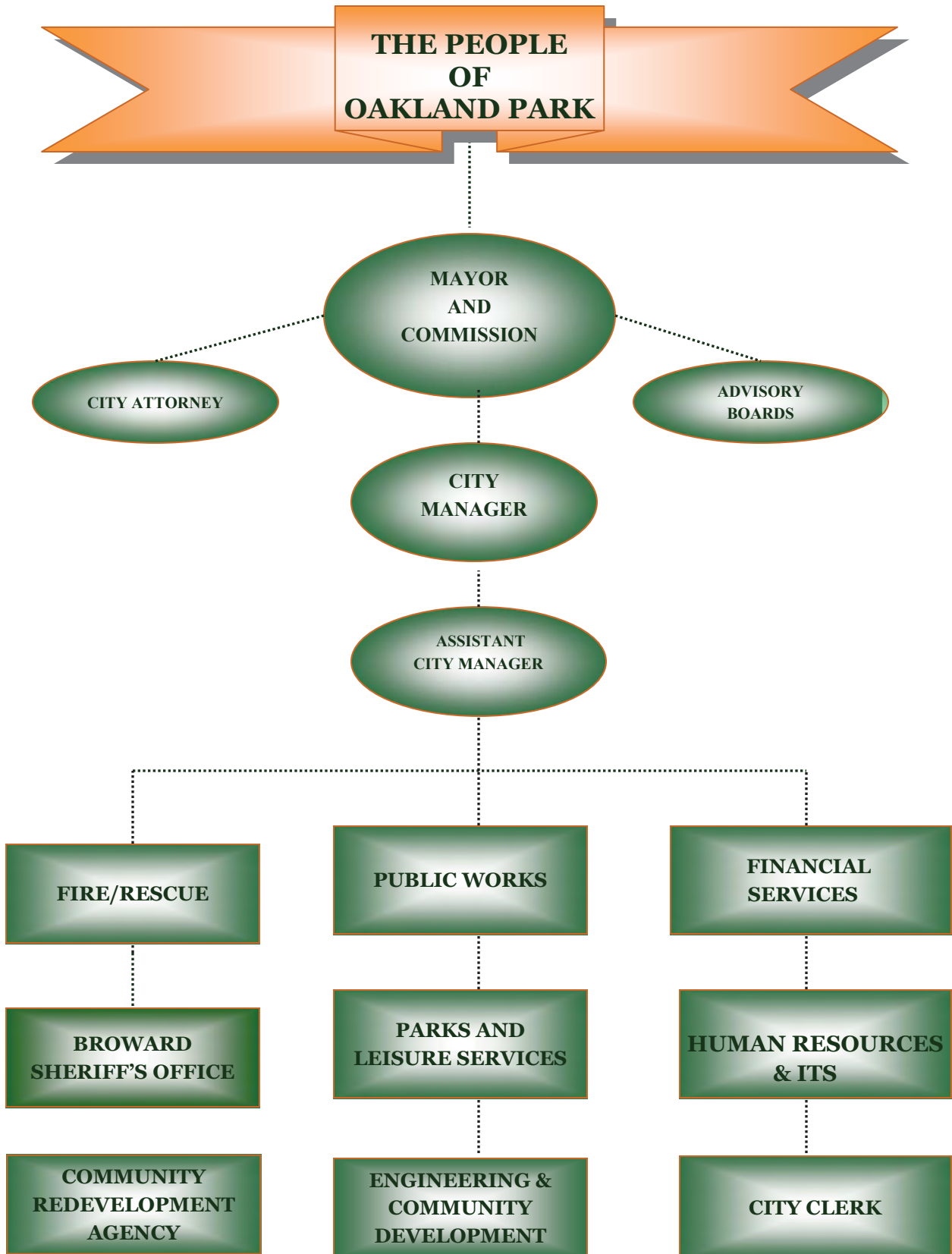
Respectfully submitted,


David Hebert
City Manager


Ana Alvarez
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

SARA GUEVREKIAN
Mayor

MATTHEW SPARKS
Vice Mayor

TIM LONERGAN
Commissioner

MICHAEL E. CARN
Commissioner

JANE F. BOLIN
Commissioner

SENIOR EXECUTIVE TEAM

DAVID HEBERT
City Manager

ANA ALVAREZ
Assistant City Manger

RENEE SHROUT
City Clerk

DONALD J. DOODY
City Attoreny

ANDREW THOMPSON, CGFO
Financial Services Director

LORI DAY
Human Resources Director

STEPHEN KRIVJANIK
Fire Chief

AL HUBRIG
Police Chief - BSO

CHRIS CASALE
Acting Parks & Leisure Services Director

HEIDI BURNETT
Library & Cultural Services Director

JENNIFER FRASTAI
Engineering & Community Development Director

ALBERT CARBON
Public Works Director



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, 2017

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

INDEPENDENT AUDITOR'S REPORT



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, each major fund, and the aggregate remaining fund information of City of Oakland Park, Florida, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise City of Oakland Park, Florida's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Pension Trust Funds for the Police and Firefighter's Pension Plan, which represent 61 percent, 60 percent and 60 percent, respectively, of assets, net position, and revenues of the total pension trust funds. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Pension Trust Funds of the Police and Firefighters' Pension Plan, is based solely on reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Oakland Park, Florida, as of September 30, 2018, 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 accompanying *management's discussion and analysis and budgetary comparison information and required schedules on pages 4 - 21 and 116 - 128* 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 City of Oakland Park, Florida's basic financial statements. The accompanying combining and individual nonmajor fund financial statements 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 accompanying supplementary combining and individual non-major fund financial statements and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate 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 accompanying supplementary combining and individual non-major fund financial statements and Schedule of Expenditures of Federal Award are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The *accompanying introductory and statistical 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 March 30, 2018 on our consideration of City of Oakland Park, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Oakland Park, Florida's internal control over financial reporting and compliance.

Fort Lauderdale, Florida
March 29, 2019

BCA Watson Rice LLP



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MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF OAKLAND PARK, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 2018. 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 activity for the fiscal year ended September 30, 2018:

- The City's total assets plus deferred outflows of resources exceeded its liabilities plus deferred inflows of resources at the close of fiscal year 2018 by \$171.3 million, an overall net increase of \$3.2 million compared to a year ago. Of this total net position amount, \$23.7 million is unrestricted and may be used to meet the ongoing obligations to citizens.
- The City's \$47.5 million in revenues for governmental activities exceeded the \$46.5 million expenses and generated a \$957 thousand increase in net position. Such increase is 13.9% more than last year's increase of \$840 thousand, an indication of better results of operations.
- The City's business-type activities recognized \$31.9 million revenues against \$29.0 million expenses and \$.6 million special item leaving a \$2.2 million positive change in net position after special item.
- The General Fund's revenues exceeded the expenditures by \$2.2 million before transfers. After a net financing source of \$4.8 million which is made up of issuance of debt for \$4.8 million and transfer out of \$7.1 million, a net decrease in the fund balance of \$2.6 million can be noted.
- At the end of the current year, the fund balance of the General Fund was \$16.5 million or 34.2% of total General Fund expenditures. Of this balance, about \$1.8 million was either non-spendable or restricted due to the amounts reserved for inventory, prepaid cost of fire rescue vehicle, advances to other funds and other specified purposes while \$3.2 million is assigned for subsequent year's budget. The remaining \$11.5 million is unassigned and is available for new spending.
- The Community Redevelopment Agency (CRA) fund's revenues exceeded its expenditures by \$193 thousand before special item. During the year, some \$1.4 million of County CRA loans under the Redevelopment Capital Program (RCP) were converted to grants. The City, being the primary government of the CRA, was responsible for the repayment of those loans. As a result of the loan conversion to grant, the City wrote-off the interfund receivable from the CRA for the same amount of \$1.4 million. The CRA fund is supplemented annually by transfers from the General fund.

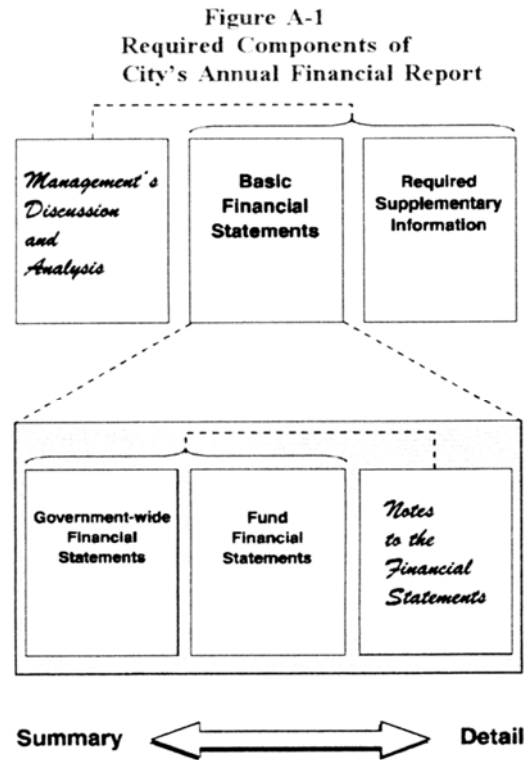
CITY OF OAKLAND PARK, FLORIDA

MANAGEMENT’S DISCUSSION AND ANALYSIS

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, reporting 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.
 - *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.

CITY OF OAKLAND PARK, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

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 City include the water and sewer systems, the solid waste operations and the stormwater system. The government-wide financial statements can be found on pages 22 and 23 of this report.

Fund financial statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City 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 of the City 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*.

CITY OF OAKLAND PARK, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

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 in order to comply with its audit requirement per F.S. 163.387(8). 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 24 to 27 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 28 to 30 of this report.

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 31 to 32 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 33 to 115 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 116 to 128 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 page 129 to 132 of this report.

Our analysis of the financial statements of the City begins on the next page. 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 2018 and 2017 are presented for comparison.

CITY OF OAKLAND PARK, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS

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 position. The table below summarizes Oakland Park's net position for fiscal year 2018 and fiscal year 2017:

City of Oakland Park, Florida Net Position (In Thousands)						
	Governmental Activities		Business-type Activities		Total	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Assets						
Current and other assets	\$ 27,373	\$ 27,268	\$ 33,007	\$ 29,135	60,380	\$ 56,403
Capital assets	<u>88,108</u>	<u>87,035</u>	<u>120,664</u>	<u>115,661</u>	<u>208,773</u>	<u>202,696</u>
Total assets	<u>115,481</u>	<u>114,303</u>	<u>153,671</u>	<u>144,796</u>	<u>269,153</u>	<u>259,099</u>
Deferred outflows of resources	<u>10,712</u>	<u>13,414</u>	<u>1,972</u>	<u>2,572</u>	<u>12,684</u>	<u>15,986</u>
Liabilities						
Accounts payable and other liabilities	4,425	4,580	7,515	6,137	11,940	10,717
Long-term liabilities	<u>42,020</u>	<u>44,248</u>	<u>50,672</u>	<u>45,982</u>	<u>92,692</u>	<u>90,230</u>
Total liabilities	<u>46,445</u>	<u>48,828</u>	<u>58,187</u>	<u>52,119</u>	<u>104,632</u>	<u>100,947</u>
Deferred inflows of resources	<u>5,019</u>	<u>5,115</u>	<u>905</u>	<u>952</u>	<u>5,924</u>	<u>6,067</u>
Net Position:						
Net investment in capital assets	70,518	69,560	75,002	77,642	145,520	147,202
Restricted	1,044	369	1,054	1,034	2,098	1,403
Unrestricted	<u>3,169</u>	<u>3,845</u>	<u>20,494</u>	<u>15,621</u>	<u>23,663</u>	<u>19,466</u>
Total net position	<u>\$ 74,731</u>	<u>\$ 73,774</u>	<u>\$ 96,551</u>	<u>\$ 94,297</u>	<u>\$ 171,281</u>	<u>\$ 168,071</u>

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;
- 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;

CITY OF OAKLAND PARK, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Statement of Net Position: (continued)

- 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 \$171.3 million for fiscal year 2018; \$74.7 million for governmental activities and \$96.6 million for business-type activities. This represents a \$3.0 million or 1.8% increase over the net position of the previous year. Current and other assets increased by \$4.0 million. Of this amount, accounts receivable provided the biggest increase of \$2.4 million due to the recognition of public assistance funds from FEMA for Hurricane Irma expenditures. It can also be noted that capital assets increased by \$6.1 million. This is reflective of the City's investment to upgrade the mechanical water meters to smart meter reading technology. In addition, the City also purchased a property for future development and purchased a new fire rescue vehicle.

The decrease in deferred outflow of resources of \$3.3 million or 20.7%, and the decrease in deferred inflow of resources of \$144 thousand or 2.4%, are primarily driven by the actuarial valuation changes of the City-sponsored pension plans. Included as a new item in the deferred outflow this year is \$49 thousand related to other post-employment benefits (OPEB) resulting from the implementation of the new accounting and reporting standard for OPEB (GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*).

Accounts payable and other liabilities increased by \$1.2 million while long-term liabilities increased by \$2.7 million. Additional capital financing of \$2.1 million was obtained during the year for the purchase of a fire rescue vehicle and a property within the City Hall area for future development.

The largest portion of the net position reflects its investment in capital assets such as lands, buildings, equipment and infrastructure. For fiscal year 2018, the net position in this category for governmental activities is 94.4% while business-type activities is 77.7%. 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, \$2.0 million, or 1.2% represents resources for the government that are not spendable or subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position*, \$23.7 million, may be used to meet the government's ongoing obligations to residents and creditors.

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CITY OF OAKLAND PARK, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Statement of Activities:

The following table reflects the City's revenues and expenses for fiscal year 2018 compared to fiscal year 2017, with the resulting change in net position:

City of Oakland Park, Florida						
Changes in Net Position (in Thousands)						
	Governmental Activities		Business-type Activities		Total	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenues:						
Program revenues:						
Charges for services	\$ 10,785	\$ 11,484	\$ 29,422	\$ 28,766	\$ 40,207	\$ 40,250
Operating grants/contributions	445	574	1,976	226	2,421	800
Capital grants/contributions	2,082	1,103	-	1,145	2,082	2,248
General revenues						
Property taxes	17,519	16,186	-	-	17,519	16,186
Franchise fees	2,700	2,724	-	-	2,700	2,724
Utility taxes	4,871	4,698	-	-	4,871	4,698
Communication Service taxes	1,413	1,614	-	-	1,413	1,614
Other taxes	1,922	1,854	-	-	1,922	1,854
Intergovernmental	4,650	4,461	-	-	4,650	4,461
Investment earnings	460	250	519	257	979	507
Miscellaneous revenue	633	504	-	-	633	504
Total revenues	<u>47,480</u>	<u>45,452</u>	<u>31,916</u>	<u>30,394</u>	<u>79,396</u>	<u>75,846</u>
Expenses:						
General government	1,474	1,117	-	-	1,474	1,117
Public safety	26,185	25,710	-	-	26,185	25,710
Public works	8,120	4,846	-	-	8,120	4,846
Engineering & community development	5,566	5,174	-	-	5,566	5,174
Culture/recreation	4,621	7,218	-	-	4,621	7,218
Water & Sewer	-	-	18,452	16,558	18,452	16,558
Solid Waste	-	-	7,012	6,652	7,012	6,652
Stormwater	-	-	3,570	3,221	3,570	3,221
Interest on long-term debt	557	547	-	-	557	547
Total expenses	<u>46,523</u>	<u>44,612</u>	<u>29,035</u>	<u>26,431</u>	<u>75,557</u>	<u>71,043</u>
Increase in net position before transfers	957	840	2,882	3,963	3,839	4,803
Special item	-	(91)	(628)	-	(628)	(91)
Increase in net position	957	749	2,254	3,963	3,211	4,712
Net position, beginning - restated	73,774	73,170	94,297	90,431	168,071	163,601
Prior period adjustment	-	(145)	-	(97)	-	(242)
Net position, end of year	<u>\$ 74,731</u>	<u>\$ 73,774</u>	<u>\$ 96,551</u>	<u>\$ 94,297</u>	<u>\$ 171,282</u>	<u>\$ 168,071</u>

CITY OF OAKLAND PARK, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

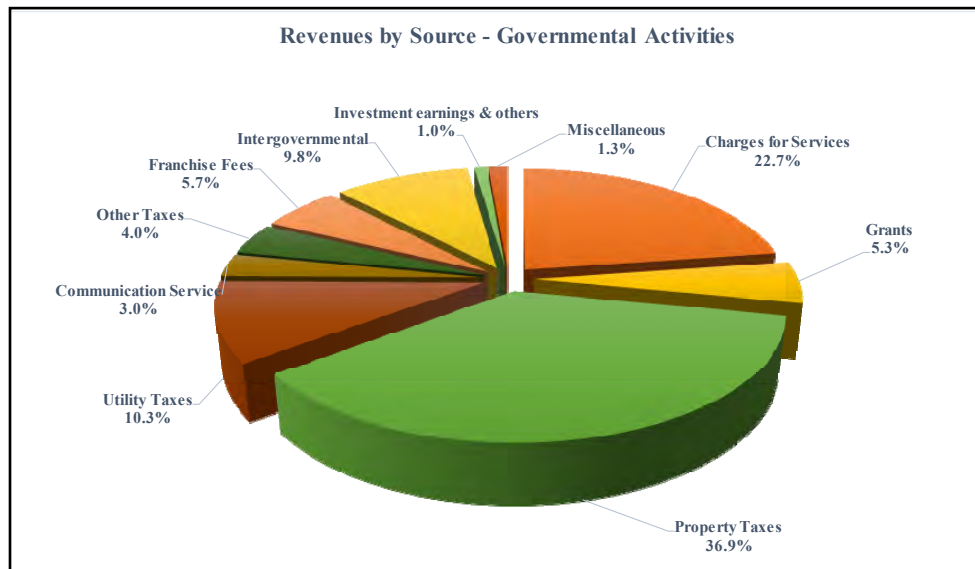
Statement of Activities: (continued)

The following information is presented to assist the reader in understanding the different types of factors that can affect the result 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% 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

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Statement of Activities: (continued)

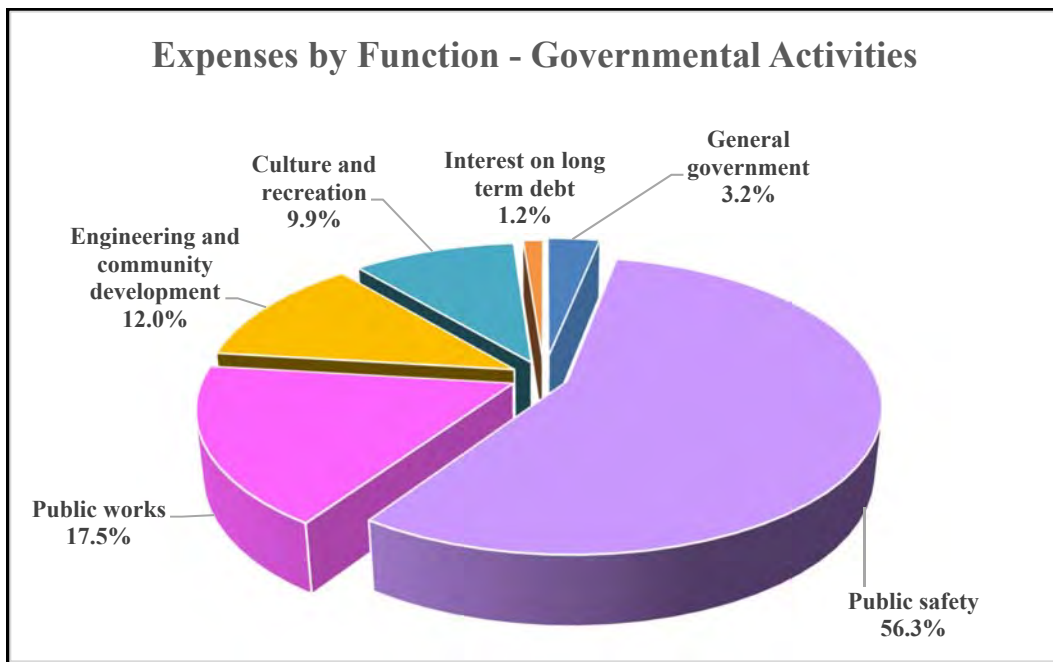
As can be noted on the chart on the previous page, there are two primary contributors to governmental revenues (exclusive of transfers) - property taxes and charges for services. For FY2018, property taxes at \$17.5 million represent 36.9% of governmental revenues while charges for services at \$10.8 million represent 22.7% of revenues. Grant revenues realized during the year of about \$2.5 million is 5.3% of the total revenues.

In governmental activities, there is a net increase of \$2.0 million in total revenues when compared to fiscal year 2017 as a result of increase in property tax by \$1.3 million reflecting the effect of stabilized property values. The balance is accounted for by the increases in intergovernmental revenues, \$189 thousand; investment earnings, \$210 thousand; miscellaneous income, \$130 thousand; operating and capital grants revenue, \$850 thousand; and the combined effect of utility and other taxes providing for a \$16 thousand increase.

The above-mentioned increases in the revenue items are explained as follows:

- increase in intergovernmental revenues is due to improved consumer spending;
- increase in investment earnings is due to a slight rise in interest rate; and
- increase in operating and capital grants is due to anticipated reimbursements for Hurricane Irma expenditures.

On the other hand, a few revenue streams decreased, such as: charges for services, \$700 thousand; communication service tax, \$201 thousand; and franchise fees, \$24 thousand. The total decrease of these is about \$925 thousand and had offset the positive effect of the aforementioned increases in revenues, providing only a net increase of \$2 million or 4.5% more than last year.



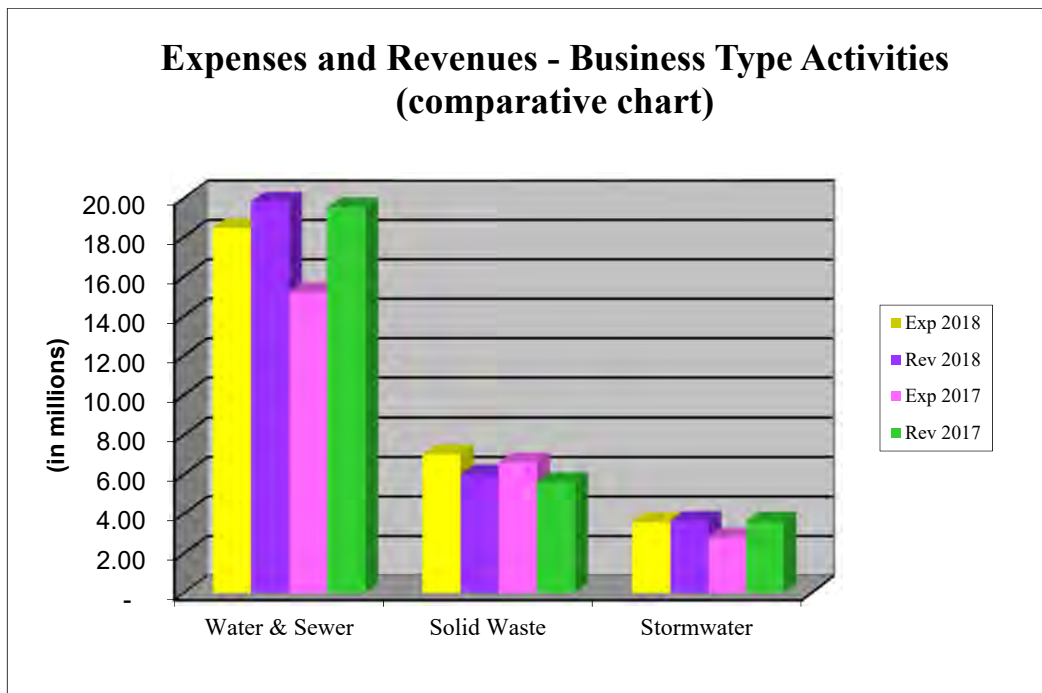
CITY OF OAKLAND PARK, FLORIDA
MANAGEMENT’S DISCUSSION AND ANALYSIS

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Statement of Activities: (continued)

During 2018, total expenses in governmental activities increased by \$1.9 million while business-type activities increased by \$2.6 million . 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 \$26.2 million, public safety is 56.3% of total governmental activities expenses, as reflected on the chart in the previous page.

On the other hand, the revenues earned by the business-type activities are derived primarily from one source which is the charges for sales and services totaling \$29.4 million at 92.2% of the total. In FY18, about \$2.0 million of operating and capital grants, primarily FEMA reimbursements from Hurricane Irma expenses, have drove total revenues to \$31.4 million. The charges for services represents the fees charged by each of the City’s enterprise funds, as follows: \$19.8 million for Water and Sewer, \$6.0 million for Solid Waste and \$3.6 million for Storm water. The total revenues in the business-type activities increased by \$1.5 million from last year’s mainly due to Water & Sewer rate increases and better collection rate of the Solid Waste special assessment.



This year’s \$29.0 million expenses of the business-type activities which consists of \$18.4 million for Water and Sewer, \$7.0 million for Solid Waste and \$3.6 million for Storm water, is \$1.9 million more than last year’s total expenses of \$26.4 million. This increase is due to the higher operating cost during the year including an increase in the salary cost at an average of 4.3%.

As mentioned previously, the City’s results of operations in governmental activities and business-type activities provided a combined increase of \$3.2 million in the City’s net position of which \$1.0 million was derived from governmental activities and \$2.2 million was derived from business-type activities.

Further analysis is provided in the government fund financial analysis section on the next page.

CITY OF OAKLAND PARK, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, its governmental funds reported combined fund balances of \$22.6 million. Of that amount, a total of \$1.7 million is non-spendable (\$1.6 million in General Fund and \$110 thousand in non-major funds). About \$1.0 million sits in restricted fund balance (\$271 thousand for General Fund and \$773 thousand for non-major governmental funds). Committed funds amounted to \$5.1 million for capital projects. Funds assigned for General Fund's subsequent year's budget is \$3.2 million and \$75 thousand for debt service. At the end of the day, \$11.5 million is unassigned fund balance and is available for any purpose.

Before other financing sources and uses and special items, FY 2018's change in fund balance in the General Fund was \$2.2 million, about \$243 thousand less than FY 2017 due to a combination of factors which is reflected in the increase of total revenues by \$1.5 million yet offset by increase of total expenditures by \$1.8 million. These factors, and more, are further discussed in the General Fund budgetary highlights section in the next page.

In FY 2018, General Fund provided transfers out to other governmental funds that was more than double of last year's, from \$3.4 million in FY 2017 to \$7.1 million for FY 2018. The sharp spike was mainly for funding more capital improvement projects in FY 2018. Other transfers were for debt service payments and operating support for the CRA. In addition, the City wrote off \$1.4 million of receivables from the CRA, a blended component unit, which further reduced the fund balance of the General Fund. Meanwhile, issuance of debt for a fire rescue vehicle and property purchase provided \$2.3 million funding. At the end the year, \$4.1 million of prior year fund balance was utilized in FY 2018. Nevertheless, the General Fund's unassigned fund balance of \$11.0 million at the end FY 2018, at 22.0% of the FY19's adopted appropriations, is still very well within the level prescribed by the City's Fiscal Policy considered to be adequate for fiscal reserve.

Expenditures at \$56.7 million in the General fund, including the CRA receivable write-off of \$1.4 million (a special item), were \$569 thousand below the revised budget of \$57.0 million due to savings and unspent funds. Please refer to the General Fund Budget Highlights section in the next page for further information.

The CRA's revenues and other financing sources exceeded its expenditures by \$1.6 million due to the recognition of the \$1.4 million inter-fund payable write-off which is taken up as a special item, as discussed above in the General Fund. The CRA is primarily funded by annual operating transfers from the General Fund transfers.

The fund balance in the non-major governmental funds increased by \$2.8 million from \$3.3 million in FY 2017 to \$6.0 million currently due to the considerable amount of unspent transfers-in funds from the General Fund for capital improvements projects. These unspent funds will be rolled-over to the next fiscal year to provide funding for the ongoing development projects.

CITY OF OAKLAND PARK, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS

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 2018, a combined \$96.6 million net position balance was reported, of which \$20.5 million was unrestricted. Among the City's three enterprise funds, both Water and Sewer and the Stormwater Funds have significant investments in capital assets that are required to run the daily operations. The Water and Sewer represents the bulk of the unrestricted assets at \$16.5 million.

Water and Sewer (W&S) Fund - Operating revenues increased by approximately \$303 thousand and operating expenses increased by approximately \$1.7 million over FY 2017. In FY 2018, the City increased its water rates by .4% for base rate and an average of 3.8% for the water usage rate to cover for increases in operating costs. Waste water rate increased by an average of .4% for both residential and commercial customers. The non-operating revenues, mainly interest income, helped provide additional revenues as it increased by \$228 thousand over last year due to rising interest rate. The increase in operating expense is primarily attributable to higher cost of water purchase and waste water treatment and increase in salaries. During the year, the City spent approximately \$4.8 million of the \$6.7 million project for advanced water metering infrastructure upgrade, which includes the replacement of about 9,141 mechanical water meters to automatic meter reading technology (smart meters). This project was primarily funded by a \$6.5 million loan from a commercial bank.

Solid Waste Fund - Operating revenues increased by approximately \$364 thousand and operating expenses increased by approximately \$358 thousand over FY 2017. In FY 18, the City increased the residential assessment fee by \$12 per residential unit or 5.85% while the commercial user rates increased by 5.5% to stabilize the fund and maintain fund balance above the minimum level of reserves set by Commission policy. In FY 2018, the City continued to incur more expenditures for debris removal from Hurricane Irma which contributed to the increase in operating expenses.

Storm water Fund - Operating revenues for the year stayed pretty much the same as last year since the City's storm water assessment rate did not change. Operating expenses, on the other hand, increased by approximately \$363 thousand due to salary increase.

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CITY OF OAKLAND PARK, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS

GENERAL FUND BUDGETARY HIGHLIGHTS

The adopted budget for the fiscal year 2018 reflected another modest improvement in the economy with indications such as building permits revenues continuing to surpass the budget and the fifth expansion of the property tax base since 2008. The budget for FY 18 was built on past successes. New capital improvements, art projects, and events continued to push Main Street forward as a cultural destination, while major corridor improvements to Andrews Avenue and Powerline Road further promoted economic redevelopment westward. Well-over a million dollars in new equipment for the City's Fire-Rescue Department ensured the safety and security of residents. In addition to the City's tuition reimbursement program for all employees, a new retirement incentive program helped encourage staff to plan for their futures.

The FY 18 adopted budget of the General Fund was \$54.8 million, representing an increase of \$5.16 million (10.4%) over the FY 17 Adopted Budget. The increased costs are primarily attributable to \$0.5 million salary increase; \$0.5 million increase in the contract costs with the Broward County Sheriff's Office; increased Police & Fire Pension costs of \$0.4 million; increased General Employee Pension Plan costs of \$0.4 million; growth in healthcare costs of \$0.1 million; \$.7 million increase in various capital outlays; increased cost for parks maintenance and special events of \$.5 million; and finally a \$2.0 million increase in the General Fund's transfer to the CIP for two major roadway improvement projects. The two major roadway improvements are the Andrews Avenue Improvement project (\$1.6 million transfer) and the Powerline Road Improvement project (\$0.6 million transfer). The Andrews Avenue project is a City project that is partially funded by \$1.0 million state transportation grant while the Powerline Road project is a Florida Department of Transportation project that is partially funded through a federal TIGER (Transportation Investment Generating Economic Recovery) grant.

Property tax continued to represent the single largest source of revenue for the General Fund, providing slightly more than 1/3rd of all revenues. It 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 fifth time since 2007, increasing by \$271 million (9.99%) since last year. The City's property tax base was \$3.29 billion, approximately 94% of the peak tax base of \$3.5 billion in 2007. A millage rate of 6.0985 mills was adopted for FY 18, a decrease of 0.0570 mills from FY 17. Since adopting a millage rate high of 6.3995 in FY 14, the City has reduced the millage rate every year. The adopted millage rate of 6.0985 continued this trend for the fourth year in a row. Such millage rate generated \$17.1 million, an increase of \$1.1 million over the rolled-back rate. City taxes only comprise a small portion of what appears on residents' tax bills; about 29% 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 amended budget was highly favorable. Actual revenue was \$50.3 million, up \$1.7 million from the amended budget, a variance of 3.4%. A big component of this favorable variance was the increase in interest income, with actual revenues exceeding the final budget by \$362 thousand or 425.7%. Also providing an increase is the stronger-than-anticipated electric and water utility tax collection from higher usage, \$251 thousand or 5.4%, a greater collection rate of property taxes providing for \$226 thousand more revenues. The remaining increases are attributable to other taxes, \$110 thousand or 6.10%; licenses and permits for \$180 thousand or 11.05%; increase in licenses and permits, \$180 thousand or 11.05%; intergovernmental revenues also posted a \$302 thousand increase or 6.94% while charges for services provided \$403 thousand increase or 2.99% and finally other revenues with \$156 thousand increase or 9.28%. Overall these favorable results, revenues, in particular all suggests an improvement in the state, regional, and local economies when compared to the weaknesses of prior years. All departments/divisions had positive variances against their expenditures when com-

CITY OF OAKLAND PARK, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS

GENERAL FUND BUDGETARY HIGHLIGHTS (continued)

pared to amended budget; overall, expenditures were \$1.8 million favorable than the amended budget, a positive variance of 3.6%. Of this amount, about \$650 thousand is of encumbered funds which will be rolled over to the FY 18 budget. With the exclusion of these encumbrances, the adjusted variance is \$1.1 million or a positive variance of 2.3%.

The single largest variance in departmental expenditures was within the category of Public Safety. For Fire Rescue, the variance of \$685 thousand does not necessarily reflect unused funds. About \$600 thousand of the \$685 thousand had been expended for the purchase of a fire rescue vehicle. However, due to the lead time involved in the delivery of the vehicle slated for the next year, the expenditure was reclassified. About \$53 thousand of the remaining \$85 thousand reflects funds encumbered, but not spent. The remainder of the variance resulted from operational savings.

The other large variance in departmental expenditures was within the category of public works for \$319 thousand of the Street Maintenance Division. This variance is primarily tied to \$150,000 in road resurfacing funds and other encumbrances of \$59 thousand or a total of \$209 thousand that will be rolled into FY18. The remaining variance resulted from operational savings.

General government expenditures had a favorable experience of \$234 thousand, much attributable to the savings of the Financial Services for professional services and vacancy savings.

The Engineering and Community Development Department experienced a favorable variance of \$230 thousand. About 61.3% or \$141 thousand of this variance is attributable to funds encumbered for ongoing studies and other purchases. The remainder of the variance is attributable to a reduction in the use of contract services for plans examination and building inspections after the creation of two new in-house positions during the prior fiscal year, and operational savings in the Community Enhancement (Code Enforcement) division.

Parks and Leisure Services had a favorable variance of \$32 thousand primarily from savings on the security detailing service with BSO.

As mentioned above, revenues exceeded budget by \$1.7 million and by the same amount, expenditures before transfers were also lower than budget. These favorable variances greatly reduced the utilization of unassigned general fund balance which was budgeted at \$6 million. Actual excess of revenues before transfers stands only at \$2.1 million. After the transfers-out of \$7.1 million and special non-cash item, the net change in fund balance is negative \$4.1 million, still a favorable utilization of approximately \$1.9 million less than budgeted.

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CITY OF OAKLAND PARK, FLORIDA
MANAGEMENT’S DISCUSSION AND ANALYSIS

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, 2018 increased from \$202.7 million of the previous year to \$207.9 million this year or an increase of \$5.2 million.

Completed capital projects during the year did not amount to so much at only \$11 thousand. The ongoing projects, largely the improvement of the utility systems, continued to incur additional cost, thus, driving the construction in progress up to \$10.3 million from \$1.9 million last year.

The City’s net capital assets for its governmental and business-type activities for fiscal year 2018 and 2017, are shown on the table below.

Capital Assets (Net of Depreciation)						
(In Thousands)						
	Governmental Activities		Business-type Activities		Total	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Land and easements	\$ 17,775	\$ 16,155	\$ 436	\$ 436	\$ 18,211	\$ 16,591
Construction in progress	3,022	1,299	7,669	621	10,691	1,920
Buildings	10,905	11,218	46	55	10,951	11,273
Improvements other than buildings	10,164	11,119	25	27	10,189	11,146
Machinery and equipment	4,284	4,335	2,994	2,849	7,278	7,184
Infrastructure	41,958	42,909	109,494	111,673	151,452	154,582
Total	<u>\$ 88,108</u>	<u>\$ 87,035</u>	<u>\$ 120,664</u>	<u>\$ 115,661</u>	<u>\$ 208,772</u>	<u>\$ 202,696</u>

The City’s adopted capital budget for fiscal year 2018 provided \$19.6 million spending for capital improvement projects with \$5.4 million slated for streetscapes, \$668 thousand for parks, \$38 thousand for facilities, \$12 million for water & sewer system improvements, and \$1.4 million 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 57.

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CITY OF OAKLAND PARK, FLORIDA
MANAGEMENT’S DISCUSSION AND ANALYSIS

CAPITAL ASSETS AND DEBT ADMINISTRATION (continued)

Debt Administration:

At the end of FY18, the City’s total outstanding debt was higher by \$5.03 million than last year’s balance of \$58.8 million. This increase is due to a significant amount of additional capital financing obtained from various financial institutions for: (a) a property purchase for future park development, \$1.66 million; (b) purchase of a fire rescue vehicle, \$600 thousand; and (c) the replacement of water meters to smart meters; \$6.51 million. These activities are reflected on the following table:

City of Oakland Park, Florida						
Outstanding Debt						
(In thousands)						
	Governmental Activities		Business-type Activities		Total	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Loans payable	\$ 8,178	\$ 8,212	\$ 1,155	\$ 1,245	\$ 9,333	\$ 9,457
Revenue bonds	7,954	8,424	44,180	38,764	52,134	47,188
Capital lease payable	1,246	839	1,162	1,361	2,408	2,200
Total	<u>\$ 17,378</u>	<u>\$ 17,475</u>	<u>\$ 46,497</u>	<u>\$ 41,370</u>	<u>\$ 63,875</u>	<u>\$ 58,845</u>

More detailed information about the City’s liabilities is presented in Note 7, Leases, and Note 8, Long-term debt, beginning on page 63 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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Fiscal year 2019 continues to build on the efforts initiated in recent years. 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 the "Proud Oakland Park" business plan, with an emphasis on community appearance, image, and community enhancement. The adopted fiscal year 2019 budget includes 74 specific business plan initiatives valued at \$4.03 million, with the highest appropriations for infrastructure improvements and redevelopment efforts.

For fiscal year 2019 budget, property tax values increased by 10.80% in the City, from \$2.97 to \$3.29 billion. The City Commission approved the fifth consecutive decrease in the millage rate, going from 6.0985 to 5.9985 mills. Due to the increase in property values, the gross property tax revenues increased by \$1.46 million with the anticipated property tax revenues for FY 19 to be \$18.75 million which is projected to surpasses the fiscal year 2007 revenues of \$17.2 million for the first time in over 10 years. The expected additional Ad Valorem revenue will help to fund the cost increase for the police services contract with the Broward Sheriff's Office and projected increases in personnel costs.

A fire rate assessment study was done in fiscal year 2016 to address the changes in the demand for service among the different property classes. As a result, adjustments were adopted by the Commission that decreased institutional and commercial rates while increasing residential and industrial rates in accordance with the approved methodology. The residential rate of \$196 per dwelling unit was increased to \$199 effective fiscal year 2017, the first increase since 2012. This remains unchanged for fiscal year 2019. The rates adopted will continue to fund approximately 91% of the applicable fire suppression costs of the Fire-Rescue Department.

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; these increased on average by 0.4% for both residential and commercial customers. The City also implemented a wastewater rate increase of 0.4% effective October 1, 2018. The 2019 fiscal year budget included funding for a water and sewer rate study.

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 Fund. Consequently, various rate increases in both residential and commercial solid waste collections rates were approved by the City Commission effective for FY 18. Residential rates were increased by 5.85% or \$12 increase over the previous year's rate of \$205 bringing it to \$217 while commercial cart collection rates were increased by 3.5%. Such increases were the first adjustment to the rates since 2013. For fiscal year 2019, the residential rate remains unchanged, but a planned increase in commercial rates was approved of 3.5%. The 2019 rates remain well below those of 2013, which included a residential rate of \$255. 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.

CITY OF OAKLAND PARK, FLORIDA
MANAGEMENT’S DISCUSSION AND ANALYSIS

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES (continued)

The adopted 2019 budget addresses key priorities identified by the City Commission and the City continues to show improvement and recovery from prior years, which is representative of the economic stabilization and steady, positive growth occurring in the local and state economy. 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.

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. 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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CITY OF OAKLAND PARK, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2018

	Governmental Activities	Business Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 14,548,796	\$ 21,974,899	\$ 36,523,695
Accounts receivable - net	4,139,229	4,436,358	8,575,587
Inventories	86,448	323,856	410,304
Prepayments and other assets	1,395,088	709,554	2,104,642
Internal balances	(595,000)	595,000	-
Temporarily restricted:			
Cash and cash equivalents	7,798,378	4,967,307	12,765,685
Capital assets	<u>88,108,463</u>	<u>120,664,299</u>	<u>208,772,762</u>
Total Assets	<u>115,481,402</u>	<u>153,671,273</u>	<u>269,152,675</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow related to pensions	10,609,940	1,860,602	12,470,542
Deferred outflow related to other post-employment benefits	38,600	10,429	49,029
Deferred charge on refunding	<u>63,815</u>	<u>100,651</u>	<u>164,466</u>
Total Deferred Outflows of Resources	<u>10,712,355</u>	<u>1,971,682</u>	<u>12,684,037</u>
LIABILITIES			
Accounts payable and accrued expenses	3,128,834	5,199,889	8,328,723
Customer deposits	-	1,392,692	1,392,692
Accrued interest payable	238,590	277,956	516,546
Other liabilities	290,862	628,450	919,312
Unearned revenues	766,339	16,339	782,678
Noncurrent liabilities:			
Due within one year			
Bonds and notes payable	1,178,348	1,789,449	2,967,797
Compensated absences	225,319	33,143	258,462
Due in more than one year			
Bonds and notes payable	16,199,365	44,707,725	60,907,090
Compensated absences	1,157,584	150,989	1,308,573
Net pension liability	22,047,211	3,663,308	25,710,519
Other post-employment benefits liability	<u>1,212,058</u>	<u>327,485</u>	<u>1,539,543</u>
Total Liabilities	<u>46,444,510</u>	<u>58,187,425</u>	<u>104,631,935</u>
DEFERRED INFLOW OF RESOURCES			
Deferred inflow related to pensions	<u>5,018,584</u>	<u>904,859</u>	<u>5,923,443</u>
Total Deferred Inflow of Resources	<u>5,018,584</u>	<u>904,859</u>	<u>5,923,443</u>
NET POSITION			
Net investment in capital assets	70,518,249	75,002,190	145,520,439
Restricted for:			
Education	235,484	-	235,484
Transportation improvement	35,818	-	35,818
Public safety	81,842	-	81,842
Library	16,731	-	16,731
Parks and recreation	107,798	-	107,798
Grant match	565,985	-	565,985
Debt covenants	-	1,054,148	1,054,148
Unrestricted	<u>3,168,756</u>	<u>20,494,333</u>	<u>23,663,089</u>
Total Net Position	<u>\$ 74,730,663</u>	<u>\$ 96,550,671</u>	<u>\$ 171,281,334</u>

See notes to basic financial statements.

CITY OF OAKLAND PARK, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Functions/Programs							
Primary Government:							
Governmental activities:							
General government	\$ 1,474,358	\$ 306,617	\$ -	\$ -	(1,167,741)	\$ -	\$ (1,167,741)
Public safety	26,184,629	7,487,042	323,531	-	(18,374,056)	-	(18,374,056)
Public works	8,120,139	-	-	473,457	(7,646,682)	-	(7,646,682)
Engineering and community development	5,565,711	2,155,813	-	1,409,035	(2,000,863)	-	(2,000,863)
Culture and recreation	4,621,007	835,254	121,215	200,000	(3,464,538)	-	(3,464,538)
Interest on long term debt	556,959	-	-	-	(556,959)	-	(556,959)
Total governmental activities	<u>46,522,803</u>	<u>10,784,726</u>	<u>444,746</u>	<u>2,082,492</u>	<u>(33,210,839)</u>	<u>-</u>	<u>(33,210,839)</u>
Business-type activities:							
Water and sewer	18,452,247	19,798,530	242,852	-	-	1,589,135	1,589,135
Solid waste	7,012,329	5,988,644	1,732,944	-	-	709,259	709,259
Stormwater	3,570,048	3,634,621	-	-	-	64,573	64,573
Total business-type activities	<u>29,034,624</u>	<u>29,421,795</u>	<u>1,975,796</u>	<u>-</u>	<u>-</u>	<u>2,362,967</u>	<u>2,362,967</u>
Total primary government	<u>\$ 75,557,427</u>	<u>\$ 40,206,521</u>	<u>\$ 2,420,542</u>	<u>\$ 2,082,492</u>	<u>(33,210,839)</u>	<u>2,362,967</u>	<u>(30,847,872)</u>
General Revenues:							
Taxes:							
Property taxes					17,518,760	-	17,518,760
Franchise fees					2,700,264	-	2,700,264
Utility taxes					4,870,984	-	4,870,984
Communication service taxes					1,412,591	-	1,412,591
Other taxes					1,921,986	-	1,921,986
Unrestricted investment earnings					459,792	518,745	978,537
Intergovernmental revenue - unrestricted					4,650,307	-	4,650,307
Miscellaneous					633,168	-	633,168
Special item - arbitration settlement					-	(628,450)	(628,450)
Total general revenues and transfers					<u>34,167,852</u>	<u>(109,705)</u>	<u>34,058,147</u>
Change in net position					957,013	2,253,262	3,210,275
Net position, beginning							
As previously stated					73,918,291	94,394,496	168,312,787
Adjustment					(144,641)	(97,087)	(241,728)
As restated					<u>73,773,650</u>	<u>94,297,409</u>	<u>168,071,059</u>
Net position, ending					<u>\$ 74,730,663</u>	<u>\$ 96,550,671</u>	<u>\$ 171,281,334</u>

See notes to basic financial statements.

CITY OF OAKLAND PARK, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2018

	Major Funds			
	General	Special Revenue Oakland Park CRA	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 14,308,663	\$ 165,651	\$ 74,482	\$ 14,548,796
Accounts receivable - net	3,850,699	53,235	235,295	4,139,229
Inventories	86,448	-	-	86,448
Prepayments and other assets	1,285,025	-	110,063	1,395,088
Advances to other funds	185,938	-	-	185,938
Temporarily restricted assets:				
Cash and cash equivalents	731,112	-	7,067,266	7,798,378
Total Assets	\$ 20,447,885	\$ 218,886	\$ 7,487,106	\$ 28,153,877
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 2,825,431	\$ 20,303	\$ 283,100	\$ 3,128,834
Compensated absences	131,130	-	-	131,130
Other liabilities	284,862	6,000	-	290,862
Unearned revenues	391,691	-	374,648	766,339
Advances from other funds	-	185,938	595,000	780,938
Total Liabilities	3,633,114	212,241	1,252,748	5,098,103
Deferred Inflow of Resources:				
Unavailable revenue	341,031	-	137,451	478,482
Total Deferred Inflow of Resources	341,031	-	137,451	478,482
Fund Balances:				
Non-spendable (not in spendable form)				
Inventories	86,448	-	-	86,448
Prepayments and other assets	1,285,025	-	110,063	1,395,088
Interfund loan	185,938	-	-	185,938
Restricted for:				
Education	235,484	-	-	235,484
Transportation improvement	35,818	-	-	35,818
Public safety	-	-	80,210	80,210
Library	-	-	16,731	16,731
Tree preservation	-	-	34,556	34,556
Fire station facility	-	-	1,632	1,632
Park development	-	-	27,789	27,789
Parks and recreation	-	-	45,453	45,453
Grant match	-	-	565,985	565,985
Committed				
Capital projects	-	-	5,140,006	5,140,006
Assigned to:				
Debt service	-	-	74,482	74,482
Subsequent year's budget	3,171,683	-	-	3,171,683
Unassigned	11,473,344	6,645	-	11,479,989
Total Fund Balances	16,473,740	6,645	6,096,907	22,577,292
Total Liabilities, Deferred Inflow and Fund Balances	\$ 20,447,885	\$ 218,886	\$ 7,487,106	\$ 28,153,877

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, 2018

Fund balances - total governmental funds (Page 24)		\$ 22,577,292
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.		88,108,463
Net pension liability		(22,047,211)
Other post-employment benefit (OPEB) obligation		(1,212,058)
Accrued interest payable not reported in the governmental funds		(238,590)
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	(17,377,713)	
Deferred charges on refunding to be amortized over the life of the bonds	<u>63,815</u>	(17,313,898)
Compensated absences		(1,251,773)
The statement of net position include certain assets that are not available to pay for current period's expenditures, the funds exclude those assets.		
Accounts receivable for revenue "not available" for offset with unearned revenue		478,482
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		38,600
Deferred outflows related to pension		10,609,940
Deferred inflows related to pension		<u>(5,018,584)</u>
Net position of governmental activities (Page 23)		<u>\$ 74,730,663</u>

See notes to basic financial statements.

CITY OF OAKLAND PARK, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	<u>Major Funds</u>			<u>Total Governmental Funds</u>
	<u>General</u>	<u>Special Revenue Oakland Park CRA</u>	<u>Other Governmental Funds</u>	
Revenues:				
Taxes:				
Property	\$ 17,518,760	\$ -	\$ -	17,518,760
Franchise fees	2,700,264	-	-	2,700,264
Utility taxes	4,870,984	-	-	4,870,984
Communications service taxes	1,412,591	-	-	1,412,591
Other taxes	1,921,986	-	-	1,921,986
Licenses and permits	1,813,524	-	43,269	1,856,793
Intergovernmental	4,650,307	-	-	4,650,307
Charges for services	13,873,238	-	-	13,873,238
Fines and forfeitures	471,232	-	44,806	516,038
Investment earnings (loss)	446,847	-	8,998	455,845
Grants	100,217	-	1,059,789	1,160,006
Miscellaneous	568,361	73,843	-	642,204
Total revenues	<u>50,348,311</u>	<u>73,843</u>	<u>1,156,862</u>	<u>51,579,016</u>
Expenditures:				
Current:				
General government	5,888,136	-	-	5,888,136
Public safety	25,808,014	-	3,440	25,811,454
Public works	7,193,874	-	-	7,193,874
Engineering and community development	4,836,180	566,407	-	5,402,587
Culture and recreation	3,527,639	-	51,226	3,578,865
Debt service:				
Principal	-	-	951,978	951,978
Interest	-	-	540,535	540,535
Capital outlay	892,404	-	3,265,399	4,157,803
Total expenditures	<u>48,146,247</u>	<u>566,407</u>	<u>4,812,578</u>	<u>53,525,232</u>
Excess (deficiency) of revenues over expenditures	2,202,064	(492,564)	(3,655,716)	(1,946,216)
Other Financing Sources (Uses):				
Issuance of debt	2,259,611	-	-	2,259,611
Transfers in	-	685,915	6,433,649	7,119,564
Transfers out	(7,119,564)	-	-	(7,119,564)
Total other financing sources (uses)	<u>(4,859,953)</u>	<u>685,915</u>	<u>6,433,649</u>	<u>2,259,611</u>
Excess (deficiency) of revenues over expenditures before special items	(2,657,889)	193,351	2,777,933	313,395
Special item				
Interfund account write-off (Note 13)	(1,405,418)	1,405,418	-	-
Net change in fund balances	(4,063,307)	1,598,769	2,777,933	313,395
Fund balances, beginning	<u>20,537,047</u>	<u>(1,592,124)</u>	<u>3,318,974</u>	<u>22,263,897</u>
Fund balances, ending	<u>\$ 16,473,740</u>	<u>\$ 6,645</u>	<u>\$ 6,096,907</u>	<u>22,577,292</u>

See notes to basic financial statements.

CITY OF OAKLAND PARK, FLORIDA
RECONCILIATION OF THE CHANGE IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

Amounts reported for governmental activities in the Statement of Activities (Page 23) are different because:

Net change in fund balances - total governmental funds (page 26)	\$ 313,395
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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	4,157,803
Less current depreciation	(3,083,266)

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 issuance costs, premiums, 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	(2,259,611)
Principal payments of bonds/notes payable and capital leases	951,978
Amortization of deferred charges	(5,282)

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

Compensated absences	(94,699)
Net increase in accrued interest payable	(11,142)

The net effect of pension and retirement contribution decrease resulting from GASB 68 & 71 implementation	(274,488)
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The net effect of OPEB expense resulting from GASB 75 implementation	(99,818)
--	----------

Some revenues reported in the statement of activities do not provide current financial resources and are not reported as revenues in the funds.	1,878,810
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Some revenues reported in the fund statements are revenues of prior periods and are not reported as revenues in the statement of activities.	<u>(516,667)</u>
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Change in net position of governmental activities (Page 23)	<u><u>\$ 957,013</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, 2018

	Business-type Activities - Enterprise Funds			Total
	Water and Sewer	Solid Waste	Stormwater	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 17,458,483	\$ 1,541,081	\$ 2,975,335	\$ 21,974,899
Accounts receivable, net	2,249,063	2,122,538	64,757	4,436,358
Inventories	323,856	-	-	323,856
Prepayments and other assets	607,182	29,577	72,795	709,554
Total Current Assets	<u>20,638,584</u>	<u>3,693,196</u>	<u>3,112,887</u>	<u>27,444,667</u>
Noncurrent assets:				
Restricted cash and cash equivalents	3,590,981	369,459	1,006,867	4,967,307
Advances to other funds	595,000	-	-	595,000
Capital assets:				
Land	50,500	-	385,482	435,982
Construction in progress	6,978,534	-	690,358	7,668,892
Buildings	440,600	-	92,394	532,994
Machinery and equipment	2,196,979	3,841,523	493,328	6,531,830
Infrastructure	75,589,937	-	66,888,616	142,478,553
Intangibles	13,275	-	2,171	15,446
Total Capital Assets	85,269,825	3,841,523	68,552,349	157,663,697
Less accumulated depreciation	<u>(23,068,535)</u>	<u>(1,941,117)</u>	<u>(11,989,746)</u>	<u>(36,999,398)</u>
Net Capital Assets	<u>62,201,290</u>	<u>1,900,406</u>	<u>56,562,603</u>	<u>120,664,299</u>
Total Noncurrent Assets	<u>66,387,271</u>	<u>2,269,865</u>	<u>57,569,470</u>	<u>126,226,606</u>
Total Assets	<u>87,025,855</u>	<u>5,963,061</u>	<u>60,682,357</u>	<u>153,671,273</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pension	807,315	676,534	376,753	1,860,602
Deferred outflow related to other post-employment benefits	4,427	4,296	1,706	10,429
Deferred charges on refunding	6,858	-	93,793	100,651
Total Deferred Outflow of Resources	<u>818,600</u>	<u>680,830</u>	<u>472,252</u>	<u>1,971,682</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	4,304,600	581,584	313,705	5,199,889
Claims and judgement payable	628,450	-	-	628,450
Customer deposits	1,023,233	369,459	-	1,392,692
Accrued interest payable	182,614	1,888	93,454	277,956
Compensated absences	11,766	15,642	5,735	33,143
Unearned revenues	7,839	8,500	-	16,339
Current portion of bonds/loans payable	1,118,546	202,463	468,440	1,789,449
Total Current Liabilities	<u>7,277,048</u>	<u>1,179,536</u>	<u>881,334</u>	<u>9,337,918</u>
Noncurrent liabilities:				
Bonds payable	34,274,025	-	9,473,835	43,747,860
Loans payable	-	959,865	-	959,865
Compensated absences	53,603	71,259	26,127	150,989
Net pension liability	1,573,069	1,325,050	765,189	3,663,308
Other post-employment benefits liability	139,002	134,901	53,582	327,485
Total Noncurrent Liabilities	<u>36,039,699</u>	<u>2,491,075</u>	<u>10,318,733</u>	<u>48,849,507</u>
Total Liabilities	<u>43,316,747</u>	<u>3,670,611</u>	<u>11,200,067</u>	<u>58,187,425</u>
DEFERRED INFLOW OF RESOURCES				
Deferred inflow related to pension	239,085	352,873	312,901	904,859
Total Deferred Inflow of Resources	<u>239,085</u>	<u>352,873</u>	<u>312,901</u>	<u>904,859</u>
NET POSITION				
Net investment in capital assets	26,768,231	738,078	47,495,881	75,002,190
Restricted for debt covenants	1,054,148	-	-	1,054,148
Unrestricted	16,466,244	1,882,329	2,145,760	20,494,333
Total Net Position	<u>\$ 44,288,623</u>	<u>\$ 2,620,407</u>	<u>\$ 49,641,641</u>	<u>\$ 96,550,671</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 FISCAL YEAR ENDED SEPTEMBER 30, 2018

	<u>Business-type Activities - Enterprise Funds</u>			<u>Total</u>
	<u>Water and Sewer</u>	<u>Solid Waste</u>	<u>Stormwater</u>	
Operating revenues:				
Charges for sales and services:				
Metered water sales (pledged)	\$ 11,146,133	\$ -	\$ -	\$ 11,146,133
Sewer fees (pledged)	8,449,813	-	-	8,449,813
Residential solid waste service	-	2,222,464	-	2,222,464
Commercial solid waste service	-	3,642,604	-	3,642,604
Other charges for services	13,513	2,298	-	15,811
Stormwater fees (pledged)	-	-	3,634,621	3,634,621
Other revenues	189,071	121,278	-	310,349
Total operating revenues	<u>19,798,530</u>	<u>5,988,644</u>	<u>3,634,621</u>	<u>29,421,795</u>
Operating expenses:				
Water system operation	6,049,996	-	-	6,049,996
Sewer collection and maintenance	6,831,987	-	-	6,831,987
Solid waste collection	-	4,908,715	-	4,908,715
Stormwater system operation	-	-	1,087,277	1,087,277
Administrative support	2,741,136	1,654,217	1,044,572	5,439,925
Depreciation/amortization	1,301,724	424,863	1,045,712	2,772,299
Total operating expenses	<u>16,924,843</u>	<u>6,987,795</u>	<u>3,177,561</u>	<u>27,090,199</u>
Operating income	2,873,687	(999,151)	457,060	2,331,596
Non-operating revenues (expenses)				
Investment earnings	414,564	36,058	68,123	518,745
Interest and fiscal charges	(1,527,404)	(24,534)	(392,487)	(1,944,425)
Grants and contributions	242,852	1,732,944	-	1,975,796
Total non-operating revenues (expenses)	<u>(869,988)</u>	<u>1,744,468</u>	<u>(324,364)</u>	<u>550,116</u>
Income before special items	2,003,699	745,317	132,696	2,881,712
Special item				
Arbitration settlement	(628,450)	-	-	(628,450)
Changes in net position	1,375,249	745,317	132,696	2,253,262
Net position, beginning				
As previously stated	42,966,793	1,914,571	49,513,132	94,394,496
Adjustment	(53,419)	(39,481)	(4,187)	(97,087)
As restated	<u>42,913,374</u>	<u>1,875,090</u>	<u>49,508,945</u>	<u>94,297,409</u>
Net position, ending	<u>\$ 44,288,623</u>	<u>\$ 2,620,407</u>	<u>\$ 49,641,641</u>	<u>\$ 96,550,671</u>

See notes to basic financial statements.

CITY OF OAKLAND PARK, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	<u>Business-type Activities - Enterprise Funds</u>			
	<u>Water and Sewer</u>	<u>Solid Waste</u>	<u>Stormwater</u>	<u>Total</u>
Cash flows from operating activities:				
Cash received from customers	\$ 19,595,001	\$ 4,293,757	\$ 3,668,532	\$ 27,557,290
Cash paid to suppliers	(10,311,154)	(3,611,253)	(257,946)	(14,180,353)
Cash paid to employees	(2,003,152)	(1,699,902)	(823,338)	(4,526,392)
Cash paid for interfund services used	(2,741,136)	(1,654,217)	(1,044,572)	(5,439,925)
Net cash provided by (used in) operating activities	<u>4,539,559</u>	<u>(2,671,615)</u>	<u>1,542,676</u>	<u>3,410,620</u>
Cash flows from noncapital financing activities:				
Grants available for operating purpose	242,852	1,732,944	-	1,975,796
Net cash provided by noncapital financing activities	<u>242,852</u>	<u>1,732,944</u>	<u>-</u>	<u>1,975,796</u>
Cash flows from capital and related financing activities:				
Acquisition/construction of capital assets	(6,758,435)	(546,820)	(469,871)	(7,775,126)
Issuance of debt	6,511,296	-	-	6,511,296
Principal paid on bonds and loans payable	(733,572)	(198,676)	(451,687)	(1,383,935)
Interest paid on capital debt	(1,462,005)	(24,823)	(388,983)	(1,875,811)
Net cash provided by (used in) capital and related financing activities	<u>(2,442,716)</u>	<u>(770,319)</u>	<u>(1,310,541)</u>	<u>(4,523,576)</u>
Cash flows from investing activities:				
Interest on investments	414,564	36,058	68,123	518,745
Net cash provided by investing activities	<u>414,564</u>	<u>36,058</u>	<u>68,123</u>	<u>518,745</u>
Net increase (decrease) in pooled cash and cash equivalents	2,754,259	(1,672,932)	300,258	1,381,585
Pooled cash and cash equivalents, beginning	18,295,205	3,583,472	3,681,944	25,560,621
Pooled cash and cash equivalents, ending	\$ 21,049,464	\$ 1,910,540	\$ 3,982,202	\$ 26,942,206
Displayed as:				
Unrestricted	17,458,483	1,541,081	2,975,335	21,974,899
Restricted	3,590,981	369,459	1,006,867	4,967,307
Total, September 30	<u>\$ 21,049,464</u>	<u>\$ 1,910,540</u>	<u>\$ 3,982,202</u>	<u>\$ 26,942,206</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	\$ 2,873,687	\$ (999,151)	\$ 457,060	\$ 2,331,596
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Depreciation and amortization	1,301,724	424,863	1,045,712	2,772,299
Non-cash pension expense	100,374	48,168	(9,335)	139,207
Non-cash OPEB expense	11,447	11,110	4,413	26,970
Change in assets and liabilities:				
(Increase) decrease in accounts receivables	(216,018)	(1,726,660)	33,911	(1,908,767)
(Increase) decrease in inventories	(71,906)	-	-	(71,906)
(Increase) decrease in prepaid expenses	(468,378)	(29,026)	(12,210)	(509,614)
Increase (decrease) in accounts payable and other liabilities	1,014,870	(416,484)	46,813	645,199
Increase (decrease) in customers' deposits	12,489	23,772	-	36,261
Increase (decrease) in unearned revenues	-	8,000	-	8,000
Increase (decrease) in compensated absences	(18,730)	(16,207)	(23,688)	(58,625)
Net cash provided by operating activities	<u>\$ 4,539,559</u>	<u>\$ (2,671,615)</u>	<u>\$ 1,542,676</u>	<u>\$ 3,410,620</u>
Noncash items from operating activities:				
Deferred outflows related to pension	<u>\$ 807,315</u>	<u>\$ 676,534</u>	<u>\$ 376,753</u>	<u>\$ 1,860,602</u>
Deferred outflows related to OPEB	<u>\$ 4,427</u>	<u>\$ 4,296</u>	<u>\$ 1,706</u>	<u>\$ 10,429</u>
Deferred inflows related to pension	<u>\$ 239,085</u>	<u>\$ 352,873</u>	<u>\$ 312,901</u>	<u>\$ 904,859</u>
Net pension liability	<u>\$ 1,573,069</u>	<u>\$ 1,325,050</u>	<u>\$ 765,189</u>	<u>\$ 3,663,308</u>
OPEB liability	<u>\$ 139,002</u>	<u>\$ 134,901</u>	<u>\$ 53,582</u>	<u>\$ 327,485</u>

See notes to basic financial statements.

CITY OF OAKLAND PARK, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2018

	<u>Pension Trust Funds</u>
Assets	
Cash and short-term investments	\$ <u>1,295,351</u>
Receivables:	
Contributions	1,029,392
Accrued interest and dividends	<u>72,914</u>
Total receivables	<u>1,102,306</u>
Investments, at fair value:	
U.S. Government and agency securities	6,165,923
Corporate bonds and notes	5,417,080
Mutual funds	43,923,179
Common stocks	-
International equity commingled fund	38,486,362
Real estate funds	<u>7,956,585</u>
Total investments	<u>101,949,129</u>
Prepaid benefit payments	<u>6,204</u>
Total Assets	<u>104,352,990</u>
Liabilities	
Accounts payable and accrued expenses	292,493
Payable for securities sold	<u>55,684</u>
Total Liabilities	<u>348,177</u>
Net Position Held in Trust for Pension Benefits	<u>\$ 104,004,813</u>

See notes to basic financial statements.

CITY OF OAKLAND PARK, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	<u>Pension Trust Funds</u>
Additions:	
Contributions:	
Plan members	\$ 353,882
City	4,026,186
State of Florida	712,396
Broward Sheriff's Office	<u>67,000</u>
Total contributions	<u>5,159,464</u>
Investment income:	
Investment earnings	7,201,942
Net appreciation in fair value of investments	<u>1,854,926</u>
Total investment income	9,056,868
Less:	
Investment expenses	<u>(324,492)</u>
Net investment income	<u>8,732,376</u>
Miscellaneous income	<u>5,275</u>
Total additions	<u>13,897,115</u>
Deductions:	
Pension benefits paid	9,195,208
Administrative expenses	<u>229,175</u>
Total deductions	<u>9,424,383</u>
Change in net position	4,472,732
Net position held in trust for pension benefits, beginning	<u>99,532,081</u>
Net position held in trust for pension benefits, ending	<u><u>\$ 104,004,813</u></u>

See notes to basic financial statements.



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NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

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 No. 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.

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.

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CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

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.

Other than preparing and filing the RCP grant application, 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 loan proceeds 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 in order to comply with the audit requirement of F.S. 163.387(8). No separate financial statements will be issued.

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
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

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

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CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

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 to expenditures for specific purposes. The Oakland Park Community Redevelopment Agency fund (CRA) mainly derives its revenues from the General Fund transfers 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
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

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 prohibiting doing so, then unrestricted resources as they are needed. When committed, assigned and unassigned resources are available for use, it is 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
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Equity

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 report 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.

CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Equity (continued)

2. Receivables and Payables (continued)

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.

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.

CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Assets, Deferred Outflows, Liabilities, Deferred inflows and Net Position or Equity (continued)

5. Capital Assets (continued)

Major outlays for capital assets and improvements are capitalized as they are completed. Capital assets are depreciated using the straight line method over the following estimated useful lives:

<u>Asset Type</u>	<u>Estimated Useful Life</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.

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CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Assets, Deferred Outflows, Liabilities, Deferred inflows and Net Position or Equity (continued)

8. 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 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.

9. 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. Bond 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.

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 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.

10. Net Position and Fund Balance

Net Position. Is the result of assets and deferred outflows of resources, less liabilities and deferred inflows of resources. The net position of the government-wide and proprietary funds are categorized as net investment in capital assets, reduced by accumulated depreciation and any outstanding debt and related deferred outflows incurred to acquire, construct or improve those assets excluding unexpended bonds proceeds, restricted or unrestricted.

CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Assets, Deferred Outflows, Liabilities, Deferred inflows and Net Position or Equity (continued)

10. Net Position and Fund Balance (continued)

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.
- *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 30th 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.

CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Assets, Deferred Outflows, Liabilities, Deferred inflows and Net Position or Equity (continued)

11. 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 policy via a resolution a financial standard to maintain a minimum 20% unassigned fund for General Fund and a minimum of 10% of unrestricted net position for enterprise operating funds.

12. 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.

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, 2018 was 6.0985 mills (\$6.0985 per \$1,000 of taxable assessed valuation).

CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Revenues and Expenditures/Expenses (continued)

2. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation and sick pay is recognized as a liability and expense in the period benefits are earned in the government-wide statements and proprietary funds. Vacation and sick pay that is due and payable at September 30, 2018 and the amount expected to be liquidated with expendable available financial resources is reported as expenditure and a fund liability of the governmental funds that will pay it. Amounts not expected to be liquidated with expendable available financial resources are reported as a reconciling item between the fund and government-wide presentations. 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.

3. Capital Contributions

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

4. 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, solidwaste and stormwater 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.

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CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f. New Accounting Pronouncements Implemented

Following are the new pronouncements made by the Government Accounting Standards Board (GASB) which took effect during the fiscal year and were implemented by the City, as applicable:

- **GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension***, was effective for reporting periods beginning after June 15, 2017. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed.

- **GASB Statement No. 81, *Irrevocable Split-Interest Agreements***, was effective for reporting periods beginning after December 15, 2016. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period.

- **GASB Statement No. 85, *Omnibus 2017***, was effective for reporting periods beginning after June 15, 2017. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). Specifically, this Statement addresses the following topics:
 - Blending a component unit in circumstances in which the primary government is a business-type;
 - Reporting amounts previously reported as goodwill and “negative” goodwill;
 - Classifying real estate held by insurance entities;
 - Measuring certain money market investments and participating interest-earning investment contracts at amortized cost;
 - Timing of the measurement of pension or OPEB liabilities and expenditures recognized in financial statements prepared using the current financial resources measurement focus;

CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. New Accounting Pronouncement Implemented (continued)

- **GASB Statement No. 85, Omnibus 2017 (continued)**
 - Recognizing on-behalf payments for pensions or OPEB in employer financial statements;
 - Presenting payroll-related measures in required supplementary information for purposes of reporting by OPEB plans and employers that provide OPEB;
 - Classifying employer-paid member contributions for OPEB;
 - Simplifying certain aspects of the alternative measurement method for OPEB; and
 - Accounting and financial reporting for OPEB provided through certain multiple-employer defined benefit OPEB plans.

- **GASB Statement No. 86, Certain Debt Extinguished Issues**, was effective for reporting periods beginning after June 15, 2017. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

NOTE 2. DEPOSITS AND INVESTMENTS

a. Cash and Cash Equivalents

The City, for accounting and investment purposes, maintains a cash and investment pool for use by all City funds. This gives the City the ability to invest large 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.

CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 2. DEPOSITS AND INVESTMENTS (continued)

b. Cash and Cash Equivalents (continued)

The carrying amounts of the City’s cash deposits were \$4,912,450 as of September 30, 2018. Bank balance before reconciling items were \$3,842,554 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.

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.

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.

The following were cash equivalents held as of September 30, 2018:

	<u>Total</u> <u>Value</u>	<u>Average</u> <u>Maturity (WAM)</u>	<u>S&P</u> <u>Rating</u>
Florida Prime	\$ 43,447,901	35 days	AAAm

As of September 30, 2018, 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.

The City invests its surplus funds in high quality highly liquid institutional money market funds with its share value remaining constant. As of September 30, 2018, there were no recurring fair value measurements. Florida Prime is exempt from GASB 72 fair value hierarchy disclosures.

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.

CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 2. DEPOSITS AND INVESTMENTS

a. Cash and Cash Equivalents (continued)

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:

	<u>Maximum (%)</u>	<u>Individual Issue (%)</u>
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

b. Investments

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 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.

CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 2. DEPOSITS AND INVESTMENTS

b. Investments (continued)

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

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, 2018, the following fixed income investments were held for GEPP:

	<u>Fair Value</u>	<u>WAM Maturity</u>	<u>Fitch Rating</u>
Broad Market High Quality Bonds	\$ 4,118,125	6.40 years	AA
Core Plus Fixed Income Fund	<u>4,941,750</u>	7.00 years	Not rated
Total fixed income investment	<u>\$ 9,059,875</u>		

The GEPP's investment policy does not set a parameter on the duration of its fixed income securities. However, as of September 30, 2018, the weighted average maturity (WAM) of the fixed income portfolio is presented above.

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, 2018, 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, 2018, 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.

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, 2018, the Plan's foreign investments were 17% of total investments.

CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 2. DEPOSITS AND INVESTMENTS (continued)

b. Investments (continued)

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

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, 2018.

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CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 2. DEPOSITS AND INVESTMENTS (continued)

b. Investments (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	\$ -	\$ 4,118,125	\$ -	\$ 4,118,125
Core plus fixed income	-	-	4,941,750	4,941,750
Total fixed income portfolio	-	4,118,125	4,941,750	9,059,875
Equity Portfolio				
Diversified value portfolio	15,648,875	-	-	15,648,875
Diversified small cap portfolio	5,435,925	-	-	5,435,925
International equity portfolio	7,124,356	-	-	7,124,356
Core real estate fund	-	-	3,747,494	3,747,494
Total equity portfolio	28,209,156	-	3,747,494	31,956,650
Total investments by fair value level	<u>\$ 28,209,156</u>	<u>\$ 4,118,125</u>	<u>\$ 8,689,244</u>	<u>\$ 41,016,525</u>

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 public 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
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 2. DEPOSITS AND INVESTMENTS (continued)

b. Investments (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. and international exchanges, all of which have observable level 1 quoted pricing inputs. The value of the Morgan Stanley Fund investments were determined based on quarterly real estate appraisals, which was calculated in accordance with generally accepted accounting principles

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CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 2. DEPOSITS AND INVESTMENTS (continued)

b. Investments (continued)

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

The RSP&F's investment policy as determined by the Board of Trustee 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 75% (at market) of the RSP&F's total asset value; (b) no more than 5% of the RSP&F's assets invested in the common stock of any one issuing company; (c) investment in stocks of foreign company shall be limited to 10% of the RSP&F's assets; and (d) fixed income portfolio shall be comprised of securities rated not less than "BBB" or "BAA" by the major rating services and is limited to no more than 65% (at market) of the RSP&F's total asset value.

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 following table that shows the distribution of the RSP&F's investment by maturity at September 30, 2018:

<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	\$ 5,417,080	\$ 1,142,383	\$ 3,430,529	\$ 844,168	\$ -
U.S. Treasuries	4,741,404	-	270,327	2,281,235	2,189,842
Fixed Income Funds	2,906,654	197,668	1,229,877	955,662	523,447
U.S. Agencies	1,424,519	-	11,342	-	1,413,177
Total Fixed Income Securities	<u>\$ 14,489,657</u>	<u>\$ 1,340,051</u>	<u>\$ 4,942,075</u>	<u>\$ 4,081,065</u>	<u>\$ 4,126,466</u>

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CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 2. DEPOSITS AND INVESTMENTS (continued)

b. Investments (continued)

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

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, 2018, as applicable:

	<u>Fair Value</u>	<u>Percentage of Portfolio</u>
Quality rating of credit securities		
AAA+	\$ 6,438,900	44%
Aa1	280,414	2%
Aa2	338,705	2%
A1	1,603,938	11%
A2	1,440,211	10%
A3	1,978,727	14%
Baa2	330,129	2%
Ba2	277,207	2%
B2	236,571	2%
Caa1	73,869	1%
Not rated	<u>1,490,986</u>	<u>10%</u>
Total Fixed Income Securities	<u>\$ 14,489,657</u>	<u>100%</u>

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

Concentration of Credit Risk: There were no individual investments that represent 5% or more of plan net assets at September 30, 2018.

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.

CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 2. DEPOSITS AND INVESTMENTS (continued)

b. Investments (continued)

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

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, 2018:

<i>Investment Type By Fair Value Level</i>	<u>Fair Value Measurements using</u>			<u>Total</u>
	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	
Debt Securities:				
Corporate bonds	\$ -	\$ 5,417,080	\$ -	\$ 5,417,080
U.S. treasury securities	4,741,404	-	-	4,741,404
U.S. agency securities	-	1,424,519	-	1,424,519
Fixed income mutual funds	2,906,654	-	-	2,906,654
Total debt securities	<u>7,648,058</u>	<u>6,841,599</u>	<u>-</u>	<u>14,489,657</u>
Equity securities				
Domestic common stock	25,474,355	-	-	25,474,355
International common stock	476,547	-	-	476,547
Equity mutual funds	12,535,460	-	-	12,535,460
Total equity securities	<u>38,486,362</u>	<u>-</u>	<u>-</u>	<u>38,486,362</u>
Total investments by fair value level	<u>\$ 46,134,420</u>	<u>\$ 6,841,599</u>	<u>\$ -</u>	52,976,019
<i>Investments measured at the net asset value (NAV) *</i>				
Real estate fund				<u>7,956,585</u>
Total investments measured at NAV				<u>7,956,585</u>
Money market funds (exempt)				<u>1,130,626</u>
Total investments				<u>\$ 62,063,230</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.*

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:

CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 2. DEPOSITS AND INVESTMENTS (continued)

b. Investments (continued)

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

Investment Valuation (continued)

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, 2018

NOTE 2. DEPOSITS AND INVESTMENTS (continued)

b. Investments (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 **	\$ 7,956,585	\$ -	Quarterly	One Quarter
Total investments measured at NAV	<u>\$ 7,956,585</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, 2018. 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, 2018

NOTE 3. RECEIVABLES AND PAYABLES

Accounts receivable balances at September 30, 2018, were as follows:

	<u>Accounts</u>	<u>Taxes</u>	<u>Other Government</u>	<u>Allowance for Uncollectible Accounts</u>	<u>Net</u>
Government Activities					
General fund	\$ 15,613,005	\$ 43,044	\$ 341,031	\$ (12,146,381)	\$ 3,850,699
CRA	53,235	-	-	-	53,235
Non-major funds	-	-	235,295	-	235,295
Total Government Activities	<u>\$ 15,666,240</u>	<u>\$ 43,044</u>	<u>\$ 576,326</u>	<u>\$ (12,146,381)</u>	<u>\$ 4,139,229</u>
Business-type Activities					
Water & sewer	\$ 2,879,530	-	\$ 16,432	\$ (646,900)	\$ 2,249,062
Solidwaste	815,292	-	1,733,889	(426,642)	2,122,539
Stormwater	340,671	-	-	(275,914)	64,757
Total Business-type Activities	<u>\$ 4,035,493</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,349,456)</u>	<u>\$ 4,436,358</u>

Accounts payable and accrued liabilities balances at September 30, 2018, were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Other Governments</u>	<u>Total</u>
Government Activities				
General fund	\$ 1,926,840	\$ 850,082	\$ 48,509	\$ 2,825,431
CRA	16,947	3,170	186	20,303
Non-major funds	283,100	-	-	283,100
Total Government Activities	<u>\$ 2,226,887</u>	<u>\$ 853,252</u>	<u>\$ 48,695</u>	<u>\$ 3,128,834</u>
Business-type Activities				
Water & sewer	\$ 4,226,125	\$ 78,475	-	\$ 4,304,600
Solidwaste	521,162	60,422	-	581,584
Stormwater	288,899	24,806	-	313,705
Total Business-type Activities	<u>\$ 5,036,186</u>	<u>\$ 163,703</u>	<u>\$ -</u>	<u>\$ 5,199,889</u>

CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 4. CAPITAL ASSETS

The following is a summary of changes in capital assets for the fiscal year ended September 30, 2018, in the governmental activities:

	<u>Balance</u> <u>Oct. 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>Sept. 30, 2018</u>
Governmental activities:				
Capital assets not being depreciated:				
Land and easements	\$ 16,155,120	\$ 1,620,314	\$ -	\$ 17,775,434
Construction in progress	1,299,435	1,734,051	(11,450)	3,022,036
Total assets not being depreciated	<u>17,454,555</u>	<u>3,354,365</u>	<u>(11,450)</u>	<u>20,797,470</u>
Capital assets being depreciated:				
Intangible - software	214,471	-	-	214,471
Buildings	16,593,242	12,000	-	16,605,242
Improvements other than buildings	21,369,239	19,426	-	21,388,665
Machinery and equipment	13,984,090	774,377	(544,558)	14,213,909
Infrastructure	55,663,820	7,676	-	55,671,496
Total capital assets being depreciated	<u>107,824,862</u>	<u>813,479</u>	<u>(544,558)</u>	<u>108,093,783</u>
Less accumulated depreciation for:				
Intangible - software	(214,471)	-	-	(214,471)
Buildings	(5,375,277)	(325,108)	-	(5,700,385)
Improvements other than buildings	(10,250,633)	(974,044)	-	(11,224,677)
Machinery and equipment	(9,649,197)	(825,530)	544,558	(9,930,169)
Infrastructure	(12,754,504)	(958,584)	-	(13,713,088)
Total accumulated depreciation	<u>(38,244,082)</u>	<u>(3,083,266)</u>	<u>544,558</u>	<u>(40,782,790)</u>
Total capital assets being depreciated, net	<u>69,580,780</u>	<u>(2,269,787)</u>	<u>-</u>	<u>67,310,993</u>
Governmental activities capital assets, net	<u>\$ 87,035,335</u>	<u>\$ 1,084,578</u>	<u>\$ (11,450)</u>	<u>\$ 88,108,463</u>

Depreciation expense charged by governmental function are as follows:

Governmental Activities:

General Government	\$ 163,285
Public Safety	524,050
Public Works	1,458,268
Engineering and Community Development	15,766
Parks and Leisure Services	921,897
Total depreciation expense - Governmental Activities	<u>\$ 3,083,266</u>

CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 4. CAPITAL ASSETS (continued)

The following is a summary of changes in capital assets for the fiscal year ended September 30, 2018, in the business-type activities:

	<u>Balance</u> <u>Oct. 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>Sept. 30, 2018</u>
Business-type activities:				
Capital assets not being depreciated:				
Land and easements	\$ 435,982	\$ -	\$ -	\$ 435,982
Construction in progress	621,123	7,047,770	-	7,668,893
Total assets not being depreciated	<u>1,057,105</u>	<u>7,047,770</u>	<u>-</u>	<u>8,104,875</u>
Capital assets being depreciated:				
Intangible - software	15,446	-	-	15,446
Buildings	532,994	-	-	532,994
Improvements other than buildings	29,964	-	-	29,964
Machinery and equipment	6,330,768	727,356	(526,294)	6,531,830
Infrastructure	142,448,589	-	-	142,448,589
Total capital assets being depreciated	<u>149,357,761</u>	<u>727,356</u>	<u>(526,294)</u>	<u>149,558,823</u>
Less accumulated depreciation for:				
Intangible - software	(15,446)	-	-	(15,446)
Buildings	(477,602)	(9,274)	-	(486,876)
Improvements other than buildings	(3,196)	(2,097)	-	(5,293)
Machinery and equipment	(3,481,968)	(582,130)	526,294	(3,537,804)
Infrastructure	(30,775,182)	(2,178,798)	-	(32,953,980)
Total accumulated depreciation	<u>(34,753,394)</u>	<u>(2,772,299)</u>	<u>526,294</u>	<u>(36,999,399)</u>
Total capital assets being depreciated, net	<u>114,604,367</u>	<u>(2,044,943)</u>	<u>-</u>	<u>112,559,424</u>
Business-type activities capital assets, net	<u>\$ 115,661,472</u>	<u>\$ 5,002,827</u>	<u>\$ -</u>	<u>\$ 120,664,299</u>

Depreciation expense in each enterprise fund are as follows:

Business-type Activities:	
Water and sewer	\$ 1,301,724
Solidwaste	424,863
Stormwater	<u>1,045,712</u>
Total depreciation expense - Business-type Activities	<u>\$ 2,772,299</u>

CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 5. INTERFUND BALANCES AND TRANSFERS

The composition of interfund balances at September 30, 2018 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
		<u>\$ 595,000</u>	

Interfund transfers for the year ended September 30, 2018, consisted of the following:

	<u>Transfers In:</u>			<u>Purpose</u>
	<u>CRA</u>	<u>Non-Major Funds</u>	<u>Total</u>	
Transfer Out:				
General fund	\$ 685,915	\$ -	\$ 685,915	Program expenditures
General fund	<u>-</u>	<u>6,433,649</u>	<u>6,433,649</u>	Debt/capital expenditures
Total	<u>\$ 685,915</u>	<u>\$ 6,433,649</u>	<u>\$ 7,119,564</u>	

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CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 6. RESTRICTED ASSETS

The City's restricted assets as of September 30, 2018, are as follows:

<u>Nature</u>	Government Activities			
	General	Non-Major		Total
	Fund	Governmental		
	Fund	Funds	Funds	Total
BSO* agreement for Police Officers paid time off	\$ 131,130	\$ -		\$ 131,130
Loan proceeds held in escrow for firetruck purchase	599,982	-		599,982
Capital project funds	-	6,479,463		6,479,463
Park improvement funds	-	331,603		331,603
Tree preservation funds	-	34,556		34,556
Fire station facility	-	1,632		1,632
Public safety grant funds	-	84,756		84,756
Library grant	-	84,900		84,900
Parks and recreation grant funds	-	50,356		50,356
Total Government Activities	\$ 731,112	\$ 7,067,266		\$ 7,798,378
<i>*Broward Sheriff Office</i>				
	Business-type Activities			
	Water &	Solidwaste	Stormwater	Total
	Sewer	Fund	Fund	
	Fund	Fund	Fund	Total
Customers deposits	\$ 1,023,233	\$ 369,459	\$ -	\$ 1,392,692
Renewal and replacement reserve	1,054,148	-	-	1,054,148
Unspent bond proceeds for capital projects	1,513,600	-	1,006,867	2,520,467
Total Business-type Activities	\$ 3,590,981	\$ 369,459	\$ 1,006,867	\$ 4,967,307

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CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

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, 2018:

	Governmental Activities	Business-Type Activities
Year ending September 30:		
2019	\$ 286,717	\$ 223,500
2020	277,865	223,500
2021	180,508	223,487
2022	180,633	223,363
2023	180,633	223,363
2024-2025	244,258	112,449
Total minimum lease payments	1,350,613	1,229,662
Less: amount representing interest	(104,784)	(67,335)
Present value of minimum lease payments	\$ 1,245,829	\$ 1,162,327
	Governmental Activities	Business-Type Activities
Asset type:		
Machinery and Equipment	\$ 1,448,769	\$ 1,595,370
Less: Accumulated Depreciation	(704,896)	(325,323)
Net book value	\$ 743,873	\$ 1,270,047

CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

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. If a loan-to-grant conversion has not taken place by March 31, 2019, the first principal shall then become due.

The following table shows the debt service requirements of the BCRCP Loan #1 as of September 30, 2018:

Fiscal Year ending September 30:	Principal	Interest	Total
2019	\$ 106,927	\$ 42,422	\$ 149,349
2020	106,927	39,158	146,085
2021	106,927	35,895	142,822
2022	106,927	32,632	139,559
2023	106,927	29,369	136,296
2024-2028	534,635	97,896	632,531
2029-2031	320,781	19,579	340,360
	<u>\$ 1,390,050</u>	<u>\$ 296,951</u>	<u>\$ 1,687,001</u>

CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

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 repayment begins. An equal amount of principal, plus the interest accrued for the year, shall be made on or before September 30th of each year of the fifteen (15) year period commencing on September 30, 2019, as approved by Broward County on March 28, 2017, on the first loan amendment executed on such date to defer the payment of principal for a period of two (2) years from the initial maturity date of September 30, 2017.

The following table shows the debt service requirements of the BCRCP Loan #2 as of September 30, 2018:

Fiscal Year ending September 30:	Principal	Interest	Total
2019	\$ 26,637	\$ 9,550	\$ 36,187
2020	26,637	8,815	35,452
2021	26,637	8,080	34,717
2022	26,637	7,346	33,983
2023	26,637	6,611	33,248
2024-2028	133,183	22,037	155,220
2029-2031	79,906	4,407	84,313
	<u>\$ 346,275</u>	<u>\$ 66,845</u>	<u>\$ 413,120</u>

CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 8. LONG-TERM DEBT (continued)

Bank and Intergovernmental Loans (continued)

c. Broward County Redevelopment Capital Program – Loans III and IV

On June 30, 2012, the City and the Oakland Park Community Redevelopment Agency (CRA) entered into two loan agreements and promissory notes, loan III and IV, with Broward County Redevelopment Capital Program in the amount of \$751,300 and \$305,000, respectively. These unsecured loans were used for the acquisition of the properties located in the downtown area for future development.

On May 25, 2018, the Board of County Commissioners of the Broward County approved the City's application to convert loans III and IV into grants and the loans were effectively cancelled on July 20, 2018 after going through the successful grant conversion process. It can be noted that per the terms of the loan agreement, 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.

d. 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 payment including interest and principal will be due on March 31, 2020.

e. 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.

CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 8. LONG-TERM DEBT (continued)

Bank and Intergovernmental Loans (continued)

e. Broward County Redevelopment Capital Program – Loan VII (continued)

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 payment including interest and principal will be due on August 31, 2020.

f. 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 payment including interest and principal will be due on November 30, 2020.

g. 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 12th 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 including interest and principal will be due in February 2023.

CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 8. LONG-TERM DEBT (continued)

Bank and Intergovernmental Loans (continued)

h. 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.

The following table shows the debt service requirements of the Capital One – Series 2007 loan, as of September 30, 2018:

Fiscal Year ending September 30:	Principal	Interest	Total
2019	\$ 197,640	\$ 126,326	\$ 323,966
2020	206,475	115,354	321,829
2021	215,704	103,892	319,596
2022	225,346	91,917	317,264
2023	235,419	79,407	314,827
2024-2028	1,344,675	188,920	1,533,595
	<u>\$ 2,425,261</u>	<u>\$ 705,817</u>	<u>\$ 3,131,077</u>

CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 8. LONG-TERM DEBT (continued)

Bank and Intergovernmental Loans (continued)

i. 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 BB&T term loan 2010, as of September 30, 2018:

Fiscal Year ending September 30:	Governmental Activities		Business-type Activities		Total Payments	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 485,850	\$ 285,321	\$ 205,260	\$ 120,541	\$ 691,110	\$ 405,863
2020	505,180	266,987	213,426	112,795	718,606	379,782
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
2024-2028	3,153,053	703,683	1,332,086	297,288	4,485,139	1,000,971
2029-2031	2,181,716	122,977	921,719	51,955	3,103,436	174,932
	<u>\$ 7,954,314</u>	<u>\$ 2,062,936</u>	<u>\$ 3,360,500</u>	<u>\$ 871,540</u>	<u>\$ 11,314,814</u>	<u>\$ 2,934,475</u>

j. 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 1st of each year with interest payments due on July 1st and January 1st. 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.

CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 8. LONG-TERM DEBT (continued)

Bank and Intergovernmental Loans (continued)

j. SunTrust–2014 Term Loan (continued)

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 a maximum of 3.32% from 2.88%.

The following table shows the debt service requirements of the above loan as of September 30, 2018:

Fiscal Year ending September 30:	Principal	Interest	Total
2019	\$ 90,000	\$ 38,346	\$ 128,346
2020	95,000	35,358	130,358
2021	95,000	32,204	127,204
2022	100,000	29,050	129,050
2023	100,000	25,730	125,730
2024-2028	555,000	76,028	631,028
2029	120,000	3,984	123,984
	<u>\$ 1,155,000</u>	<u>\$ 240,700</u>	<u>\$ 1,395,700</u>

k. 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.

The following table shows the debt service requirements of the BB&T loan 2016, as of September 30, 2018:

Fiscal Year ending September 30:	Principal	Interest	Total
2019	\$ 100,000	\$ 9,302	\$ 109,302
2020	105,000	7,654	112,654
2021	105,000	6,005	111,005
2022	110,000	4,318	114,318
2023	110,000	2,591	112,591
2024	115,000	864	115,864
	<u>\$ 645,000</u>	<u>\$ 30,733</u>	<u>\$ 675,733</u>

CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 8. LONG-TERM DEBT (continued)

Bank and Intergovernmental Loans (continued)

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 FCB loan 2018, as of September 30, 2018:

Fiscal Year ending September 30:	Principal	Interest	Total
2019	\$ -	\$ 43,430	\$ 43,430
2020	145,000	50,006	195,006
2021	150,000	45,360	195,360
2022	155,000	40,556	195,556
2023	155,000	35,674	190,674
2024 - 2029	<u>1,055,000</u>	<u>103,084</u>	<u>1,158,084</u>
	<u>\$ 1,660,000</u>	<u>\$ 318,110</u>	<u>\$ 1,978,110</u>

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CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 8. LONG-TERM DEBT (continued)

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.

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.

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CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 8. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

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

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.

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.

CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 8. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

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

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 after interest subsidy on the bonds is \$18,849,579. Principal and interest paid for the current year were \$1,080,137. Total customer net revenues for current year were \$6,916,548.

Following is the debt service requirements as of September 30, 2018:

Fiscal Year ending September 30:	2010A		2010B			Total Payment after est. subsidy
	Principal	Interest	Principal	Interest	Est. Subsidy	
2019	\$ 355,000	\$ 32,156	\$ -	\$ 692,631	\$ 242,421	\$ 837,366
2020	365,000	21,063		692,631	242,421	836,273
2021	35,000	9,200	400,000	692,631	242,421	894,410
2022	45,000	7,800	410,000	670,827	234,789	898,838
2023	50,000	6,000	420,000	648,478	226,967	897,511
2024-2028	100,000	6,000	2,360,000	2,872,965	1,005,538	4,333,427
2029-2033	-	-	2,860,000	2,112,347	739,321	4,233,026
2034-2038	-	-	3,470,000	1,162,974	407,041	4,225,933
2039-2040	-	-	1,595,000	150,456	52,660	1,692,796
	<u>\$ 950,000</u>	<u>\$ 82,218</u>	<u>\$ 11,515,000</u>	<u>\$ 9,695,940</u>	<u>\$ 3,393,579</u>	<u>\$ 18,849,579</u>

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.

CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 8. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

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

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

- **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 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 \$24,759,950. Principal and interest paid for the current year were \$876,525. Total customer net revenues for current year were \$6,916,548.

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CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 8. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

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

Following is the debt service requirements as of September 30, 2018:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 315,000	\$ 562,375	\$ 877,375
2020	325,000	552,925	877,925
2021	280,000	543,175	823,175
2022	290,000	534,775	824,775
2023	310,000	526,075	836,075
2024-2028	1,995,000	2,461,025	4,456,025
2029-2033	2,755,000	2,061,875	4,816,875
2034-2038	3,665,000	1,495,125	5,160,125
2039-2042	5,480,000	607,600	6,087,600
	<u>\$ 15,415,000</u>	<u>\$ 9,344,950</u>	<u>\$ 24,759,950</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. No principal was paid during the year while interest paid was \$59,188.

The following table shows the debt service requirements of the Water and Sewer Bond 2017 Series as of September 30, 2018:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 358,546	\$ 127,907	\$ 486,453
2020	384,659	120,401	505,060
2021	392,429	112,552	504,981
2022	400,357	104,545	504,901
2023	408,444	96,376	504,820
2024-2028	2,169,361	353,453	2,522,814
2029-2033	2,397,499	123,010	2,520,510
	<u>\$ 6,511,296</u>	<u>\$ 1,038,243</u>	<u>\$ 7,549,539</u>

CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 8. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

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.
- 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 \$7,781,738. Principal and interest paid for the current year were \$336,725. Total customer net revenues for current year were \$2,547,344.

CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 8. LONG-TERM DEBT (continued)

Revenue Bonds (continued)

d. Stormwater Assessment Bonds, Series 2011 (continued)

Following is the debt service requirements as of September 30, 2018:

Fiscal Year ending September 30:	Principal	Interest	Total
2019	\$ 135,000	\$ 202,825	\$ 337,825
2020	140,000	198,775	338,775
2021	145,000	194,575	339,575
2022	150,000	190,225	340,225
2023	155,000	185,350	340,350
2024-2028	855,000	840,800	1,695,800
2029-2033	1,035,000	649,288	1,684,288
2034-2038	1,290,000	397,488	1,687,488
2039-2041	930,000	87,413	1,017,413
	<u>\$ 4,835,000</u>	<u>\$ 2,946,738</u>	<u>\$ 7,781,738</u>

e. Stormwater Assessment Bond 2015 series

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, 2018:

Fiscal Year ending September 30:	Principal	Interest	Total
2019	\$ 128,180	\$ 47,055	\$ 175,235
2020	131,560	43,671	175,231
2021	135,040	40,197	175,237
2022	138,600	36,632	175,232
2023	142,260	32,973	175,233
2024-2028	769,670	106,508	876,178
2029-2030	337,060	13,406	350,466
	<u>\$ 1,782,370</u>	<u>\$ 320,442</u>	<u>\$ 2,102,812</u>

CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 8. LONG-TERM DEBT (continued)

Changes in Long-term Debt

Long-term liability activities for the year ended September 30, 2018, were as follows:

	<u>Balance</u>			<u>Balance</u>	<u>Due Within</u>
	<u>Oct. 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Sept. 30, 2018</u>	<u>One Year</u>
Governmental activities:					
Bonds and notes payable					
Capital lease 2013	\$ 301,465	\$ -	\$ (101,553)	\$ 199,912	\$ 103,427
Capital lease 2014	538,015	-	(71,461)	466,554	73,189
Capital lease 2018	-	599,611	(20,248)	579,363	79,678
Note payable 2007	2,614,444	-	(189,184)	2,425,260	197,640
Note payable 2016	745,000	-	(100,000)	645,000	105,000
BB&T refunding bonds 2010	8,423,846	-	(469,532)	7,954,314	485,850
Florida Community Bank 2018	-	1,660,000	-	1,660,000	-
CRA RCP loan	4,852,739	-	(1,405,418)	3,447,321	133,564
Total bonds and notes payable	<u>17,475,509</u>	<u>2,259,611</u>	<u>(2,357,396)</u>	<u>17,377,724</u>	<u>1,178,348</u>
Other liabilities					
Compensated absences	1,288,204	839,229	(744,530)	1,382,903	225,319
Net pension liability	24,410,477	-	(2,363,266)	22,047,211	-
Total OPEB liability	<u>1,073,641</u>	<u>138,417</u>	<u>-</u>	<u>1,212,058</u>	<u>-</u>
Total other liabilities	<u>26,772,322</u>	<u>977,646</u>	<u>(3,107,796)</u>	<u>24,642,172</u>	<u>225,319</u>
Total governmental activities long-term debt	<u>\$ 44,247,831</u>	<u>\$ 3,237,257</u>	<u>\$ (5,465,192)</u>	<u>\$ 42,019,896</u>	<u>\$ 1,403,667</u>

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CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 8. LONG-TERM DEBT (continued)

Changes in Long-term Debt (continued)

	<u>Balance</u> <u>Oct. 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>Sept. 30, 2018</u>	<u>Due Within</u> <u>One Year</u>
Business-type activities:					
Bonds and notes payable					
Capital lease 2014	\$ 360,128	\$ -	\$ (47,833)	\$ 312,295	\$ 48,990
Capital lease 2017	1,000,876	-	(150,844)	850,032	153,473
ST loan 2014	1,245,000	-	(90,000)	1,155,000	90,000
BB&T refunding bonds 2010	3,558,865	-	(198,365)	3,360,500	205,260
Revenue refunding 2010	12,810,000	-	(345,000)	12,465,000	355,000
Stormwater bonds series 2011	4,965,000	-	(130,000)	4,835,000	135,000
Water & Sewer bonds series 2012	15,720,000	-	(305,000)	15,415,000	315,000
Stormwater bonds series 2015	1,907,250	-	(124,880)	1,782,370	128,180
Water & Sewer bonds series 2017	-	6,511,296	-	6,511,296	358,546
Less: Deferred amounts	<u>(197,306)</u>	<u>-</u>	<u>7,987</u>	<u>(189,319)</u>	<u>-</u>
Total bonds and notes payable	<u>41,369,813</u>	<u>6,511,296</u>	<u>(1,383,935)</u>	<u>46,497,174</u>	<u>1,789,449</u>
Other liabilities					
Compensated absences	242,757	144,910	(203,535)	184,132	33,143
Net pension liability	4,079,710	-	(416,402)	3,663,308	-
Total OPEB liability	<u>290,086</u>	<u>37,400</u>	<u>-</u>	<u>327,486</u>	<u>-</u>
Total other liabilities	<u>4,612,553</u>	<u>182,310</u>	<u>(619,937)</u>	<u>4,174,926</u>	<u>33,143</u>
Total business-type activities long-term debt	<u>\$ 45,982,366</u>	<u>\$ 6,693,606</u>	<u>\$ (2,003,872)</u>	<u>\$ 50,672,100</u>	<u>\$ 1,822,592</u>

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CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

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 OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 9. EMPLOYEE RETIREMENT PLANS (continued)

Defined Benefit Pension Plans (continued)

a. Florida Retirement System Pension Plan (continued)

General Information (continued)

City or special district within the State 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.

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

CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 9. EMPLOYEE RETIREMENT PLANS (continued)

Defined Benefit Pension Plans (continued)

a. Florida Retirement System Pension Plan (continued)

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.

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, 2017 through June 30, 2018 and from July 1, 2018 through September 30, 2018, respectively, were as follows: Regular - 7.92% and 8.26%; Senior Management Service—22.71% and 24.06%. These employer contribution rates include 1.66% HIS Plan subsidy for the periods October 1, 2017 through June 30, 2018 and from July 1, 2018 through September 30, 2018, respectively.

The City's contributions to the Pension Plan totaled \$502,685 for the fiscal year ended September 30, 2018 with covered payroll of \$6,116,174.

CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 9. EMPLOYEE RETIREMENT PLANS (continued)

Defined Benefit Pension Plans (continued)

a. Florida Retirement System Pension Plan (continued)

Net Pension Liability

At September 30, 2018, the City reported a liability of \$5,312,826 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. The City's proportionate share of the net pension liability was based on the City's 2017-18 fiscal year contributions relative to the contributions of all participating members. At September 30, 2018, the City's proportionate share was 0.017638560 percent, which was an increase of 0.001953521 percent from its proportionate share measured as of June 30, 2018.

The components of the City's proportionate share in the net pension liability as of September 30, 2018, were as follows:

	<u>Amount</u>
Total pension liability	\$ 33,745,633
Plan fiduciary net position	(28,432,808)
Total net pension liability	<u>\$ 5,312,826</u>
Plan fiduciary net position as a percentage of the total pension liability	
	<u>84.26%</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 June 30, 2018 actuarial valuation was determined using the following actuarial assumption, applied to all period included in the measurement:

Valuation date	June 30, 2018
Measurement date	June 30, 2018
Actuarial cost method	Individual entry age normal
Inflation	2.60 %
Salary increases	3.25%, average, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation
Mortality rate	Generational RP-2000 with Projection Scale BB

CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 9. EMPLOYEE RETIREMENT PLANS (continued)

Defined Benefit Pension Plans (continued)

a. Florida Retirement System Pension Plan (continued)

Actuarial Assumptions (continued)

The actuarial assumptions used in the June 30, 2018 valuation also included information from the 2014 Experience Study report, published September 8, 2014.

The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual Return</u>	<u>Standard Deviation</u>
Cash	1%	3.0%	3.0%	1.8%
Fixed income	18%	4.5%	4.6%	4.2%
Global equity	53%	7.8%	6.8%	17.0%
Real estate (property)	10%	6.6%	5.8%	12.8%
Private equity	6%	11.5%	7.8%	30.0%
Strategic investments	12%	6.1%	5.6%	9.7%
Assumed inflation - mean			2.6%	1.9%

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. 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.

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CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 9. EMPLOYEE RETIREMENT PLANS (continued)

Defined Benefit Pension Plans (continued)

a. Florida Retirement System Pension Plan (continued)

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 7.00%, 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 (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
City's proportionate share of the net pension liability	\$ 9,696,129	\$ 5,312,826	\$ 1,672,233

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

For the fiscal year ended September 30, 2018, the City recognized pension expense of \$1,187,740, 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	\$ 427,556	\$ -	\$ -
Interest cost	2,266,190	-	-
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	114,047	450,076	16,336
Effect of changes in assumptions/ inputs	411,768	1,735,973	-
Member contributions	(131,649)	-	-
Projected investment earnings	(1,887,282)	-	-
Net difference between projected and actual earnings on pension plan investments	(293,039)	-	410,481
Administrative expenses	3,559	-	-
Net amortization of employer-specific amounts due to changes in employer proportion	276,590	-	-
Changes due to proportional share	-	939,803	-
Contribution subsequent to measurement date	-	120,773	-
Total	\$ 1,187,740	\$ 3,246,625	\$ 426,817

CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

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 (continued)

The City's contributions to the Pension Plan made subsequent to the measurement date amounting to \$120,773 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 Pension Plan will be recognized in pension expense in the following years:

<u>Year Ending September 30:</u>	<u>Amount</u>
2019	\$ 958,191
2020	685,491
2021	241,813
2022	463,633
2023	297,374
Thereafter	<u>52,533</u>
Total	<u>\$ 2,699,035</u>

Payables to the Pension Plan

At September 30, 2018, the City reported a payable in the amount of \$62,721 for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2018.

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, 2018, 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.

CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 9. EMPLOYEE RETIREMENT PLANS (continued)

Defined Benefit Pension Plans (continued)

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

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, 2018, the HIS contribution for the period October 1, 2017 through June 30, 2018 and from July 1, 2018 through September 30, 2018, 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 \$105,901 for the fiscal year ended September 30, 2018 with covered payroll of \$6,379,162.

Net Pension Liability

At September 30, 2018, the City reported a liability of \$2,066,861 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. The City's proportionate share of the net pension liability was based on the City's 2017-18 fiscal year contributions relative to the contributions of all participating members. At September 30, 2018, the City's proportionate share was 0.019527954 percent, which was an increase of 0.002178543 percent from its proportionate share measured as of June 30, 2018.

The components of the City's proportionate share in the net pension liability as of September 30, 2018, were as follows:

	<u>Amount</u>
Total pension liability	\$ 2,112,256
Plan fiduciary net position	(45,395)
Net pension liability	\$ 2,066,861
 Plan fiduciary net position as a percentage of the total pension liability	 <u>2.15%</u>

CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 9. EMPLOYEE RETIREMENT PLANS (continued)

Defined Benefit Pension Plans (continued)

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

Actuarial Assumptions

The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	June 30, 2018
Measurement date	June 30, 2018
Actuarial cost method	Individual entry age normal
Inflation	2.60 %
Salary increases	3.25%, average, including inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the June 30, 2018 valuation also included information from the 2014 Experience Study report, published September 8, 2014.

Discount Rate

The discount rate used to measure the total pension liability was 3.87%. 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.

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 3.87%, 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 (2.87%) or one percentage higher (4.87%) than the current rate:

	1% Decrease	Current	1% Increase
	(2.87%)	Discount Rate	(4.87%)
	<u> </u>	<u> </u>	<u> </u>
City's proportionate share of the net pension liability	<u>\$ 2,354,033</u>	<u>\$ 2,066,861</u>	<u>\$ 1,827,486</u>

CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 9. EMPLOYEE RETIREMENT PLANS (continued)

Defined Benefit Pension Plans (continued)

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

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.

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

For the fiscal year ended September 30, 2018, the City recognized pension expense of \$286,111. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Pension Expense</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Service cost	\$ 50,470	\$ -	\$ -
Interest cost	76,101	-	-
Effect of economic/demographic gains or losses (difference in actual experience)	4,268	31,643	3,511
Effect of assumptions changes/ inputs	23,700	229,860	218,526
Member contributions	(46)	-	-
Projected investment earnings	(1,423)	-	-
Net difference between projected and actual earnings on pension plan investments	686	1,108	-
Administrative expenses	33	-	-
Net amortization of employer-specific amounts due to changes in employer proportion	132,322	589,100	-
Contribution subsequent to measurement date	-	24,038	-
Total	<u>\$ 286,111</u>	<u>\$ 875,749</u>	<u>\$ 222,037</u>

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CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

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 \$24,038 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>
2019	\$ 160,757
2020	160,652
2021	130,509
2022	99,136
2023	46,783
Thereafter	<u>31,837</u>
Total	<u>\$ 629,674</u>

Payables to the Pension Plan

At September 30, 2018, the City reported a payable in the amount of \$1,041 for outstanding contributions to the HIS Plan required for the fiscal year ended September 30, 2018.

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.

CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 9. EMPLOYEE RETIREMENT PLANS (continued)

Defined Benefit Pension Plans (continued)

c. General Employees' Pension Plan (continued)

General Information (continued)

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 ended September 30, 2018 amounted to \$1,895,213 with covered payroll of \$3,333,110.

CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

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, 2018, were as follows:

	Amount
Total pension liability	\$ 47,292,370
Plan fiduciary net position	(41,181,250)
Net pension liability	\$ 6,111,120
Plan fiduciary net position as a percentage of the total pension liability	
	87.08%

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, 2018, using an annual actuarial valuation of October 1, 2017. The actuarial valuation used the following actuarial assumptions:

Valuation date	October 1, 2017
Measurement date	September 30, 2018
Actuarial cost method	Entry age normal
Inflation	2.89% 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, 2018

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, 2017, 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	12%	0.50%
Core plus	18%	1.00%
U.S. large cap equity	47%	6.00%
U.S. small cap equity	13%	6.75%
Non-U.S. equity	<u>10%</u>	<u>6.75%</u>
Total or Weighted Arithmetic Average	<u>100%</u>	<u>4.61%</u>

Membership as of actuarial valuation date:

Receiving Benefits	161
Deferred Vested	50
Active participants	<u>76</u>
	<u>287</u>

Discount rate

The discount rate used to measure the total pension liability was 7.50% for 2018. 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, 2018

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	\$ 47,095,099	\$ (39,187,602)	\$ 7,907,497
Changes for the year			
Expected interest growth	3,403,524	(2,884,914)	518,610
Unexpected investment income	-	(579,490)	(579,490)
Demographic experience	145,358	-	145,358
Employer contributions	-	(1,962,213)	(1,962,213)
Benefit payments & refunds	(3,351,611)	3,351,611	-
Administrative expense	-	81,358	81,358
Balances, end of the year	<u>\$ 47,292,370</u>	<u>\$ (41,181,250)</u>	<u>\$ 6,111,120</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 2018, 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%)
September 30, 2018	<u>\$ 10,828,940</u>	<u>\$ 6,111,120</u>	<u>\$ 2,117,240</u>

Payables to the Pension Plan

At September 30, 2018, the City had no reported payable for outstanding contributions to the Plan required for the fiscal year 2018.

CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

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, 2018, the City recognized pension expense of \$1,812,395 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:

<u>Description</u>	<u>Pension Expense</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Balances, beginning of the year	\$ -	\$ 5,077,438	\$ 2,696,710
Changes during the year:			
Service cost	-	-	-
Other recognized changes in net pension liability:			
Expected interest growth	518,610	-	-
Investment gain (loss)	(334,291)	-	579,490
Demographic gain (loss)	67,523	145,358	-
Administrative expenses	81,358	-	-
Assumption changes	1,479,195	-	-
Net amortization of employer-specific amounts due to changes in employer proportion	-	(2,154,341)	(941,914)
Net changes	<u>1,812,395</u>	<u>(2,008,983)</u>	<u>(362,424)</u>
Balances, end of the year	<u>\$ 1,812,395</u>	<u>\$ 3,068,455</u>	<u>\$ 2,334,286</u>

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

<u>Year Ending September 30:</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2019	\$ 1,047,411	\$ 749,932
2020	510,456	749,933
2021	510,456	664,620
2022	510,456	143,685
2023	486,393	26,116
Thereafter	<u>3,283</u>	<u>-</u>
Total	<u>\$ 3,068,455</u>	<u>\$ 2,334,286</u>

CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

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, as 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. Firefighters hired on or after that date become compulsory members of the Florida Retirement System.

The Plan is administered by a governing board which is 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 are 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
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 9. EMPLOYEE RETIREMENT PLANS (continued)

Defined Benefit Pension Plans (continued)

d. Retirement System for Police and Firefighters (continued)

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
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 9. EMPLOYEE RETIREMENT PLANS (continued)

Defined Benefit Pension Plans (continued)

d. Retirement System for Police and Firefighters (continued)

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, 2018, amounted to \$2,027,219 and the amount of covered payroll was \$4,317,687. Members contributions were \$353,882 while County and State contributions were \$- and \$712,396, 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 \$355,531 and \$354,663 from property 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, 2018, were as follows:

	Amount
Total pension liability	\$ 74,945,653
Plan fiduciary net position	(62,823,563)
Net pension liability	\$ 12,122,090
Plan fiduciary net position as a percentage of the total pension liability	83.83%

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CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 9. EMPLOYEE RETIREMENT PLANS (continued)

Defined Benefit Pension Plans (continued)

d. Retirement System for Police and Firefighters (continued)

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, 2018, using an annual actuarial valuation as of October 1, 2017 with the following assumptions:

Valuation date	October 1, 2017
Measurement date	September 30, 2018
Actuarial cost method	Entry age normal
Inflation	2.50%
Salary increases	5.00%
Investment rate of return	8.40% 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 rates of return for each major asset class included in the Plan's target asset allocation as of the valuation date of October 1, 2017, are summarized in the following table:

<u>Asset class</u>	<u>Target Allocation</u>	<u>Long-term expected real rate of return</u>
Domestic equity	45%	10.00%
International equity	15%	11.00%
Domestic bonds	25%	5.00%
International bonds	5%	6.00%
Real estate	<u>10%</u>	7.00%
Total or weighted arithmetic average	<u>100%</u>	8.40%

CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 9. EMPLOYEE RETIREMENT PLANS (continued)

Defined Benefit Pension Plans (continued)

d. Retirement System for Police and Firefighters (continued)

Actuarial assumptions (continued)

Membership as of Actuarial Valuation Date	
Receiving Benefits	126
Terminated Vested	-
Active members	59
Drop participants	<u>8</u>
Total	<u>193</u>

Discount rate

The discount rate used to measure the total pension liability was 8.40% for 2018. 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 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.

Changes in Net Pension Liability

	Total pension liability <u>(A)</u>	Fiduciary net position <u>(B)</u>	Net pension liability <u>(A)-(B)</u>
Balances, beginning of the year	\$ 74,437,099	\$ (60,448,233)	\$ 13,988,866
Changes during the year:			
Service cost	381,535	-	381,535
Interest	6,033,930	-	6,033,930
Unexpected investment (gain) loss	(611,388)	5,271,152	4,659,764
Demographic experience	-	-	-
Employer contributions	-	2,739,615	2,739,615
Employee contributions	-	353,882	353,882
Benefit payments & refunds	(5,841,549)	(5,841,549)	-
Administrative expense	-	(147,770)	(147,770)
Change in assumption	<u>546,026</u>	<u>-</u>	<u>546,026</u>
Net changes	<u>508,554</u>	<u>2,375,330</u>	<u>14,566,982</u>
Balances, end of the year	<u>\$ 74,945,653</u>	<u>\$ (62,823,563)</u>	<u>\$ 12,122,090</u>

CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 9. EMPLOYEE RETIREMENT PLANS (continued)

Defined Benefit Pension Plans (continued)

d. Retirement System for Police and Firefighters (continued)

Changes in Net Pension Liability (continued)

The Schedules of Changes in the City’s Net Pension Liability and Related Ratios and Schedule of Contributions, presented as required supplementary information following the notes to the financial statements, present multiyear 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 8.40% for 2018, 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	Current	Discount Rate	1% Increase
	<u>(7.40%)</u>		<u>(8.40%)</u>	<u>(9.40%)</u>
September 30, 2018	<u>\$ 18,961,661</u>		<u>\$ 12,122,090</u>	<u>\$ 6,341,616</u>

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CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 9. EMPLOYEE RETIREMENT PLANS (continued)

d. Retirement System for Police and Firefighters (continued)

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

For the fiscal year ended September 30, 2018, the City recognized pension expense of \$2,438,824 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

<u>Description</u>	<u>Pension Expense</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Balances, beginning of the year	\$ -	\$ 6,971,727	\$ 3,065,946
Changes during the year:			
Service cost	381,535	-	-
Other recognized changes in net pension	-	-	-
Expected interest growth	6,033,930	-	-
Investment gain (loss)	(4,956,027)	-	315,125
Demographic gain (loss)	-	-	611,388
Employee contributions	(353,882)	-	-
Administrative expenses	147,770	-	-
Assumption changes	-	546,026	-
Changes in benefit terms	-	-	-
Amortization payments	-	(2,237,656)	(1,052,158)
Recognition of outflow (inflow) of resources due to assets	76,600	-	-
Recognition of outflow (inflow) of resources due to liabilities	1,108,898	-	-
Net changes	<u>2,438,824</u>	<u>(1,691,630)</u>	<u>(125,645)</u>
Balances, end of the year	<u>\$ 2,438,824</u>	<u>\$ 5,280,097</u>	<u>\$ 2,940,301</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:

<u>Year Ending September 30:</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2019	\$ 2,237,656	\$ 854,000
2020	1,602,174	854,000
2021	1,258,255	823,368
2022	91,004	307,035
202	91,008	101,898
Total	<u>\$ 5,280,097</u>	<u>\$ 2,940,301</u>

CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 9. EMPLOYEE RETIREMENT PLANS (continued)

Defined Benefit Pension Plans (continued)

d. Retirement System for Police and Firefighters (continued)

Payables to the Pension Plan

At September 30, 2018, the City's outstanding contributions payable to the Plan as required for the fiscal year 2018 was \$201,535.

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 17% per contracts 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, 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 FY18, the 401(a) General Employee Plan contribution rates for the City and the employees are 7.9% and 3%, respectively. Total contribution including employees' share for FY18 were \$107,574 for the executive plan and \$316,181 for the general employee plan.

b. FRS Investment Plan

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.

CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 9. EMPLOYEE RETIREMENT PLANS (continued)

b. FRS Investment Plan (continued)

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 in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended 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, and the individual members allocate contributions and account balances 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, from October 1, 2017 through June 30, 2018 and from July 1, 2018 through September 30, 2018, respectively, were as follows: Regular—7.92% and 8.26%; Senior Management Service—22.71% and 24.06% as established by Section 121.72, Florida Statutes. Total contributions including employees share for FY 2018 were \$119,455.

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, 2018, 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.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum 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.

CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 9. EMPLOYEE RETIREMENT PLANS (continued)

Defined Contribution Pension Plans (continued)

Contribution

For the fiscal year ended September 30, 2018, the City's and employees' contributions for all defined contributions plans were as follows:

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contribution requirement	\$ 543,210	\$ 557,076	\$ 658,758
Contributions made by the City (100%)			
401 (a) Plan	\$ 316,181	\$ 325,656	\$ 439,255
FRS Investment Plan	89,054	87,546	44,641
Contributions made by employees (100%)			
401 (a) Plan	107,574	115,522	156,574
FRS Investment Plan	30,401	28,352	18,288
Total contributions made	<u>\$ 543,210</u>	<u>\$ 557,076</u>	<u>\$ 658,758</u>
Total covered payroll	<u>\$ 4,599,160</u>	<u>\$ 4,795,770</u>	<u>\$ 5,363,807</u>
% of contribution to total covered payroll	<u>11.81%</u>	<u>11.62%</u>	<u>12.28%</u>

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, 2018. The City currently contributes to the plan for executive management ranging from 2.2% to 6.9% of salaries. For fiscal year 2018, the amount contributed by the City was \$12,885. Members may make voluntary contributions to 457(b) up to the maximum annual contribution allowed by law.

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CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

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:

- 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, 2018, 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	11
Active employees	<u>228</u>
Total	<u><u>239</u></u>

CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

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

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, 2018 were as follows:

	Amount
Total OPEB liability	\$ 1,539,544
Plan fiduciary net position	-
Net OPEB liability	\$ 1,539,544
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%

Actuarial Assumptions and Other Inputs

The City's OPEB liability as of September 30, 2018 was determined using the following actuary assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	January 1, 2018
Measurement date	September 30, 2018
Discount rate	3.16%
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	8% for FY2018, decreasing 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 RP-2000 Combined Mortality Table (general employees) or RP-2000 Blue Collar Mortality Table (for firefighters), both with full generational improvements in mortality using Scale BB.

CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

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

Changes in OPEB Liability

	Total OPEB liability	OPEB net position	Net OPEB liability
Balances, beginning of the year	\$ 1,363,727	\$ -	\$ 1,363,727
Changes during the year			
Service cost	130,377	-	130,377
Expected interest growth	46,334	-	46,334
Demographic experience	55,188	-	55,188
Benefit payments & refunds	<u>(56,082)</u>	<u>-</u>	<u>(56,082)</u>
Net changes	<u>175,817</u>	<u>-</u>	<u>175,817</u>
Balances, end of the year	<u>\$ 1,539,544</u>	<u>\$ -</u>	<u>\$ 1,539,544</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.

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:

	1% Decrease <u>(2.16%)</u>	Discount Rate <u>(3.16%)</u>	1% Increase <u>(4.16%)</u>
September 30, 2018	<u>\$ 1,687,960</u>	<u>\$ 1,539,544</u>	<u>\$ 1,409,497</u>

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:

	Trend Rate <u>(- 1%)</u>	Current Healthcare Cost Trend Rate <u>(8% graded down to 5%)</u>	Trend Rate <u>(+ 1%)</u>
September 30, 2018	<u>\$ 1,379,244</u>	<u>\$ 1,539,544</u>	<u>\$ 1,727,895</u>

CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

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

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).

For the fiscal year ended September 30, 2018, the City recognized OPEB expense of \$126,788. In addition, the City reported deferred outflows of resources related to pensions from the following sources:

<u>Description</u>	<u>OPEB Expense</u>	<u>Deferred Outflow of Resources</u>
Balances, beginning of the year	\$ -	\$ -
Changes during the year:		
Service cost	130,377	-
Other recognized changes in OPEB liability	-	-
Expected interest growth	46,334	-
Demographic gain(loss)	6,159	-
Benefit payments and refunds	(56,082)	55,188
Amortization payments	-	(6,159)
Net changes	<u>126,788</u>	<u>49,029</u>
Balances, end of the year	<u>\$ 126,788</u>	<u>\$ 49,029</u>

CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

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

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

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

<u>Year Ending September 30:</u>	<u>Deferred Outflow of Resources</u>
2019	\$ 6,159
2020	6,159
2021	6,159
2022	6,159
2023	6,159
2024-2027	18,234
Total	\$ 49,029

There are no financial statements for the OPEB plan.

NOTE 11. COMMITMENTS AND CONTINGENCIES

a. Contingencies

The City is currently a defendant in several pending claims and legal proceedings incidental to the operations of the City. 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.

b. Grants

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, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 11. COMMITMENTS AND CONTINGENCIES (continued)

c. Police Services

On October 1, 2005, the City entered into a five-year contract with the Broward Sheriff's Office (BSO) for police services which was renewed on October 20, 2010 for another five (5) years with another 5-year term extension. The current police services contract is on the extension period, as agreed upon by both parties. 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 \$15,262,563 under the contract for the fiscal year ended September 30, 2018.

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, 2018, 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.

d. 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 upon actual costs incurred in the prior year. For the fiscal year ended September 30, 2018, the City recorded expenses of \$1,117,884 and \$3,987,988 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 considers cancellation of this agreement remote. In addition, future payments under this agreement cannot be estimated.

CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 11. COMMITMENTS AND CONTINGENCIES (continued)

e. 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, 2018, which rollover to the next fiscal year, were as follows:

<u>Fund</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Capital projects fund	\$ 2,738,223	\$ -
General fund	551,052	-
CRA	26,097	-
Water and Sewer fund	-	6,716,324
Solid Waste fund	-	2,699
Stormwater fund	-	1,137,592
Total Commitments	<u>\$ 3,315,372</u>	<u>\$ 7,856,615</u>

NOTE 12. 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 13. SPECIAL ITEMS

Governmental Activities

As disclosed in Note 8b & 8c, the City and the Oakland Park Community Redevelopment Agency (CRA), a component unit, successfully satisfied the County's requirements to convert some of the Redevelopment Capital Program (RCP) loans into grant. Under the RCP loan agreement, the loan may be converted to 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 the given period. During the year, the City converted a total of \$1,405,418.

On the other hand, the City had advanced a total of \$1,591,356 to its CRA for various redevelopment projects since its inception in October 2002. With the effective conversion of the RCP loans to grant, the City had been relieved from its responsibility, *as the CRA's primary government*, to service the debt. Consequently, the City wrote-off the equivalent inter-fund receivable of \$1,405,418 from CRA. As of September 30, 2018, the remaining amount of inter-fund receivable/payable between the City and the CRA is \$185,938.

CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 13. SPECIAL ITEMS (continued)

Business-type Activities

On September 10, 2014, the City entered into a contract with Ocean Bay Construction (OBC) for the City’s Bid Pack 9 project for a contract price of \$9,640,779. The project encountered difficulties resulting in delays and additional costs. Upon completion of the project in fiscal year 2017, the contractor made a demand from the City for additional sum under the contract terms in the amount of \$682,674. The City disputed the claim and went to binding arbitration with the contractor.

On September 6, 2018, the Arbitrator issued an award to OBC in the amount of \$558,850 plus interest on the award from the time the amounts were incurred. The City has also agreed to pay \$50,000 in interest to avoid court costs and fees. In addition, the City also reimbursed OBC the amount of \$19,600 for arbitration fees. On October 11, 2018, the City finally settled OBC’s claim by paying the amount of \$628,450.

NOTE 14. RESTATEMENTS

Relative to the implementation requirements of GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*, which became effective during the fiscal year, the City’s net position at September 30, 2018, have been decreased by \$241,728 for the applicable beginning balances related to the OPEB liability.

The effect of the change in accounting policy as mentioned above are as follows:

	Governmental Activities	Business-Type Activities	Total
Net position, beginning - as previously stated	\$ 73,918,291	\$ 94,394,496	\$ 168,312,787
Adjustments	(144,641)	(97,087)	(241,728)
Net position, beginning - as restated	\$ 73,773,650	\$ 94,297,409	\$ 168,071,059

NOTE 15. SUBSEQUENT EVENT

During the general election on November 6, 2018, City residents approved a \$40 million general obligation bond to provide funding for the improvement of City facilities and build a “Safer and Stronger Oakland Park”. The bond will fund the modernization of the City’s three fire-rescue stations, the municipal Library and community centers.

The full buildout is anticipated to be completed within a decade and will be structured in order to ensure minimal disruption to City operations while also maximizing opportunities for securing other potential funding and revenue generating sources to support city development.

CITY OF OAKLAND PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

NOTE 16. NEW FINANCIAL STANDARDS NOT YET IMPLEMENTED

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. 83, *Certain Asset Retirement Obligations*, which is effective for reporting periods beginning after June 15, 2018;
- GASB Statement No. 84, *Fiduciary Activities*, which is effective for reporting periods beginning after December 15, 2018;
- GASB Statement No. 87, *Leases*, which is effective for reporting periods beginning after December 15, 2019;
- GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, which is effective for reporting periods beginning after June 15, 2018;
- 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, 2019; and
- 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, 2018.



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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF OAKLAND PARK, FLORIDA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive (Negative)</u>
Revenues:				
Taxes:				
Property	\$ 17,292,517	\$ 17,292,517	\$ 17,518,760	\$ 226,243
Franchise fees	2,612,000	2,612,000	2,700,264	88,264
Utility taxes	4,620,000	4,620,000	4,870,984	250,984
Communications service taxes	1,503,326	1,503,326	1,412,591	(90,735)
Other taxes	1,701,419	1,811,454	1,921,986	110,532
Licenses and permits	1,633,029	1,633,029	1,813,524	180,495
Intergovernmental	4,348,701	4,348,701	4,650,307	301,606
Charges for services	13,469,893	13,469,893	13,873,238	403,345
Fines and forfeitures	569,000	569,000	471,232	(97,768)
Investment earnings	85,000	85,000	446,847	361,847
Grants	302,254	312,254	100,217	(212,037)
Other	378,149	412,681	568,361	155,680
Total revenues	<u>48,515,288</u>	<u>48,669,855</u>	<u>50,348,311</u>	<u>1,678,456</u>
Expenditures:				
General government:				
City commission	193,184	201,184	199,046	2,138
City manager	787,420	675,970	664,948	11,022
City clerk	792,503	728,503	701,522	26,981
Human resources	1,124,770	1,169,770	1,105,529	64,241
Legal	388,000	714,172	677,445	36,727
Financial service	1,355,941	1,378,095	1,269,977	108,118
Information technology service	1,044,713	1,184,554	1,080,850	103,704
Non-departmental	505,368	215,483	225,710	(10,227)
Total general government	<u>6,191,899</u>	<u>6,267,731</u>	<u>5,925,027</u>	<u>342,704</u>
Public safety:				
Police	16,172,626	15,632,775	15,618,094	14,681
Fire rescue	10,990,030	11,437,730	10,753,040	684,690
Total public safety	<u>27,162,656</u>	<u>27,070,505</u>	<u>26,371,134</u>	<u>699,371</u>
Public works:				
Administration	164,347	141,347	137,858	3,489
Parks maintenance	2,970,894	3,098,394	3,036,583	61,811
Street maintenance	1,563,226	1,766,747	1,445,031	321,716
Building and maintenance	1,071,538	1,169,220	1,110,538	58,682
Fleet	1,583,914	1,702,414	1,694,067	8,347
Total public works	<u>7,353,919</u>	<u>7,878,122</u>	<u>7,424,077</u>	<u>454,045</u>
Engineering and community development (ECD):				
Planning and zoning	740,438	812,789	703,052	109,737
Engineering	1,204,199	1,211,815	1,166,275	45,540
Building and permitting	2,009,084	1,984,929	1,944,023	40,906
Community enhancement	1,166,257	1,120,977	1,064,091	56,886
Total ECD	<u>5,119,978</u>	<u>5,130,510</u>	<u>4,877,441</u>	<u>253,069</u>
Culture/recreation:				
Library	721,145	666,145	647,291	18,854
Parks and recreation	2,955,324	2,928,264	2,901,277	26,987
Total culture/recreation	<u>3,676,469</u>	<u>3,594,409</u>	<u>3,548,568</u>	<u>45,841</u>
Total expenditures	<u>49,504,921</u>	<u>49,941,277</u>	<u>48,146,247</u>	<u>1,795,030</u>
Excess of revenues over expenditures	(989,633)	(1,271,422)	2,202,064	3,473,486
Other financing sources (uses):				
Loan proceeds	690,000	2,350,000	2,259,611	(90,389)
Transfers out	(5,249,185)	(7,119,564)	(7,119,564)	-
Special item: Interfund account write-off	-	-	(1,405,418)	(1,405,418)
Net change in fund balance	<u>\$ (5,548,818)</u>	<u>\$ (6,040,986)</u>	<u>(4,063,307)</u>	<u>\$ 1,977,679</u>
Fund balance, beginning			<u>20,537,047</u>	
Fund balance, end			<u>\$ 16,473,740</u>	

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, 2018

	<u>Budgeted Amounts</u>			Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Other revenues	\$ 73,132	\$ 73,132	\$ 69,895	\$ (3,237)
Miscellaneous income	<u>-</u>	<u>-</u>	<u>3,948</u>	<u>3,948</u>
Total revenues	<u>73,132</u>	<u>73,132</u>	<u>73,843</u>	<u>711</u>
Expenditures:				
Current:				
Engineering and community development	<u>759,047</u>	<u>792,746</u>	<u>566,407</u>	<u>226,339</u>
Total expenditures	<u>759,047</u>	<u>792,746</u>	<u>566,407</u>	<u>226,339</u>
Deficiency of revenues over expenditures	(685,915)	(719,614)	(492,564)	227,050
Other financing sources (uses):				
Transfers in	<u>685,915</u>	<u>685,915</u>	<u>685,915</u>	<u>-</u>
Total other financing sources	<u>685,915</u>	<u>685,915</u>	<u>685,915</u>	<u>-</u>
Excess of revenues over expenditures before special item	-	(33,699)	193,351	-
Special item:				
Interfund account write-off	<u>-</u>	<u>-</u>	<u>1,405,418</u>	<u>(1,405,418)</u>
Net change in fund balance*	<u>\$ -</u>	<u>\$ (33,699)</u>	1,598,769	<u>\$ (1,405,418)</u>
Fund balance, beginning			<u>(1,592,124)</u>	
Fund balance, end			<u>\$ 6,645</u>	

See notes to budgetary comparison schedule.

CITY OF OAKLAND PARK, FLORIDA
NOTES TO BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

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 and special revenue funds 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. 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. However, transfers between departments and revisions that alter the department totals must be approved by the City Commission. Therefore, the department level is the legal level of budgetary control.

General Fund supplemental appropriations amounted to \$2.0 million while CRA had about \$34 thousand supplemental budget for the fiscal year ended September 30, 2018. 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.

Excess of Expenditure over Appropriations

Expenditures exceeded the budget in the General fund for the fiscal year ended September 30, 2018 at the following department level, which is the legally controlled level of appropriations:

	<u>Budget</u>	<u>Actual</u>	<u>Amount in Excess of Final Budget</u>
Non-departmental	\$215,483	\$225,710	(\$10,227)

The above over-expenditure resulted from the unbudgeted cost of professional fees incurred in connection with obtaining public assistance from FEMA for Hurricane Irma damages that occurred in the latter part of FY 2017. However, some of these expenditures were not billed to the City until the first quarter of FY 2019.

Budget/GAAP Reconciliation

There are no reconciling items between GAAP and Budget.



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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 FOUR FISCAL YEARS
(Unaudited)

<u>Year Ended</u>	<u>City's Proportion of NPL</u>	<u>City's Proportionate Share of NPL</u>	<u>City's Covered Payroll</u>	<u>% of NPL to Covered Payroll</u>	<u>% of Fiduciary Net Position to NPL</u>
2018	0.00017638560	\$ 5,312,826	\$ 6,116,174	86.87%	83.89%
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	3,878,095	36.18%	92.00%
2014	0.00009752654	559,055	3,347,833	16.70%	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 FOUR FISCAL YEARS
(Unaudited)

<u>Year Ended</u>	<u>City's Proportion of NPL</u>	<u>City's Proportionate Share of NPL</u>	<u>City's Covered Payroll</u>	<u>% of NPL to Covered Payroll</u>	<u>% of Fiduciary Net Position to NPL</u>
2018	0.00019527954	\$ 2,066,861	\$ 6,379,962	32.40%	1.67%
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
GENERAL EMPLOYEES PENSION PLAN
(Unaudited)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability (TPL):					
Beginning balance	\$ 47,095,099	\$ 44,993,140	\$ 44,027,314	\$ 40,770,051	\$ 40,731,647
Changes during the year					
Expected interest growth	3,403,524	3,246,037	3,178,167	2,934,291	3,283,975
Demographic changes	145,358	(206,608)	879,003	(248,412)	-
Changes in assumptions	-	2,201,333	-	3,584,856	-
Benefit payments	<u>(3,351,611)</u>	<u>(3,138,803)</u>	<u>(3,091,344)</u>	<u>(3,013,472)</u>	<u>(3,245,571)</u>
Net change in total pension liability	<u>197,271</u>	<u>2,101,959</u>	<u>965,826</u>	<u>3,257,263</u>	<u>38,404</u>
Ending balance (a)	<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>
Plan Fiduciary Net Position:					
Beginning balance	39,088,389	35,489,764	33,876,392	34,476,947	32,014,820
Changes during the year					
Employer contributions	1,962,213	1,610,387	1,868,141	2,326,446	2,423,532
Expected interest growth	2,884,914	2,602,502	2,492,646	2,557,604	2,659,281
Unexpected investment income	579,490	2,604,679	426,556	(2,393,198)	453,926
Benefit payments	(3,351,611)	(3,138,803)	(3,091,344)	(3,013,472)	(2,999,689)
Administrative expenses	<u>(81,358)</u>	<u>(80,140)</u>	<u>(82,627)</u>	<u>(77,935)</u>	<u>(74,923)</u>
Net change in net pension liability	<u>1,993,648</u>	<u>3,598,625</u>	<u>1,613,372</u>	<u>(600,555)</u>	<u>2,462,127</u>
Ending balance (b)	<u>41,082,037</u>	<u>39,088,389</u>	<u>35,489,764</u>	<u>33,876,392</u>	<u>34,476,947</u>
Employer Net Pension Liability, ending (a)-(b)	<u>\$ 6,210,333</u>	<u>\$ 8,006,710</u>	<u>\$ 9,503,376</u>	<u>\$ 10,150,922</u>	<u>\$ 6,293,104</u>
Covered employee payroll	<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>86.87%</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>186.32%</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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability (TPL):					
Beginning balance	\$ 74,437,099	\$ 69,803,871	\$ 71,184,117	\$ 68,911,765	\$ 66,605,338
Changes during the year					
Service cost	381,535	362,043	516,314	518,137	557,925
Expected interest growth	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	(611,388)	-	-	-	-
Changes in assumptions	546,026	3,643,950	-	1,878,441	-
Benefit payments	<u>(5,841,549)</u>	<u>(6,877,245)</u>	<u>(5,678,229)</u>	<u>(5,453,388)</u>	<u>(5,106,560)</u>
Net change in total pension liability	<u>508,554</u>	<u>4,633,228</u>	<u>(1,380,246)</u>	<u>2,272,352</u>	<u>2,306,427</u>
Ending balance (a)	<u>74,945,653</u>	<u>74,437,099</u>	<u>69,803,871</u>	<u>71,184,117</u>	<u>68,911,765</u>
Plan Fiduciary Net Position:					
Beginning balance	60,448,233	58,294,508	57,128,247	58,645,609	55,001,663
Changes during the year					
Employer contributions	2,739,615	2,350,995	2,175,763	2,449,834	2,708,484
Employee contributions	353,882	368,038	368,419	394,574	404,467
Investment income	4,956,027	6,434,826	4,419,539	1,199,339	5,738,765
Unexpected investment income	315,125	-	-	-	-
Benefit payments	(5,841,549)	(6,877,245)	(5,678,229)	(5,453,388)	(5,106,560)
Administrative expenses	<u>(147,770)</u>	<u>(122,889)</u>	<u>(119,231)</u>	<u>(107,721)</u>	<u>(101,210)</u>
Net change in net pension liability	<u>2,375,330</u>	<u>2,153,725</u>	<u>1,166,261</u>	<u>(1,517,362)</u>	<u>3,643,946</u>
Ending balance (b)	<u>62,823,563</u>	<u>60,448,233</u>	<u>58,294,508</u>	<u>57,128,247</u>	<u>58,645,609</u>
Employer Net Pension Liability, ending (a)-(b)	<u>\$ 12,122,090</u>	<u>\$ 13,988,866</u>	<u>\$ 11,509,363</u>	<u>\$ 14,055,870</u>	<u>\$ 10,266,156</u>
Covered employee payroll	<u>\$ 4,317,687</u>	<u>\$ 3,880,334</u>	<u>\$ 4,233,012</u>	<u>\$ 4,143,754</u>	<u>\$ 4,568,578</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>83.83%</u>	<u>81.21%</u>	<u>83.51%</u>	<u>80.25%</u>	<u>85.10%</u>
Net pension liability as a percentage of covered payroll	<u>280.75%</u>	<u>360.51%</u>	<u>271.90%</u>	<u>339.21%</u>	<u>224.71%</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 EMPLOYER CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM PENSION PLAN
LAST FOUR FISCAL YEARS
(Unaudited)

<u>Year Ended</u>	<u>Contractually Required Contribution</u>	<u>City's Contribution</u>	<u>Contribution Excess (Deficiency)</u>	<u>City's Covered Payroll</u>	<u>% of City Contributions to Covered Payroll</u>
2018	\$ 502,685	\$ 502,685	-	\$ 6,116,174	8.22%
2017	408,320	408,320	-	5,297,747	7.71%
2016	292,273	292,273	-	3,980,721	7.34%
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 FOUR FISCAL YEARS
(Unaudited)

<u>Year Ended</u>	<u>Contractually Required Contribution</u>	<u>City's Contribution</u>	<u>Contribution Excess (Deficiency)</u>	<u>City's Covered Payroll</u>	<u>% of City Contributions to Covered Payroll</u>
2018	\$ 105,901	\$ 105,901	\$ -	\$ 6,379,962	1.66%
2017	91,818	91,818	-	5,531,969	1.66%
2016	74,158	74,158	-	4,467,025	1.66%
2015	48,864	48,864	-	3,878,348	1.26%
2014	40,174	40,174	-	3,480,283	1.15%

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>
2018	\$ 2,065,967	\$ 2,065,967	\$ -	\$ 3,333,110	61.98%
2017	1,709,600	1,610,387	99,213	3,616,327	44.53%
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	2,192,097	2,295,850	(103,753)	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%
2010	2,556,393	2,556,393	-	6,737,639	37.94%
2009	2,348,104	2,348,104	-	7,208,807	32.57%

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, 2018

Actuarial valuation date : October 1, 2016

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>
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%
2010	2,585,362	2,585,362	-	5,826,502	44.37%
2009	2,148,021	2,148,021	-	6,186,333	34.72%

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, 2018

Actuarial valuation date : October 1, 2016

Actuarial assumptions:

Actuarial 126 : Entry age normal level percentage of pay

Discount rate : 8.40% 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 : 1983 Group Annuity Mortality Table 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 TEN FISCAL YEARS
(Unaudited)

	<u>General Employees Pension Plan</u>	<u>Police & Fire Retirement System</u>
Annual money-weighted rate of return, net of investment expense for fiscal year ended:		
2018	8.91%	8.40%
2017	14.97%	11.90%
2016	8.76%	8.10%
2015	0.48%	2.10%
2014	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
(Unaudited)

	2018
Total OPEB Liability:	
Beginning balance	\$ 1,363,727
Changes during the year	
Service cost	130,377
Expected interest growth	46,334
Demographic changes	55,188
Benefit payments	(56,082)
Net change in pension liability	175,817
Ending balance (a)	1,539,544
OPEB Net Position (b)	-
Net OPEB Liability, ending (a)-(b)	\$ 1,539,544
Covered employee payroll	\$ 13,679,407
Plan fiduciary net position as a percentage of the net OPEB liability	0.00%
Net OPEB liability as a percentage of covered payroll	11.25%

Note: This schedule is intended to have ten (10) years of data. Data is not available for years prior to FY 2018 as this is the first year of GASB 75 implementation.

**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.

CAPITAL PROJECTS FUND

Capital project funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

Capital Projects Fund – to account for the acquisition and construction of major capital projects that are financed from general government resources and intergovernmental grants.

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.

CITY OF OAKLAND PARK, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2018

	<u>Special Revenue</u>		<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Grant Fund</u>	<u>Impact Fee Fund</u>			
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ 74,482	\$ -	\$ 74,482
Accounts receivable	-	-	-	235,295	235,295
Prepaid expenses	-	-	110,063	-	110,063
Temporarily restricted asset:					
Cash and cash equivalents	220,012	367,791	-	6,479,463	7,067,266
Total Assets	<u>\$ 220,012</u>	<u>\$ 367,791</u>	<u>\$ 184,546</u>	<u>\$ 6,714,758</u>	<u>\$ 7,487,106</u>
 LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ 6,784	\$ -	\$ -	\$ 276,316	\$ 283,100
Unearned revenue	70,834	303,814	-	-	374,648
Advances from other funds	-	-	-	595,000	595,000
Total Liabilities	<u>77,618</u>	<u>303,814</u>	<u>-</u>	<u>871,316</u>	<u>1,252,748</u>
 Deferred Inflow of Resources					
Unavailable revenue	-	-	-	137,451	137,451
Total Deferred Inflow of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>137,451</u>	<u>137,451</u>
 Fund Balances:					
Non-spendable					
Inventories	-	-	-	-	-
Prepayments	-	-	110,063	-	110,063
Interfund loan	-	-	-	-	-
Restricted for:					
Public safety	80,210	-	-	-	80,210
Library	16,731	-	-	-	16,731
Park development	-	27,789	-	-	27,789
Parks and recreation	45,453	-	-	-	45,453
Education	-	-	-	-	-
Tree preservation	-	34,556	-	-	34,556
Fire station facility	-	1,632	-	-	1,632
Grant match	-	-	-	565,985	565,985
Committed					
Capital projects	-	-	-	5,140,006	5,140,006
Assigned to:					
Debt service	-	-	74,482	-	74,482
Total Fund Balances	<u>142,394</u>	<u>63,976</u>	<u>184,545</u>	<u>5,705,991</u>	<u>6,096,907</u>
Total Liabilities and Fund Balances	<u>\$ 220,012</u>	<u>\$ 367,791</u>	<u>\$ 184,545</u>	<u>\$ 6,714,758</u>	<u>\$ 7,487,105</u>

CITY OF OAKLAND PARK, FLORIDA
 COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	<u>Special Revenue</u>		<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Grant Fund</u>	<u>Impact Fee Fund</u>			
Revenues:					
Grants	\$ 49,665	\$ -	\$ -	\$ 1,010,124	\$ 1,059,789
Investment earnings (loss)	2,984	6,014	-	-	8,998
Licenses and permits	-	43,269	-	-	43,269
Fines and forfeitures	44,806	-	-	-	44,806
Total revenues	<u>97,454</u>	<u>49,283</u>	<u>-</u>	<u>1,010,124</u>	<u>1,156,862</u>
Expenditures:					
Current:					
Public safety	3,440	-	-	-	3,440
Culture and recreation	51,226	-	-	-	51,226
Debt service:					
Principal	-	-	951,978	-	951,978
Interest	-	-	540,535	-	540,535
Capital Outlay	-	43,269	-	3,222,130	3,265,399
Total expenditures	<u>54,666</u>	<u>43,269</u>	<u>1,492,513</u>	<u>3,222,130</u>	<u>4,812,578</u>
Excess (deficiency) of revenues over expenditures	42,788	6,014	(1,492,513)	(2,212,006)	(3,655,716)
Other financing sources (uses):					
Transfers in	-	-	1,544,554	4,889,095	6,433,649
Total other financing sources	<u>-</u>	<u>-</u>	<u>1,544,554</u>	<u>4,889,095</u>	<u>6,433,649</u>
Net change in fund balance	42,788	6,014	52,041	2,677,089	2,777,932
Fund balance, beginning	<u>99,606</u>	<u>57,962</u>	<u>132,504</u>	<u>3,028,902</u>	<u>3,318,974</u>
Fund balance, ending	<u>\$ 142,394</u>	<u>\$ 63,976</u>	<u>\$ 184,545</u>	<u>\$ 5,705,991</u>	<u>\$ 6,096,907</u>

FIDUCIARY FUND TYPES



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PENSION TRUST FUNDS

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, 2018

	<u>General Employees Pension Fund</u>	<u>Police and Firefighters Pension Fund</u>	<u>Total</u>
Assets			
Cash and short-term investments	\$ 164,725	\$ 1,130,626	\$ 1,295,351
Receivables:			
Contributions and others	-	1,029,392	1,029,392
Accrued interest and dividends	-	72,914	72,914
Total receivables	<u>-</u>	<u>1,102,306</u>	<u>1,102,306</u>
Investments, at fair value:			
U.S. Government and agency securities	-	6,165,923	6,165,923
Corporate bonds and notes	-	5,417,080	5,417,080
Fixed income funds	41,016,525	2,906,654	43,923,179
Common stocks	-	-	-
Money market funds	-	38,486,362	38,486,362
Real estate fund	-	7,956,585	7,956,585
Total investments	<u>41,016,525</u>	<u>60,932,604</u>	<u>101,949,129</u>
Prepayments	<u>-</u>	<u>6,204</u>	<u>6,204</u>
Total assets	<u>41,181,250</u>	<u>63,171,740</u>	<u>104,352,990</u>
Liabilities			
Accounts payable and accrued expenses	-	292,493	292,493
Payable for securities purchased	-	55,684	55,684
Total liabilities	<u>-</u>	<u>348,177</u>	<u>348,177</u>
Net position held in trust for pension benefits	<u>\$ 41,181,250</u>	<u>\$ 62,823,563</u>	<u>\$ 104,004,813</u>

CITY OF OAKLAND PARK, FLORIDA
Combining Statement of of Changes in Fiduciary Net Position
Pension Trust Funds
For the Fiscal Year Ended September 30, 2018

	<u>General Employees Pension Fund</u>	<u>Police and Firefighters Pension Fund</u>	<u>Total</u>
Additions			
Contributions:			
Plan members	\$ -	\$ 353,882	\$ 353,882
City	1,998,967	2,027,219	4,026,186
State of Florida	-	712,396	712,396
Broward Sheriff's Office	67,000	-	67,000
Total contributions	<u>2,065,967</u>	<u>3,093,497</u>	<u>5,159,464</u>
Investment income:			
Investment earnings	3,464,043	3,737,899	7,201,942
Net appreciation in fair value of investments	-	<u>1,854,926</u>	<u>1,854,926</u>
Total	3,464,043	5,592,825	9,056,868
Less: Investment expenses	-	<u>(324,492)</u>	<u>(324,492)</u>
Net investment income	<u>3,464,043</u>	<u>5,268,333</u>	<u>8,732,376</u>
Miscellaneous income	<u>2,456</u>	<u>2,819</u>	<u>5,275</u>
Total additions	<u>5,532,466</u>	<u>8,364,649</u>	<u>13,897,115</u>
Deductions:			
Pension benefits paid	3,353,659	5,841,549	9,195,208
Administrative expenses	<u>81,405</u>	<u>147,770</u>	<u>229,175</u>
Total deductions	<u>3,435,064</u>	<u>5,989,319</u>	<u>9,424,383</u>
Change in net position	2,097,402	2,375,330	4,472,732
Net position held in trust for pension benefits, beginning	<u>39,083,848</u>	<u>60,448,233</u>	<u>99,532,081</u>
Net position held in trust for pension benefits, ending	<u>\$ 41,181,250</u>	<u>\$ 62,823,563</u>	<u>\$ 104,004,813</u>

STATISTICAL SECTION

CITY OF OAKLAND PARK, FLORIDA

STATISTICAL SECTION

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.
Financial Trends – 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	133 - 134
Changes in Net Position	135 - 138
Fund Balances, Governmental Funds	139 - 140
Changes in Fund Balance, Governmental Funds	141 - 142
Revenue Capacity – 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	143
Direct and Overlapping Property Tax Rates	144
Principal Property Taxpayers	145
Property Tax Levies and Collections	146
Debt Capacity - 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.	
Ratios of Outstanding Debt by Type	147 - 148
Ratios of General Bonded Debt Outstanding	149
Direct and Overlapping Governmental Activities Debt	150
Legal Debt Margin Information	151 - 152
Pledged Revenue Coverage	153 - 154
Demographic and Economic Information – These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Demographic and Economic Statistics	155
Principal Employers	156

CITY OF OAKLAND PARK, FLORIDA

STATISTICAL SECTION

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.
 Operating Information – 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.	
Full-time Equivalent City Government Employees by Function/Program	157
Operating Indicators by Function/Program	158 - 159
Capital Asset Statistics by Function/Program	160 - 161

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.

City of Oakland Park, Florida
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis)

	2009	2010	2011
Governmental activities			
Net investment in capital assets	\$ 60,159,043	\$ 65,305,447	\$ 64,905,390
Restricted for:			
Special Revenue	2,258,736	314,815	769,920
Capital projects	3,080,491	2,360,589	2,955,884
Debt service & debt covenants	164	-	-
Grant match	-	-	-
Unrestricted	15,662,924	16,981,530	14,908,051
Total governmental activities net position	<u>\$ 81,161,358</u>	<u>\$ 84,962,381</u>	<u>\$ 83,539,245</u>
Business-type activities			
Net investment in capital assets	\$ 46,578,666	\$ 55,756,450	\$ 59,006,190
Restricted for:			
Capital projects	8,189,442	4,611,848	2,385,823
Debt service & debt covenants	-	-	-
Unrestricted	6,603,580	6,250,513	10,359,372
Total business-type activities net position	<u>\$ 61,371,688</u>	<u>\$ 66,618,811</u>	<u>\$ 71,751,385</u>
Primary Government			
Net investment in capital assets	\$ 106,737,709	\$ 121,061,897	\$ 123,911,580
Restricted for:			
Special revenue	2,258,736	314,815	769,920
Capital projects	11,269,933	6,972,437	5,341,707
Debt service & debt covenants	164	-	-
Grant match	-	-	-
Unrestricted	22,266,504	23,232,043	25,267,423
Total primary government net position	<u>\$ 142,533,046</u>	<u>\$ 151,581,192</u>	<u>\$ 155,290,630</u>

Source: City of Oakland Park Financial Services Department

Fiscal Years							
2012	2013	2014	2015	2016	2017	2018	
\$ 65,134,366	\$ 66,684,747	\$ 67,984,473	\$ 67,127,854	\$ 68,813,605	\$ 69,559,837	\$ 70,518,249	
987,573	695,655	548,351	479,290	481,583	368,948	477,673	
2,279,506	2,298,932	-	224,139	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	565,985
12,004,977	11,683,073	15,109,320	1,643,415	3,874,904	3,989,503	3,168,756	
<u>\$ 80,406,422</u>	<u>\$ 81,362,407</u>	<u>\$ 83,642,144</u>	<u>\$ 69,474,698</u>	<u>\$ 73,170,092</u>	<u>\$ 73,918,288</u>	<u>\$ 74,730,663</u>	
\$ 65,033,304	\$ 62,752,703	\$ 65,115,434	\$ 70,090,827	\$ 77,348,537	\$ 77,642,349	\$ 75,002,190	
-	-	-	-	-	-	-	
-	-	-	1,065,461	1,023,200	1,034,314	1,054,148	
11,020,934	17,709,020	16,987,819	15,138,173	12,059,270	15,717,833	20,494,333	
<u>\$ 76,054,238</u>	<u>\$ 80,461,723</u>	<u>\$ 82,103,253</u>	<u>\$ 86,294,461</u>	<u>\$ 90,431,007</u>	<u>\$ 94,394,496</u>	<u>\$ 96,550,671</u>	
\$ 130,167,670	\$ 129,180,247	\$ 133,099,907	\$ 137,218,681	\$ 146,162,143	\$ 147,202,186	\$ 145,520,439	
987,573	695,655	548,351	479,290	481,583	368,948	477,673	
2,279,506	2,298,932	-	224,139	-	-	-	
-	-	-	1,065,461	1,023,200	1,034,314	1,054,148	
-	-	-	-	-	-	-	565,985
23,025,911	29,649,296	32,097,139	16,781,588	15,934,174	19,707,336	23,663,089	
<u>\$ 156,460,660</u>	<u>\$ 161,824,130</u>	<u>\$ 165,745,397</u>	<u>\$ 155,769,159</u>	<u>\$ 163,601,100</u>	<u>\$ 168,312,784</u>	<u>\$ 171,281,334</u>	

City of Oakland Park, Florida
Changes in Fund Net Position
Last Ten Fiscal Years
(Accrual Basis)

	2009	2010	2011	2012
Expenses				
Governmental activities:				
General government	\$ 2,621,516	\$ 2,438,500	\$ 1,258,173	\$ 997,799
Public safety	21,277,262	22,438,120	22,515,601	21,819,794
Public works	3,618,324	3,537,960	3,631,164	5,139,923
Eng. & Community development	3,720,899	3,347,367	3,547,260	3,641,854
Culture and recreation	6,157,143	6,079,667	5,943,331	5,854,059
Interest on long term debt	802,500	772,769	814,840	554,176
Total governmental activities expenses	<u>38,197,644</u>	<u>38,614,383</u>	<u>37,710,369</u>	<u>38,007,605</u>
Business type activities				
Water and sewer	11,178,014	13,053,032	12,740,960	14,038,761
Solid waste	7,965,651	7,912,295	7,525,930	6,356,474
Stormwater	3,081,617	3,193,029	3,054,220	3,250,247
Total business type activities expenses	<u>22,225,282</u>	<u>24,158,356</u>	<u>23,321,110</u>	<u>23,645,482</u>
Total primary government expenses	<u>\$ 60,422,926</u>	<u>\$ 62,772,739</u>	<u>\$ 61,031,479</u>	<u>\$ 61,653,087</u>
Program Revenues				
Governmental activities				
Charges for services				
General government	\$ 956,841	\$ 943,405	\$ 689,905	\$ 665,305
Public safety	5,072,237	4,966,694	5,134,575	5,866,561
Eng. & Community development	1,117,734	1,362,529	998,090	1,243,449
Culture/Recreation	560,744	515,184	539,417	525,175
Operating grants and contributions	120,206	235,638	657,434	350,691
Capital grants and contributions	3,443,900	6,056,025	1,815,646	462,974
Total governmental activities program revenues	<u>11,271,662</u>	<u>14,079,475</u>	<u>9,835,067</u>	<u>9,114,155</u>
Business type activities				
Charges for services:				
Water and sewer	11,471,826	12,913,904	14,292,649	15,232,281
Solid waste	8,744,276	7,340,028	7,294,361	6,527,762
Stormwater	2,886,472	2,851,607	2,735,721	3,129,533
Operating grants and contributions	-	6,000	334,879	413,722
Capital grants and contributions	561,885	6,024,995	2,896,277	2,541,022
Total business type activities program revenues	<u>23,664,459</u>	<u>29,136,534</u>	<u>27,553,887</u>	<u>27,844,320</u>
Total primary government program revenues	<u>\$ 34,936,121</u>	<u>\$ 43,216,009</u>	<u>\$ 37,388,954</u>	<u>\$ 36,958,475</u>
Net (Expense)/Revenue				
Governmental activities	\$ (26,925,982)	\$ (24,534,908)	\$ (27,875,302)	\$ (28,893,450)
Business type activities	1,439,177	4,978,178	4,232,777	4,198,838
Total primary government net expense	<u>\$ (25,486,805)</u>	<u>\$ (19,556,730)</u>	<u>\$ (23,642,525)</u>	<u>\$ (24,694,612)</u>

(Continued)

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 337,068	\$ 469,137	\$ 296,421	\$ 533,871	\$ 1,117,467	\$ 1,474,358
21,923,435	23,437,947	23,147,659	22,779,946	25,710,343	26,184,629
4,651,117	5,034,095	4,130,236	5,209,646	4,845,675	8,120,139
3,600,636	3,188,050	3,117,032	4,621,904	5,174,156	5,565,711
5,372,980	5,892,221	6,178,785	6,477,191	7,217,705	4,621,007
532,350	555,710	511,576	495,864	546,959	556,959
36,417,586	38,577,160	37,381,709	40,118,422	44,612,305	46,522,803
\$ 14,034,929	\$ 15,903,626	\$ 16,126,887	\$ 16,892,145	\$ 16,557,929	\$ 18,452,247
6,319,981	5,497,740	5,360,148	5,788,497	6,651,441	7,012,329
3,151,444	2,978,161	2,631,128	2,918,272	3,220,532	3,570,048
23,506,354	24,379,527	24,118,163	25,598,914	26,429,902	29,034,624
\$ 59,923,940	\$ 62,956,687	\$ 61,499,872	\$ 65,717,336	\$ 71,042,207	\$ 75,557,427
\$ 639,536	\$ 580,917	\$ 608,883	\$ 471,490	\$ 355,277	\$ 306,617
6,533,279	7,094,092	7,612,745	7,385,928	7,372,365	7,487,042
1,297,196	1,462,295	703,407	2,368,887	3,010,117	2,155,813
517,130	1,031,871	1,649,195	880,861	746,651	835,254
104,729	44,590	52,689	61,435	574,004	644,746
1,356,205	2,141,441	466,870	926,016	1,102,931	1,882,492
10,448,075	12,355,206	11,093,790	12,094,617	13,161,345	13,311,964
16,399,284	16,684,366	18,555,649	18,007,209	19,495,458	19,798,530
7,303,375	5,544,291	6,654,671	5,511,260	5,624,963	5,988,644
3,154,975	3,081,078	3,161,747	3,578,013	3,645,281	3,634,621
764,026	224,967	224,724	225,936	225,694	1,975,796
196,520	937,730	2,485,283	3,359,516	1,144,635	-
27,818,180	26,472,432	31,082,074	30,681,934	30,136,031	31,397,591
\$ 38,266,255	\$ 38,827,638	\$ 42,175,864	\$ 42,776,551	\$ 43,297,376	\$ 44,709,555
\$ (25,969,511)	\$ (26,221,954)	\$ (26,287,919)	\$ (28,371,983)	\$ (31,450,960)	\$ (33,210,839)
4,311,826	2,092,905	6,963,911	5,083,021	3,706,129	2,362,967
\$ (21,657,685)	\$ (24,129,049)	\$ (19,324,008)	\$ (23,288,962)	\$ (27,744,831)	\$ (30,847,872)

City of Oakland Park, Florida
Changes in Fund Net Position
Last Ten Fiscal Years
(Accrual Basis)

	2009	2010	2011	2012
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Ad valorem	\$ 16,052,029	\$ 14,905,227	\$ 12,632,161	\$ 12,150,587
Franchise fees	2,938,113	2,647,258	2,569,590	2,457,781
Utility taxes	3,275,238	3,576,651	3,676,217	3,760,525
Communication service taxes	2,614,835	2,245,920	2,025,458	1,935,672
Other taxes	1,133,684	1,660,518	1,634,116	1,668,976
Unrestricted investment earnings	31,459	91,123	68,935	83,304
Intergovernmental revenue - unrestricted	3,181,234	3,196,371	3,337,877	3,446,807
Miscellaneous	(23,991)	224,169	167,812	256,975
Transfers - net	281,000	(211,306)	-	-
Special item	-	-	-	-
Total governmental activities	<u>29,483,601</u>	<u>28,335,931</u>	<u>26,112,166</u>	<u>25,760,627</u>
Business type activities:				
Unrestricted investment earnings	669	57,639	66,552	104,015
Transfers	(281,000)	211,306	-	-
Special item	-	-	-	-
Total business type activities	<u>(280,331)</u>	<u>268,945</u>	<u>66,552</u>	<u>104,015</u>
Total primary government	<u>\$ 29,203,270</u>	<u>\$ 28,604,876</u>	<u>\$ 26,178,718</u>	<u>\$ 25,864,642</u>
Change in Net Position				
Governmental activities	\$ 2,557,619	\$ 3,801,023	\$ (1,763,136)	\$ (3,132,823)
Business type activities	1,158,846	5,247,123	4,299,329	4,302,853
Total primary government	<u>\$ 3,716,465</u>	<u>\$ 9,048,146</u>	<u>\$ 2,536,193</u>	<u>\$ 1,170,030</u>

Source: City of Oakland Park Financial Services Department

Fiscal Year						
2013	2014	2015	2016	2017	2018	
\$ 12,831,277	\$ 13,566,402	\$ 14,128,644	\$ 15,064,291	\$ 16,185,976	\$ 17,518,760	
2,424,270	2,631,913	2,663,154	2,616,140	2,723,389	2,700,264	
4,059,906	4,364,202	4,510,535	4,566,369	4,697,743	4,870,984	
1,803,813	1,636,717	1,662,895	1,503,326	1,613,895	1,412,591	
1,674,677	1,706,931	1,768,768	1,730,203	1,854,639	1,921,986	
49,793	22,405	62,991	117,100	250,116	459,792	
3,713,871	3,907,222	4,138,359	4,304,238	4,461,100	4,650,307	
367,889	665,899	487,374	707,533	503,116	633,168	
-	-	-	1,110,000	-	-	
-	-	-	-	(90,818)	-	
26,925,496	28,501,691	29,422,720	31,719,200	32,199,156	34,167,852	
95,659	55,830	86,456	163,525	257,360	518,745	
-	-	-	(1,110,000)	-	-	
-	-	-	-	-	(628,450)	
95,659	55,830	86,456	(946,475)	257,360	(109,705)	
\$ 27,021,155	\$ 28,557,521	\$ 29,509,176	\$ 30,772,725	\$ 32,456,516	\$ 34,058,147	
\$ 955,985	\$ 2,279,737	\$ 3,134,801	\$ 3,695,395	\$ 748,196	\$ 957,013	
4,407,485	2,148,735	7,050,367	4,136,545	3,963,489	2,253,262	
\$ 5,363,470	\$ 4,428,472	\$ 10,185,168	\$ 7,831,940	\$ 4,711,685	\$ 3,210,275	

City of Oakland Park, Florida
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis)

	2009	2010	2011	2012
General Fund				
Reserved	\$ 975,280	\$ 702,241	\$ -	\$ -
Unreserved, reported in:				
General fund, designated for:				
Subsequent year expenditures	-	1,706,740	-	-
Fiscal contingency*	5,525,956	10,429,170	-	-
Grant matching	2,466,733	2,089,952	-	-
General fund, unreserved, undesignated	7,791,466	1,843,751	-	-
Nonspendable				
Inventories	-	-	72,761	67,971
Prepaid Costs	-	-	1,787,620	48,927
Interfund loan	-	-	114,531	112,971
Advance to other funds	-	-	-	-
Restricted for				
Grant matching	-	-	839,952	839,952
Education	-	-	92,541	102,538
Transportation improvement	-	-	-	-
Committed to:				
Grant projects	-	-	-	-
Assigned to				
Subsequent year's budget	-	-	1,894,337	2,558,680
Unassigned	-	-	11,486,394	12,214,133
Total general fund	16,759,435	16,771,854	16,288,136	15,945,172
All Other Governmental Funds				
Reserved				
Special Revenue Funds	2,537,632	1,381,695	-	-
Capital Project Funds	891,463	661,557	-	-
Debt service	164	-	-	-
Other	2,282,281	2,543,819	-	-
Unreserved, designated - sub. Year expend.				
Special Revenue Funds	-	1,182,501	-	-
Un reserved, Undesignated:				
Special revenue fund	436,805	721,865	-	-
Nonspendable				
Prepaid Costs	-	-	30,485	-
Restricted for				
Public safety	-	-	324,755	521,195
Library	-	-	43,543	28,792
Tree preservation	-	-	344,824	229,821
Fire station facility	-	-	129,584	131,114
Park development	-	-	16,653	17,521
Parks and recreation	-	-	-	-
Grant match	-	-	-	-
Committed to				
Capital Projects	-	-	2,644,485	2,009,326
Debt Service	-	-	-	11,087
Parks and Recreation	-	-	-	10,777
Public safety	-	-	1,219,296	-
Streets and resurfacing	-	-	77,129	-
Unassigned	-	-	(116,044)	(555,584)
Total all other governmental funds	6,148,345	6,491,437	4,714,710	2,404,049
Total governmental funds	\$ 22,907,780	\$ 23,263,291	\$ 21,002,846	\$ 18,349,221

Source: City of Oakland Park, Financial Services Department

Note: The City implemented GASB54 fund balance reporting prospectively from FY2011. Fiscal policy on minimum

Fiscal Years						
2013	2014	2015	2016	2017	2018	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
61,410	74,129	76,838	70,068	74,786	86,448	
118,598	137,841	157,601	1,219,525	751,773	1,285,025	
112,971	642,962	1,726,848	1,751,356	1,591,356	185,938	
-	1,083,886	-	-	-	-	
586,551	-	-	-	-	-	
113,535	128,846	153,920	162,577	211,380	235,484	
-	-	-	-	-	35,818	
-	-	224,139	-	-	-	
2,700,369	2,089,752	2,017,430	2,625,518	5,548,817	3,171,683	
12,343,763	11,986,648	14,440,351	15,540,356	12,358,935	11,473,344	
16,037,197	16,144,064	18,797,127	21,369,400	20,537,047	16,473,740	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	2,388	113,554	110,063	
477,321	364,529	270,587	209,510	31,521	80,210	
28,172	30,031	28,709	29,251	30,038	16,731	
102,832	5,788	6,204	33,653	33,973	34,556	
42,491	208	809	1,439	1,604	1,632	
18,483	18,949	19,061	19,724	60,432	27,789	
-	-	-	-	-	45,453	
-	-	-	-	-	565,985	
1,841,393	1,861,862	2,710,817	2,554,954	3,028,902	5,140,006	
11,516	11,516	11,516	29,573	26,656	74,482	
14,840	18,006	23,849	25,428	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
(1,497,314)	(1,772,516)	(1,788,828)	(2,604,011)	(1,599,830)	6,645	
1,039,734	538,373	1,282,724	301,909	1,726,850	6,103,552	
\$ 17,076,931	\$ 16,682,437	\$ 20,079,851	\$ 21,671,309	\$ 22,263,897	\$ 22,577,292	

unassigned fund balance was changed 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)

	2009	2010	2011
Revenues			
Taxes:			
Ad Valorem	\$ 16,052,029	\$ 14,905,227	\$ 12,632,161
Utility taxes	3,275,238	3,576,651	3,676,217
Communication Service	2,614,835	2,245,920	2,025,458
Other Taxes	1,133,684	1,660,518	1,634,116
Franchise fees	2,938,113	2,647,258	2,569,590
Licenses and permits	1,132,104	1,253,298	1,143,739
Intergovernmental	3,204,843	3,196,371	3,337,877
Charges for service	11,253,302	10,942,077	11,479,407
Fines and forfeitures	736,046	780,455	491,432
Grants	2,783,196	2,911,980	1,911,047
Investment earnings	31,459	91,123	68,935
Other	127,657	245,619	197,790
Total revenues	<u>45,282,506</u>	<u>44,456,497</u>	<u>41,167,769</u>
Expenditures			
Current:			
General government	5,884,361	5,546,051	5,003,438
Public safety	20,796,664	22,037,642	22,097,602
Public works	3,830,871	3,375,566	3,809,861
Eng. and Community development	3,704,052	3,382,561	3,331,934
Culture and recreation	5,473,631	5,282,113	5,141,525
Debt service:			
Principal	743,868	672,427	600,365
Interest	813,354	783,068	891,892
Bond issue costs	-	-	148,969
Capital outlay	10,616,944	2,810,252	5,255,883
Total expenditures	<u>51,863,745</u>	<u>43,889,680</u>	<u>46,281,469</u>
Excess (deficiency) of revenues over expenditures	(6,581,239)	566,817	(5,113,700)
Other Financing Sources (Uses)			
Issuance of debt	-	-	13,078,254
Payment to refunding bond agent	-	-	(10,565,000)
Transfers in	7,861,847	6,834,269	5,746,564
Transfers out	(7,580,847)	(7,045,575)	(5,746,564)
Total other financing sources (uses)	<u>281,000</u>	<u>(211,306)</u>	<u>2,513,254</u>
Special Item			
Return of Federal Equitable Sharing Funds	-	-	-
Net change in fund balances	<u>\$ (6,300,239)</u>	<u>\$ 355,511</u>	<u>\$ (2,600,446)</u>
Debt service as a percentage of noncapital expenditures	<u>3.8%</u>	<u>3.5%</u>	<u>3.6%</u>

Source: City of Oakland Park, Financial Services Department

Note: *Communication, Gas taxes, and library have been reclassified for comparison purposes. In prior years, Communication Service Taxes were combined with Utility Taxes, Gas Taxes were included as intergovernmental revenue; whereas Library expenditures were listed separately previously but are now combined with Culture/Recreation.

Fiscal Year						
2012	2013	2014	2015	2016	2017	2018
\$ 12,150,587	\$ 12,831,277	\$ 13,566,402	\$ 14,128,644	\$ 15,064,291	\$ 16,185,976	\$ 17,518,760
3,760,525	4,059,906	4,364,202	4,510,535	4,566,369	4,697,743	4,870,984
1,935,672	1,803,813	1,636,717	1,662,895	1,503,326	1,613,895	1,412,591
1,668,976	1,674,676	1,735,031	1,768,768	1,730,203	1,854,639	1,921,986
2,457,781	2,424,270	2,631,913	2,663,154	2,616,140	2,723,389	2,700,264
1,159,311	1,251,212	1,875,880	1,403,593	2,081,632	2,687,258	1,856,793
3,446,807	3,713,871	3,879,122	4,138,359	4,304,238	4,461,100	4,650,307
10,625,666	11,479,964	11,806,480	13,162,629	13,454,340	13,389,381	13,873,238
742,431	472,778	928,123	927,519	839,130	625,707	516,038
1,055,355	1,313,380	1,224,032	1,895,104	869,908	1,160,268	1,160,006
83,304	49,793	22,405	62,991	117,100	250,116	455,845
350,710	495,174	687,553	489,070	707,532	503,116	642,204
39,437,125	41,570,114	44,357,859	46,813,261	47,854,209	50,152,588	51,579,016
4,772,781	4,463,378	4,885,134	4,628,450	4,879,013	5,324,188	5,888,136
21,374,664	21,572,490	23,066,104	23,762,084	23,470,455	25,019,649	25,811,454
3,635,786	3,298,663	3,572,735	3,667,082	3,763,159	3,839,996	7,193,874
3,583,745	3,530,597	3,154,231	3,288,485	4,635,561	4,973,013	5,402,587
4,982,035	4,797,349	5,132,554	5,548,883	5,674,756	6,119,304	3,578,865
689,118	553,439	659,442	758,660	774,938	805,236	951,978
557,495	533,841	523,303	509,776	490,058	531,902	540,535
-	-	-	-	-	-	-
3,551,425	4,790,041	4,362,130	2,030,942	4,429,810	3,934,647	4,157,803
43,147,049	43,539,798	45,355,633	44,194,362	48,117,750	50,547,935	53,525,232
(3,709,924)	(1,969,684)	(997,774)	2,618,899	(263,541)	(395,347)	(1,946,216)
1,056,300	697,394	603,280	778,515	745,000	1,078,752	2,259,611
-	-	-	-	-	-	-
3,560,200	3,536,298	5,153,487	2,140,495	5,198,688	3,437,407	7,119,564
(3,560,200)	(3,536,298)	(5,153,487)	(2,140,495)	(4,088,688)	(3,437,407)	(7,119,564)
1,056,300	697,394	603,280	778,515	1,855,000	1,078,752	2,259,611
-	-	-	-	-	(90,818)	-
\$ (2,653,624)	\$ (1,272,290)	\$ (394,494)	\$ 3,397,414	\$ 1,591,459	\$ 592,587	\$ 313,395
<u>3.1%</u>	<u>2.8%</u>	<u>2.9%</u>	<u>3.0%</u>	<u>2.9%</u>	<u>2.9%</u>	<u>3.0%</u>

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				
2009	3,232,410	1,023,424	432,285	154,116	4,842,235	1,620,386	3,221,849	5.1041
2010	2,340,147	1,080,049	435,967	151,365	4,007,528	1,663,244	2,344,284	5.7252
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

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	<u>City Direct Rate</u>	<u>Overlapping Rates</u>						<u>Total Direct & Overlapping Rates</u>
	<u>Oakland Park Operating Rate</u>	<u>Broward County</u>	<u>Broward County School Board</u>	<u>Florida Water Mgmt District</u>	<u>North Broward Hospital District</u>	<u>Florida Inland Navigation District</u>	<u>Children Services Council</u>	
2009	5.1041	5.3145	7.4170	0.6240	1.7059	0.0345	0.3754	20.5754
2010	5.7252	5.3889	7.4310	0.6240	1.7059	0.3450	0.4243	21.6443
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

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	2018			2009		
	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	\$33,640	1	1.23%	\$ 35,338	1	1.10%
Alliance HTFL LP	26,029	2	0.95%	21,008	3	0.65%
Northland Greentree LLC	21,450	3	0.79%			
Brookwood CP II LLC	21,163	4	0.78%			
SSC Property Holdings Inc	14,843	5	0.54%	15,935	7	0.49%
Jorken Crystal Lake LLC	13,781	6	0.51%	13,652	10	0.42%
Set Point Associates LTD PRTNR	13,561	7	0.50%			
Bridgewater Place Assoc LTD	11,905	9	0.44%			
NGP V Broward LLC	12,390	8	0.45%			
Lowe's Home Centers Inc	11,413	10	0.42%	16,633	6	0.52%
Holy Cross Hospital Inc	-	-	-	33,869	2	1.05%
Southern Tier Southeast	-	-	-	20,022	4	0.62%
Mainstreet AEW V	-	-	-	19,491	5	0.60%
Festival Center LLC	-	-	-	15,311	8	0.48%
Weingarten Nostat Inc	-	-	-			
Total	<u>\$180,175</u>		<u>6.61%</u>	<u>\$ 149,449</u>		<u>4.64%</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 (a)	Collected within the Fiscal Year of Levy		Collections in Subsequent Years (b)	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	\$ 16,445,025	\$ 15,911,781	96.76%	\$ 55,556	\$ 15,967,337	97.10%
2010	15,730,894	14,846,618	94.38%	121,910	14,968,528	95.15%
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%	-	17,486,037	96.06%

Source: City of Oakland Park, Financial Services Department

Note: (a) Broward County Property Appraiser

(b) Collections in subsequent years for the year of levy were not available prior to fiscal year 2006.

The amounts listed before fiscal year 2006 represent aggregate amount collected for levies of prior years. Delinquent taxes are recognized when received.

City of Oakland Park, Florida
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Governmental Activities							Business-Type		
Fiscal Year	Refunding	CapitalOne	CRA RCP Loan	Capital Leases	Note	FCB Bank Loan 2018	2010 Utility Bonds	2012 Utility Bonds	2011
	Bonds BB&T	Series 2007 Note			Payable 2016				Stormwater Assessment Bonds
2009	\$ -	\$ 3,863,810	\$ -	\$ 517,831	\$ -	\$ -	\$ 1,860,000	\$ -	\$ -
2010	-	3,730,473	-	258,742	-	-	14,885,000	-	-
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	5,614,949
2013	10,143,268	3,293,623	3,141,743	689,606	-	-	14,065,000	16,881,137	5,411,610
2014	9,737,029	3,134,798	3,745,023	595,216	-	-	13,780,000	16,420,565	5,293,169
2015	9,314,072	2,968,874	3,773,977	1,174,998	-	-	13,470,000	16,136,992	5,174,728
2016	8,878,506	2,795,533	3,773,977	1,008,965	745,000	-	13,145,000	15,853,420	5,051,287
2017	8,423,846	2,614,444	4,852,729	839,479	745,000	-	12,810,000	15,559,847	4,927,846
2018	7,954,313	2,425,261	3,447,321	1,245,829	645,000	1,660,000	12,465,000	15,415,000	4,835,000

Activities									
Stormwater							Percent.		
Refunding	Water &	2018 Water					of		
Bonds	Sewer	& Sewer	SunTrust	Stormwater	Capital	Total Primary	Personal	Per	
BB&T	FMLC	JPMorgan	2014 Loan	2015 Bonds	Leases	Government	Income	Capita	
\$ -	\$ 1,645,000	\$ -	\$ -	\$ -	\$ -	\$ 23,726,641	2.22%	562	
-	1,610,000	-			1,036,730	36,860,945	3.73%	866	
4,644,189	1,570,000	-			834,335	38,853,265	3.75%	935	
4,451,574	1,530,000	-			625,805	60,674,323	5.71%	1,444	
4,285,278	1,490,000	-			410,953	59,812,218	5.55%	1,396	
4,113,653	-	-	1,495,000		189,588	58,504,041	5.41%	1,352	
3,934,964	-	-	1,415,000	2,145,530	452,433	59,961,568	5.53%	1,382	
3,750,948	-	-	1,330,000	2,028,920	406,832	58,768,388	5.46%	1,333	
3,558,865	-	-	1,245,000	1,907,250	1,460,128	58,944,434	5.46%	1,327	
3,360,500	-	6,511,296	1,155,000	1,782,370	1,162,327	64,064,217	6.05%	1,478	

City of Oakland Park, Florida
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2009	-	0.00%	-
2010	-	0.00%	-
2011	-	0.00%	-
2012	-	0.00%	-
2013	-	0.00%	-
2014	-	0.00%	-
2015	-	0.00%	-
2016	-	0.00%	-
2017	-	0.00%	-
2018	-	0.00%	-

Source: City of Oakland Park, Financial Services Department

Note: The City has no general bonded debt outstanding

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, 2018

Governmental Unit	Debt Outstanding (in thousands)	Estimated Percentage Applicable	Estimated Share of Overlapping Debt (in thousands)
Debt repaid with property taxes			
Broward County Debt Service *	\$ 181,970	1.684%	\$ 3,065
Broward Public Schools Debt Service **	151,991	1.543%	<u>2,345</u>
Subtotal, overlapping debt			5,410
Oakland Park direct debt (in thousands)			<u>17,378</u>
Total direct and overlapping debt			<u>\$ 22,788</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 units' 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 2018

Assessed value (in thousands)	<u>\$ 2,984,774</u>
Bonded debt limit - 15% of assessed value	\$ 447,543
Debt applicable to limit	
General Obligation Bonds	\$ -
Less: Amount set aside for repayment of general obligation debt	<u>-</u>
Total net debt applicable to limit	<u>-</u>
Legal debt margin	<u>\$ 447,543</u>

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Debt Limit	\$ 483,277	\$ 351,643	\$ 338,876	\$ 318,452
Total net debt application to limit	-	-	-	-
Legal debt margin	<u>\$ 483,277</u>	<u>\$ 351,643</u>	<u>\$ 338,876</u>	<u>\$ 318,452</u>
Total net debt applicable to the limit as a % of debt limit	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>

Source: City of Oakland Park, Financial Services Department

Note: The City has no general bonded debt outstanding

Details regarding the city's outstanding debt can be found in the notes to the financial statements.

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 314,570	\$ 330,519	\$ 356,817	\$ 379,453	\$ 408,900	\$ 447,543
-	-	-	-	-	-
\$ 314,570	\$ 330,519	\$ 356,817	\$ 379,453	\$ 408,900	\$ 447,543
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	
General - 2007 CapitalOne Loan						
2009	\$ 20,238	\$ 13,441	\$ 6,797	\$ 136	\$ 176	\$ 22
2010	19,834	13,806	6,028	133	170	19.89
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
Utility System Revenue Bonds, 2010 series						
2010	\$ 12,914	\$ 11,296	\$ 1,618	\$ -	\$ -	n/a
2011	14,293	9,825	4,468	270	776	4.27
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
General - 2010 BB&T Refunding Bonds						
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
2018	32,729	-	32,729	470	303	42.34
Stormwater - 2010 BB&T Refunding Bonds						
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
Stormwater Assessment Bonds, 2011 series						
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

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	
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
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
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
Water and Sewer Bonds, 2017 series						
2018	25,916	23,917	\$ 1,999	\$ -	\$ 59	33.88

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**
2009	42,242	\$ 1,070,623,490	25,345	7.90%
2010	42,565	\$ 989,551,120	23,248	8.80%
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%

Source: *City Engineering and Community Development Department
**Florida Agency for Workforce Innovation

**City of Oakland Park, Florida
Principal Employers
Current Year and Ten Years Ago**

2018

Employer	Employees	Rank	Percentage of Total City Employment
Home Depot	300	1	1.69%
City of Oakland Park	256	2	1.44%
US Post Office	150	3	0.84%
Lipton Toyota	130	4	0.73%
Publix Supermarkets	125	5	0.70%
Funky Buddha Brewery Inc.	121	6	0.68%
Gateway Insurance Agency	110	7	0.62%
Broward Paper & Packaging	101	8	0.57%
Broward County Elderly & VTM	100	9	0.56%
ST Marks Episcopal School	100	10	0.56%

2009

Employer	Employees	Rank	Percentage of Total City Employment
Lauderdale Clinical Svc	1000	1	4.25%
Home Depot	300	2	1.52%
AAA All Emergency Restoration	300	3	1.52%
Fort Lauderdale Public Works	280	4	1.42%
City of Oakland Park	253	5	1.28%
Costamar Travel Cruise & Tours	200	6	1.01%
Jam Builders Inc	180	7	0.91%
Agency Workforce Innovation	172	8	0.87%
Northeast High School	165	9	0.84%
US Veterans Affairs Department	145	10	0.73%

Source: InfoGroup Employer Database 2017 ed. 1

via Florida Department of Economic Opportunity (DEO), Bureau of Labor Market Statistics

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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government	29	27	24	22	24	24	22	25	28	28
Broward Sheriff's Office*	97	97	92	97	98	99	98	99	99	99
Fire Rescue	70	67	66	65	63	69	73	67	67	67
Public Works	17	17	15	14	14	15	14	15	16	16
Engineering	8	7	7	8	8	10	9	8	7	7
Community Development	20	18	15	15	16	9	11	24	28	28
Library	8	7	7	7	7	6	7	6	6	6
Parks and Leisure	48	45	43	40	42	40	42	36	14	14
Parks Maintenance	0	0	0	0	0	0	0	0	23	23
Water & Sewer	23	26	23	25	20	22	22	25	26	26
Solid Waste	17	19	23	23	24	22	20	23	23	23
Storm Water	13	12	10	10	10	10	10	10	11	11
Total	350	342	325	326	326	326	328	338	346	346

Source: City of Oakland Park, Financial Services Department

City of Oakland Park, Florida
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	2009	2010	2011	2012
Police				
Physical arrests	3,407	2,111	2,038	1,926
Parking violations	110	61	116	139
Traffic violations	16,585	8,438	5,586	5,844
Fire Rescue				
Emergency responses	7,732	7,491	7,394	7,512
Fires extinguished	134	130	122	87
Inspections	4,764	4,210	3,200	3,116
Refuse collection				
Refuse collected (tons per day)	146	140	145	144
Recyclables collected (tons per day)	3	4	8	8
Other public works				
Street resurfacing (miles)	5	5	5	2
Potholes repaired	1,956	1,588	1,164	1,578
Parks and Leisure				
Athletic field permits issued	540	388	392	404
Community center admissions	170,000	46,700	56,010	57,937
Library				
Volumes in collection	56,446	56,437	48,462	48,462
Total volumes borrowed	112,912	112,687	106,904	106,200
Water				
New connections	n/a	42	1,044	32
Water main breaks	58	105	66	50
Average daily consumption (thousands of gallons)	3,771	3,540	3,105	3,084
Sewer				
Avg. daily sewage treatment by other (in thousands)	5,675	8,427	5,387	6,129

Source: Various City departments

**Includes 57 resulting from Hurricane Wilma, 10/05

***The City does not have a wastewater treatment facility

2013	2014	2015	2016	2017	2018
1,881	2,389	1,675	997	1,491	1,614
74	280	243	309	32	52
5,595	8,071	10,520	7,348	6,176	8,657
7,541	7,780	7,976	8,427	9,123	9,032
141	104	105	130	160	134
2,656	2,953	5,585	5,890	4,385	5,953
137	142	138	159	141	140
11	15	13	15	13	13
-	2	3	2	2	2
1,643	2,228	1,705	2,032	2,228	1,991
448	461	403	355	400	432
63,580	69,700	70,000	72,100	73,500	74,500
47,825	51,676	55,170	59,225	71,770	50,594
98,695	82,965	73,334	73,719	63,307	60,354
23	26	23	57	260	40
46	57	70	27	12	6
3,039	3,190	3,236	2,530	2,262	2,478
7,431	6,560	5,703	5,778	6,328	11,861

City of Oakland Park, Florida
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	2009	2010	2011	2012
Police				
Stations	1	1	1	1
Zone offices	1	1	1	1
Patrol units	61	72	63	68
Fire stations	3	3	3	3
Refuse Collection				
Collection trucks	9	10	11	10
Other public works				
Streets (miles)	134	134	134	134
Highways (miles)	(a) -	(a) -	(a) -	(a) -
Streetlights	* 2,321	* 2,321	* 2,351	* 2,383
Traffic signals	(a) -	(a) -	(a) -	(a) -
Parks and Leisure				
Acreage	189	189	189	198
Playgrounds	8	9	10	10
Baseball/softball diamonds	9	9	9	9
Soccer/football fields	3	3	3	3
Tennis courts	14	14	14	14
Community centers	4	4	4	4
Basketball Courts	3	3	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
Water				
Water mains (miles)	197	197	197	197
Fire hydrants	790	810	1,135	1,135
Storage capacity (thousand of gallons)	** -	** -	** -	** -
Sewer				
Sanitary sewers (miles)	100	100	100	100
Storm sewers (miles)	60	60	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

		Fiscal Year					
		2013	2014	2015	2016	2017	2018
		1	1	1	1	1	1
		1	1	1	1	1	1
		63	65	69	69	69	69
		3	3	3	3	3	3
		10	13	10	10	8	8
		134	134	134	134	134	134
(a)	- (a)	- (a)	- (a)	- (a)	- (a)	- (a)	- (a)
*	2,406 *	2,466 *	2,596 *	2,646 *	2,677 *		
(a)	- (a)	- (a)	- (a)	- (a)	- (a)	- (a)	- (a)
		199	199	199	199	201	201
		10	10	10	10	10	10
		9	7	7	4	4	4
		3	4	4	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
		785	791	811	851	855	896
**	- **	- **	- **	- **	- **	- **	- **
		100	100	100	100	100	100
		62	62	62	62	63.8	62
***	- ***	- ***	- ***	- ***	- ***	- ***	- ***
		-	-	-	-	-	-



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COMPLIANCE SECTION

City of Oakland Park, Florida
Schedule of Expenditures of Federal Awards
For The Fiscal Year Ended September 30, 2018

<u>Federal Agency/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Pass-through Identifying Number</u>	<u>Expenditures</u>
Federal Emergency Management Agency (FEMA)			
FEMA - Assistance to Firefighters Grant	97.044	EMW-2016-FR-00316-001	\$ 60,455
<i>Pass-Through State of Florida Division of Emergency Management</i>			
Disaster Grants - Public Assistance	97.036	Z0469	<u>2,072,905</u>
Total Federal Emergency Management Agency (FEMA)			<u>2,133,360</u>
U.S. Department of Housing and Urban Development			
Community Development Block Grant - 42nd Year (NE 34th Parking Lot)	14.218	14-129.35	<u>42,057</u>
Total U.S. Department of Housing and Urban Development			<u>42,057</u>
U.S. Department of Transportation/ Federal Highway Administration			
<i>Pass-Through State of Florida Department of Transportation</i>			
Hwy Planning & Construction Grant - Local Agency Program Agreement	20.205	GOR32	100,000
Hwy Planning & Construction Grant - Local Agency Program Agreement	20.205	GOS18	<u>183,376</u>
			283,376
<i>Pass-Through State of Florida Department of Environmental Protection</i>			
Recreational Trails Program	20.219		<u>200,000</u>
Total U.S. Department of Transportation/ Federal Highway Administration			<u>483,376</u>
U.S. Department of Agriculture			
<i>Pass-Through State of Florida Department of Education</i>			
Summer Food Service Program	10.559	01-0773	29,124
<i>Pass-Through State of Florida Department of Education</i>			
Urban and Community Forestry Grant	10.675	023860	<u>15,000</u>
Total U.S. Department of Agriculture			<u>44,124</u>
U.S. Department of Commerce			
<i>Pass-Through State of Florida Department of Education</i>			
Florida Sea Grant	11.417	UFDSP00011338	<u>30,000</u>
Total U.S. Department of Commerce			<u>30,000</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ <u>2,732,917</u>

See Notes to Schedule of Expenditures of Federal Awards.

CITY OF OAKLAND PARK, FLORIDA

Notes to Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended September 30, 2018

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 subrecipients 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

Honorable Mayor and Members of the City Commission
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, each major fund, and the aggregate remaining fund information of the City of Oakland Park, Florida as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise City of Oakland Park, Florida's basic financial statements, and have issued our report thereon dated March 29, 2019. Our report includes a reference to other auditors who audited the financial statements of Pension Trust Fund of the Police and Firefighters Pension Plan, as described in our report on City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting 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
March 29, 2019

BCA Watson Rice LLP



**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH THE UNIFORM GUIDANCE AND SECTION
10.550 RULES OF THE FLORIDA AUDITOR GENERAL**

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program and State Project

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 City's major federal programs and state projects for the year ended September 30, 2018. The City's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal and state 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) and Chapter 10.550 Rules of the Auditor General. 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 or state project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state project. 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 and state projects for the year ended September 30, 2018.

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
March 29, 2019

BCA Watson Rice LLP

CITY OF OAKLAND PARK, FLORIDA
SEPTEMBER 30, 2018

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	
97.036	Disaster Grants – Public Assistance	
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, 2018

Section II: Financial Statement Findings

None

Section III: Federal Awards Findings

None.

CITY OF OAKLAND PARK, FLORIDA
SEPTEMBER 30, 2018

SUMMARY OF PRIOR YEAR FINDINGS

None.



Management Letter

To the Honorable Mayor and Members of 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, 2018, and have issued our report thereon dated March 29, 2019.

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 March 29, 2019, 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, 2018, 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, 2018. 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
March 29, 2019

BCA Watson Rice LLP



INDEPENDENT AUDITOR'S REPORT

City Mayor and City Commission
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, 2018. 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, 2018.

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
March 29, 2019

BCA Watson Rice LLP

AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared Andrew Thompson, Financial Services Director of the City of Oakland Park, FL, who being duly sworn, deposes and says on oath that:

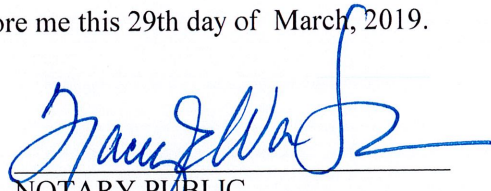
1. I am the Chief Financial Officer of the City of Oakland Park, FL which is a local governmental entity of the State of Florida;
2. City of Oakland Park, FL) adopted Ordinance No. **2005-2006** implementing an impact fee; and
3. City of Oakland Park, FL has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.


Financial Services Director
City of Oakland Park, FL

STATE OF FLORIDA
COUNTY OF BROWARD

SWORN TO AND SUBSCRIBED before me this 29th day of March, 2019.


NOTARY PUBLIC
Tracey Watson

Personally known or produced identification _____

Type of identification produced:

PERSONALLY KNOWN

My Commission Expires:

