

**CITY OF WEST PARK, FLORIDA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2019**

CITY OF WEST PARK, FLORIDA

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INDEPENDENT AUDITOR’S REPORT

To the Honorable Mayor, City Commissioners
and City Manager
City of West Park, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the City of West Park, Florida (“the City”) as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

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

Auditor’s Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the City, as of September 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-17, budgetary comparison schedules, schedules of net pension liability, schedule of contributions by employer, schedule of investment returns and schedule of changes in total OPEB liability on pages 49-56 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 and other auditors 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "S. Davis & Associates, P.A." The signature is written in a cursive style and is positioned above a light blue horizontal line.

Hollywood, Florida
June 30, 2020

**CITY OF WEST PARK, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

FINANCIAL MANAGEMENT DISCUSSION AND ANALYSIS

As management of the City of West Park, Florida, we offer readers of the City of West Park's financial statements this narrative overview and analysis of the financial activities of the City of West Park, Florida, for the year ended September 30, 2019. Readers are encouraged to consider all of the information presented in this report. The responsibility of preparing this report is the responsibility of the management of the City of West Park, Florida.

The City of West Park, Florida, (the "City") 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 (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the City's financial statements (beginning on page 18).

The City was incorporated March 1, 2005, following a vote of residents in the formerly unincorporated Broward County. The City operates under a Commission/Administrator form of government. The Commission is elected by seat and the Mayor is elected directly. Those candidates receiving the highest votes are elected to individual seats. The Mayor is elected separately and the candidate for Mayor who receives the most votes is elected. Florida Law determines the City's fiscal year. The fiscal year begins October 1st of each year and ends September 30th the next year.

Financial Highlights

- The assets and deferred outflows of the City of West Park exceeded its liabilities and deferred inflows of resources at September 30, 2019, by \$83,956,976 (the "net position"). Of this amount, \$5,225,665 (the "unrestricted net position") may be used to meet the government's ongoing obligations to citizens and creditors.

- The City's total net position increased by \$208,893 over the prior year.

- At the close of fiscal year 2019, the City's General Fund reported \$6,803,277 in total fund balance, an increase of \$648,968 over the previous year. Of the total fund balance, \$1,060,690 represents non-spendable assets comprised of property held for resale and prepaid items and should be considered illiquid. Property held for resale, which is property the City will likely develop into residential and other properties at some point in the future, was reported at the current estimated market value. The City uses the Broward County Property Appraiser's estimate of market value as of the January 1st date closest to the financial statement date. The City's Twin Lakes Water Control District special revenue fund ended with a fund balance of \$54,415 an increase of \$2,766 over 2018. The City's Stormwater Utility Fund had a final fund balance of \$728,404, an increase over the prior year of \$61,307. The City's Capital Project's Fund, which was new for FY2019, had a first year negative fund balance of (\$211,191), which is the amount owed from the General Fund that had not been transferred at fiscal year-end.

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- The City had \$81,498 of General Fund Restricted Fund Balance which is restricted to use for Law Enforcement Trust Fund Purposes.
- The City's General Fund Assigned Fund Balance of \$298,747 is designated for use in the 2020 fiscal year, all of which will be used in General Fund operations.
- The City's General Fund Unassigned Fund Balance of \$5,362,343 represents immediately available resources that can be used for any lawful purpose. This is an increase from the fiscal year 2018 amount of \$1,392,574, or an increase of about 35.1%.
- The City's General Fund Unassigned fund balance represents about 34.4% of the year's total expenditures for that fund, or about a little more than 4 months of expenditures, a noticeable increase from the FY18 amount of 23.6%.
- The City's policy is to maintain at least a three-month level of unassigned fund balance and should strive to maintain a six-month balance. The City is ahead of its minimum but behind its ultimate goal.
- The City's long-term liabilities in its governmental activities, exclusive of OPEB and pension liabilities, is entirely comprised of employee compensated absences of \$108,682, \$14,113 of which is expected to be paid from budgeted resources in FY2020. The City's prior long-term debt included \$162,859 remaining for a borrowing related to the acquisition of an EMS Transport unit. The debt was to have been paid off on October 1, 2020, but was liquidated towards the end of the fiscal year, using in part, the remains of restricted cash held over from unspent bond proceeds.
- The City's current assets (exclusive of restricted activities) exceeded its current liabilities by more than 8.5 times.

City Achievements

This year, we emphasized the high quality standards that we advocate and the our strength of collaboration by: 1) committing community support funds to assist our residents; 2) collaborating with Broward College for the Broward Up Communities Initiative; 3) concluding our Transit Oriented Corridor (TOC) Expansion; 4) increasing our park and open space acreage by building a new park – Water Tower Park – while installing new tot lot equipment at Mary Saunders Park; and 5) completed the resurfacing of County Line Road through a collaboration with Broward County and Miami-Dade County, to name a few. Details of the accomplishments are:

○ **COMMUNITY SUPPORT PROGRAM:**

This program is set up to receive funds from Community Benefit Plan provided by developers who partner with the City. The funds are used to provide benefit to residents through the Minor Home Repair Grant Program; Childcare Assistance Grant Program; and the Tree Trimming Grant Program.

- **Minor Home Repair Grant Program:** This program is designed to provide a forgivable loan to eligible residents for home repair projects. In an effort to ensure owner occupied units are

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MANAGEMENT’S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

not sold or rented for a three-year period, applicants are required to sign an agreement with the City.

- **Childcare Assistance Grant Program:** This program provides financial assistance to eligible families to pay for quality child care. The maximum grant award is \$600 per applicant.
- **Tree Trimming Grant Program:** This program was established to mitigate negative effects associated with trees encroaching on existing Florida Power and Light power lines.

○ **BROWARD COMMUNITY INITIATIVE:**

In collaboration with Broward College, the goal of this program is to increase college access and attendance; improve degree and certification attainment; and to holistically raise social and economic mobility. The City executed a collaborative agreement with Broward College to:

- Design and deliver Broward College on-site workshop courses and programs for West Park residents and staff;
- Deliver certificate training at identified City locations aligned to employment within the area;
- Create entrepreneurial programming for City residents, to include Start Up Now Accelerator, and offer entrepreneur readiness workshops for residents.

○ **TRANSIT ORIENTED CORRIDOR (TOC) EXPANSION:**

This initiative allowed for the expansion of the present-day boundaries of the TOC to include a grass acreage of the amended property of approximately 231.58 acres. The rationale for the expansion of the boundaries seeks to:

- Increase the City’s stock of commercial land use to reduce the burden on residential property tax payers, who presently carry the majority of the burden of paying for City-related expenses,
- Facilitate the aggregation of land for “Smart”, transit oriented development,
- Provide the City with destination scale development opportunities to increase the tax base,
- Enhance the quality of life of residents by providing greater access to nearby goods, services and jobs,
- Increase the image and brand of the City, and
- Generate opportunities to investors and local businesses to invest in the City in a manner that provides greater economic sustainability and return on investment.

○ **DEVELOPMENT OF WATER TOWER PARK:**

This initiative started in 2014 with the letter of intent to purchase a parcel of land located west of 3920 SW 38th Avenue in West Park (Folio Number: 5142-30-07-1052) from the County. In order to meet level of service standards for the population required by the County and the City’s Comprehensive Plan, the City needs to provide 43.8 acres of parks and open spaces for a population of 14,609 in 2012, per the U.S. census. With only the City’s two existing parks totaling approximately 22.3 acres and no other public or private facilities, the level of service is just 1.6 acres per 1,000 residents for the current population. The addition of Water Tower Park added 0.28 acres of City park space, thus making it a step toward the City meeting the 3 acre per every 1,000 residents’ requirement. This new park features playground equipment with a shade structure, picnic bench, and barbeque grill.

○ **COUNTY LINE ROAD IMPROVEMENT:**

This project exemplified the City’s thorough collaboration abilities. While the roadway belongs to both Broward County and Miami-Dade County, we were able to get both counties to commit over \$650,000.00 toward resurfacing of the roadway while the City administered the project – a unique

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and uncommon funding commitment from two counties to a city. We completed the much needed resurfacing from SW 56th Avenue to 525 feet east of SW 40th Avenue, with the installation of thermoplastic pavement markings and reflective pavement markers.

○ **OTHER ACCOMPLISHMENTS INCLUDE:**

- Accepted the grant award of \$452,000.00 from Broward Redevelopment Program for the acquisition of vacant lot at the north east corner of SW 25th Street and State Road 7 for commercial development. With the awarded funding, the City will be able to acquire the property from Florida Department of Transportation for commercial development that would create new jobs and create an increased tax base for the community.
- Accepted the Edward Byrne Memorial Justice Assistance grant from the Florida Department of Law Enforcement. The funds were for the purpose of reducing crime and enhancing public safety at a public facility.
- Continued the South Broward Explorer Program. The program is open to high school to college aged young adults from West Park and Pembroke Park who may be thinking about a career in law enforcement. Explorers receive educational training on the purposes, mission and objectives of law enforcement along with an opportunity to get involved with community service activities.
- Completed one of the largest roadway infrastructure improvement projects since the City's incorporation on SW 40th Avenue also none as Barack Obama Boulevard. This \$1.9 million complete street improvement project provided much needed traffic calming along the 1.5-mile corridor; improved the drainage system; resurfaced streets and bike lanes; marked pavements with regulatory signs, pedestrian street lights, landscaped medians and swales and improved the irrigation system.
- Constructed and unveiled the President Barack Obama's Monument to memorialize and officially recognize the co-naming of SW 56 Avenue as Barack Obama Boulevard.
- Continued the free Community Bus Shuttle Service for the benefit of residents. This free shuttle service will increase the number of destinations and connections that can be reached through public transit.
- With funding support from the Children's Services Council we successfully completed the City's annual summer camp (Juvenile Crime Prevention Program). Since its inception over 300 children have been serviced as we end the program's second year of existence.
- Received the City's first State Legislative Appropriation award in the amount of \$200,000. The funds were used for our Senior Citizen Program in partnership with the Florida Department of Elder Affairs and the Areawide Council on Aging of Broward County. The funding was used to fund the State Local Service Program that expand long-term care alternatives enabling elders to maintain an acceptable quality of life in their own home and avoid or delay nursing home placement.
- We awarded the Community Development Block Grant in the amount of \$174,353.00 for SW 20th Street & SW 57th Avenue Intersection Traffic Calming Improvement project. The funds will be

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used for construction activities to include traffic calming device, resurfacing of the asphalt and pavement marking

Successfully implemented the following City sponsored events and programs:

- Mary Kendrick's Thanksgiving Feed the Needy Feast
 - Holiday Toy Giveaway
 - Mother's Day Breakfast
 - After School Program
 - Senior Citizen Program
 - Summer Camp (Camp Bravery)
 - Father's Day Celebration
 - Monthly Free Fresh Produce & Dry Stable Food Giveaway Program
-
- With the continuation of dedicated services to our residents and businesses, we were successful in increasing the number of businesses in the City, thus generating a 3.21% increase in businesses tax revenue from prior year.

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Overview of the Financial Statements

The financial statement focus is on both the City as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to assess the particulars of the City's financial operations and also provide for annual comparisons of the City's financial performance. The statements can also facilitate comparisons with other units of government

Government-wide Financial Statements

The Government-wide Financial statements (see pages 18 to 19) are designed to be corporate-like in that all governmental and business-type activities (though the City as yet does not operate any business-type activities) are consolidated into columns that add up to a total for the Primary Government. The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to be similar to bottom line results for the City and its governmental and business-type activities. This statement combines and consolidates government funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations.

The Statement of Activities (see page 19) is focused on both the gross and net cost of various activities (including governmental, component units and business-type), which are supported by the City's taxes and other revenues. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities and/or components.

The Government Activities reflect the City's services, which reflect the full range of municipal services. The City provides police and fire rescue services through an interlocal agreement with the Broward Sheriff's Office (BSO). The Broward County Board of County Commissioners approves BSO's budget. The City provides solid waste services to residential properties of 10 dwelling units or less under a franchise agreement with a private company. Commercial waste streams are provided by licensed waste haulers under open market conditions with a franchise fee paid to the City by each hauler based upon the billings of each hauler. Finance, Development Services and Code Enforcement services are provided through contracts with various vendors. Employees hired by the City provide administration and Parks and Recreation services.

Fund Financial Statements

Traditional users of government financial statements will find the Fund Financial Statement presentations more familiar. The focus in those statements is on Major Funds.

Fund Financial Statements - Continued

The City's Major Fund presentation (see pages 20 to 23) is presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. Funds are established for various purposes and the Fund Financial Statements allow the demonstration of sources and uses and/or budgeting compliance associated therewith (beginning on page 20).

The Government Major Funds Total column requires reconciliation because of the different measurement focus (current financial resources versus total economic resources) that is reflected on the entity-wide statement (see pages 21 and 23 for the reconciliation). The flow of current financial resources will reflect interfund transfers and other financial sources, as well as capital expenditures. The reconciliation will

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eliminate these transactions and incorporate the capital asset and long-term obligations into the Government Activities column (in the Government-wide statements).

Capital Assets

Historically, a government's largest group of assets (infrastructure, buildings, roads, curbs, and sidewalks) have not been reported nor depreciated in government financial statements. Pronouncements in governmental accounting require that these assets be valued and reported within the Government column of the Government-wide Statements. The City has \$77,866,994 of net capital assets. Of that amount, \$55,664,548 represents land and other non-depreciable assets and \$22,202,446 is the net value of depreciable capital assets.

GOVERNMENT-WIDE STATEMENTS

Statement of Net Position

The largest portion of the City's non-capital total assets is cash deposits. The City also holds an estimated \$1,060,690 (current estimated market value) in property held for resale, all of which is land. The remainder is largely receivables due from other governments for shared revenues. Cash accounted for about 75% of these non-capital and illiquid assets, representing no significant change from the prior year.

The Unrestricted Net Asset balance is intended to be a corporate-style measurement of well-being (or a bottom line) for the City and its related governmental and business-type activities.

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Statement of Net Position - Continued

The following table reflects the condensed Statement of Net Position. The City has no business-type activities; therefore, totals have been eliminated from the presentation:

Governmental Activities			
	<u>2019</u>	<u>2018</u>	<u>Percent Change</u>
Assets			
Cash and Equivalents	\$ 6,128,540	\$ 5,091,629	20.4%
Accounts Receivable, Net	1,109,768	1,433,307	-22.6%
Prepaid Items	-	500	-100.0%
Property Held for Resale	1,060,690	999,590	6.1%
Capital Assets, Net of Depreciation	77,866,994	78,019,059	-0.2%
Total Assets	86,165,992	85,544,085	0.7%
Deferred Outflows of Resources			
Pension	531,756	613,053	-13.3%
Liabilities			
Accounts Payable and Other	782,920	555,434	41.0%
Unearned Revenues	121,564	83,289	46.0%
Current Portion of Long-term Liabilities	14,113	91,203	-84.5%
Non-current Portion of Long-term Liabilities	1,723,724	1,563,070	10.3%
Total Liabilities	2,642,321	2,292,996	15.2%
Deferred Inflows of Resources			
Pension	98,451	116,059	-15.2%
Net Position			
Investment in Capital Assets, Net	77,866,994	77,856,200	0.0%
Restricted for:			
Law Enforcement	81,498	85,297	-4.5%
Water Control District	54,415	51,649	5.4%
Stormwater	728,404	581,816	25.2%
Unrestricted	5,225,665	5,057,129	3.3%
Total Net Position	\$ 83,956,976	\$ 83,748,083	0.2%

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Current Year Impacts

Statement of Activities

The following schedule presents a comparative Statement of Activities for the current and prior fiscal years. The City has no business-type activities; therefore, totals have been eliminated from the presentation. Further, the significant capital outlay in the General Fund financial statement is not included in the entity-wide full accrual presentation:

	Governmental Activities		
	<u>2019</u>	<u>2018</u>	<u>Percent Change</u>
Revenues			
Program Revenues			
Charges for Services	\$ 5,836,498	\$ 6,019,226	-3.0%
Operating Grants and Contributions	1,941,253	217,134	794.0%
Capital Grants and Contributions	267,133	911,225	-70.7%
General Revenue			
Taxes	6,939,100	6,480,853	7.1%
Other	1,886,102	1,568,446	20.3%
Total Revenues	<u>16,870,086</u>	<u>15,196,884</u>	<u>11.0%</u>
Expenses			
General Government	2,533,309	2,427,944	4.3%
Public Safety	9,143,582	8,748,270	4.5%
Public Works	3,638,809	3,315,227	9.8%
Parks and Recreation	1,341,188	1,220,719	9.9%
Interest on Long-term Debt	4,305	5,328	-19.2%
Total Expenses	<u>16,661,193</u>	<u>15,717,488</u>	<u>6.0%</u>
Change in Net Position	<u>\$ 208,893</u>	<u>\$ (520,604)</u>	<u>140.1%</u>

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Conditions and Impacts that can affect the City’s Financial Operations

Many factors and conditions can influence the current and long-term finances of the City:

Limits on Tax Base Growth. Under Florida’s Constitution, residential properties that are owner-occupied and have a homestead exemption are limited to annual assessment increases of 3% or less. The effect of this limitation burdens the City’s tax base by exempting from taxation, large portions of residential properties. Typically, municipalities in the South Florida market experience increases in annual expenditures well in excess of this 3% cap. Consequently, the City will be challenged to diversify its tax base while keeping its expenditures under control. The City has the ability to tax property up to 10 mills, or \$1 for each \$1,000 of taxable value. It is likely that the City will edge near this cap unless substantial tax base growth occurs, expenditures are retarded, or other revenues are found to cover the growing public safety needs. The City has already used about 85% of its taxing power on property taxes.

Economic Conditions. The City is located in South Florida. Demand for residential and commercial property has historically been very strong, but the effects of the recent recession have sent property tax values to a point less than when the City was first incorporated. Recent valuations have seen this trend start to reverse and activity suggests that more property is being bought and sold, indicating stronger investment in property within the City. The City is largely built-out and its tax base growth will likely need to come from redevelopment. The State of Florida Department of Transportation (“FDOT”) has undertaken a road-widening project on the US-441 corridor. As part of that project, FDOT has taken, through condemnation or other means, some of the frontage of business properties located along this corridor. A large portion of the City’s housing stock was constructed over 30 years ago. Prior to incorporation, the County had undertaken a program of repairs to the infrastructure in the City and Management believes that the infrastructure that has been inherited is in good shape and should not need any significant capital for many years.

Contractual Police and Fire Services. The City contracts with the Broward Sheriff’s Office (BSO) for police and fire services. The interlocal agreement with BSO provides for annual increases, with limits, of certain costs of the contract. BSO provides similar services to the neighboring Town of Pembroke Park. Both contracts with BSO contemplate a certain level of shared services, the cost of which are generally equally shared. The two municipalities do not have an interlocal agreement between each party. Consequently, the allocation of shared costs is through a verbal understanding and occasionally conflicts have arisen. The cost of these essential service contracts can account for typically about 60% of the City’s budget and even small changes in the annual costs can have adverse and significant impacts on the City’s finances and its taxes and fees.

Introduction of New Programs. One of the impetuses for creating the City was the dearth of responsive services in the Community. Code enforcement and recreational opportunities have been particular areas of local concern and the City has increased its efforts in this area. The additional programs, though increasing fixed costs of City operations, are helping to bolster property values.

Personnel Costs and Stresses. The cost of attracting and keeping experienced and competent personnel in South Florida has dramatically increased over the last two decades. The City will have to compete with the roughly 90 municipalities that exist in Miami-Dade, Broward, and Palm Beach counties. The level and amount of benefits offered to employees

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in this market is substantial and the employer contributions for these benefits are typically very high. As the City expands its services, it will face continual pressure on these costs. The City currently contracts for many of its services and expects to do so for some time in an effort to hold down costs

Inflation. While overall inflation continues to be extremely low, the City is and will be exposed to certain costs that have historically been much higher than the consumer price index typically used to measure inflation. Chief among these costs are insurances and wages. Reduced inflation rates generally mirror reduced interest rates. Currently, investment options available to the City pay minimal amounts toward investment income. The monetary policy of the federal government may create a situation where interest rates rise, but at a rate below the inflation rate.

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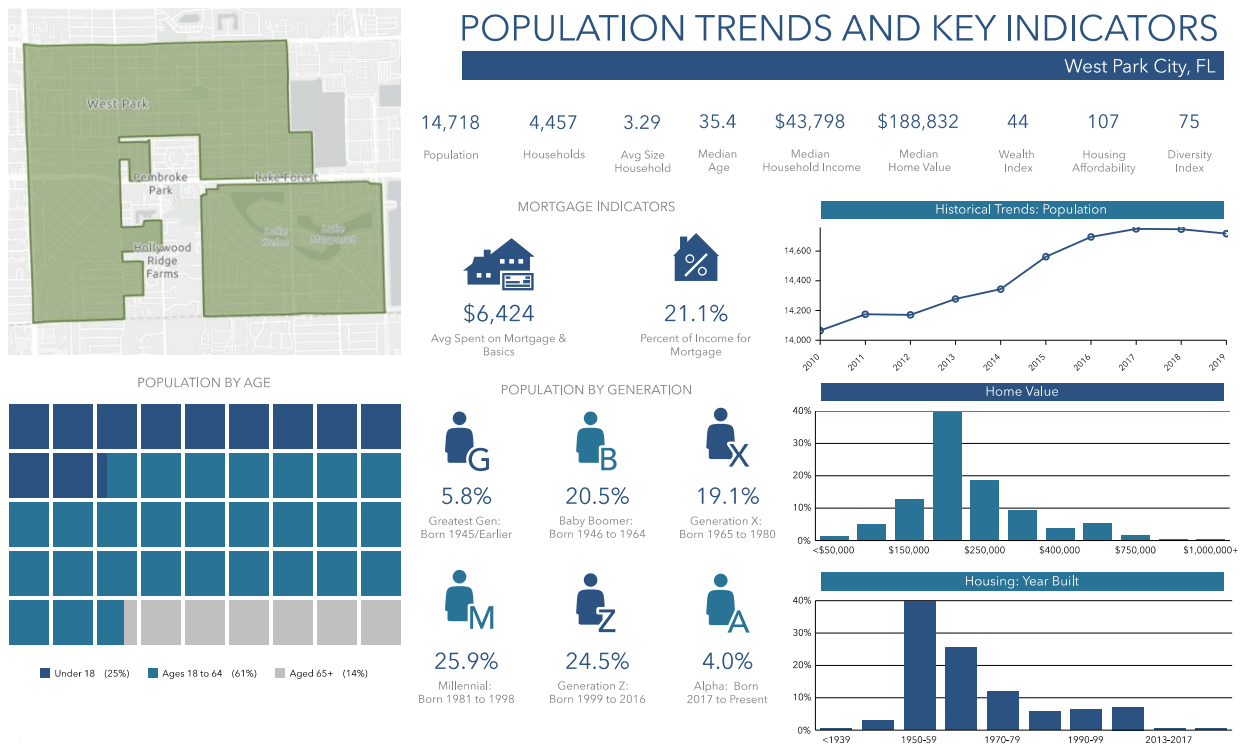
Community Profile

Demographic profile. The City is estimated to have a population of 14,718 across 4,457 households, with a median age at 35.4 years. Median household income is estimated to be \$43,798 with a median net worth of \$49,089. 45% of the population has at least some college, with 16% having obtained at least a Bachelor’s degree. The labor force is mostly white collar but also has 28% of its workforce in blue collar occupations. The unemployment rate is estimated at 7.3%:



**CITY OF WEST PARK, FLORIDA
MANAGEMENT’S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

Population Trends and Key Indicators. The City’s population has grown from 14,065 people in 2010 to its current 14,718 level. The median home value is \$188,832 and, for those with mortgages, the percent of income devoted to a mortgage payment is 21.1%. The typical amount spent on mortgage payments and basic housing expenses is \$6,424. The population has a wealth index that is 44% of the national average and housing is generally affordable for the income present. The City has a diverse population, both in age and race:



Tapestry Market Segmentation. The City can be segmented into three major categories. The largest group, at 49.9% are family-centric and diverse. Most are married couples with children of all ages or single parents. Multigenerational homes are common. The average household size is 3.19. Their commute can take up to an hour, and many of them use public transportation, walk, or bike to work. They tend to be young, with a median age of 32.5 and a household income of \$50,900. 17% of this group has at least a Bachelor’s degree. About 64% of this group tend to own the own single-family home. Unemployment is high at 7.4%, but the labor participation rate is also high at 66%. Most of this population derives their income from wages or salaries, but rate of poverty is higher than the national average. They tend to spend their money carefully with a focus on necessities, however, they like technology and particularly feature-rich smart phones. They stay well-connected on the internet. This population is very diverse by race and ethnicity and has a diversity index of 84.1 compared to the national average of 64.0.

The second largest group, at 31.2% of the population are a mix of married couples, single parents, grandparents, and children (both young and adult). The average household size is smaller at 2.71 and they have a higher median age of 39.6. Their median household income is \$43,100. Neighborhoods are stable with little change over a decade. Most households have 2 or more vehicles and about 1/3 currently receive social security. They have a strong focus on religion and character. The diversity among this cohort is 43.5, much lower than the national average. Unemployment for this group is about 10% with a labor

**CITY OF WEST PARK, FLORIDA
MANAGEMENT’S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

participation rate of 58%, indicating that retirement has likely begun for many. More than half have either attended or obtained a college degree.

The third largest group accounts for 8.5% of the population. This is a multicultural, multigenerational, and multilingual group. They tend to focus on their children and maintain gardens. They tend to live in older homes, are married couples with children and grandparents with an average household size of 3.78. This group includes recent immigrants, some with language barriers. More than half have a high school diploma or some college. Their median household income is \$62,300 and their median age is 34.0. Unemployment for this group is estimated at 6.2% but with a high labor participation rate. It is a very diverse group with a diversity index of 86.0 compared to a national average of 64.0:



**CITY OF WEST PARK, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2019**

THE CITY FUNDS

Governmental Funds

As of the year-end, the Governmental Funds (as presented on the balance sheet) reported a total fund balance of \$7,374,903 of which \$5,151,149 is unassigned.

Business Type Funds

Currently, the City does not have any Business-type funds.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of year-end, the City had \$77,866,994 in capital assets, net of related depreciation. Of that amount, \$55,664,548 was invested in land and work-in-progress and \$22,202,446 was invested in infrastructure, net of depreciation. The City added \$939,310 in new assets but recorded \$1,089,255 in depreciation expense for the year.

Debt

The City had \$108,682 in accrued employee compensated absences; \$165,466 in net other post-employment benefits owed to employees and retirees of the City, and \$1,463,689 in net pension liabilities, which is the City's share of the Florida Retirement System (FRS), a multi-employer pension plan.

FINANCIAL INFORMATION CONTACTS

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If you have any questions about the report or need additional financial information, contact the City's Finance Director at 1965 S. SR-7, West Park, Florida 33083.

**CITY OF WEST PARK, FLORIDA
STATEMENT OF NET POSITION
FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	Governmental Activities
<u>ASSETS</u>	
Cash and equity in pooled cash	5,443,149
Restricted cash	685,391
Accounts receivable, net	1,109,768
Prepaid items	-
Property held for resale	1,060,690
Capital assets:	
Nondepreciable capital assets	55,664,548
Depreciable capital assets, net	<u>22,202,446</u>
Total Assets	<u>86,165,992</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension	<u>531,756</u>
Total deferred outflows of resources	<u>531,756</u>
<u>LIABILITIES</u>	
Liabilities:	
Accounts payable and other liabilities	782,920
Unearned revenues	121,564
Current liabilities:	
Due within one year:	
Compensated absences	14,113
Noncurrent liabilities:	
Due in more than one year:	
Compensated absences	94,569
Net other post employment benefit (OPEB) Liability	165,466
Net pension liability	<u>1,463,689</u>
Total Liabilities	<u>2,642,322</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension	<u>98,451</u>
Total deferred inflows of resources	<u>98,451</u>
<u>NET POSITION</u>	
Net investment in capital assets	77,866,994
Restricted for:	
Law Enforcement	81,498
Water Control District	54,415
Stormwater	728,404
Unrestricted	<u>5,225,665</u>
Total net position	<u>\$ 83,956,976</u>

See notes to the financial statements.

**CITY OF WEST PARK, FLORIDA
STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED SEPTEMBER 30, 2019**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grant and Contributions	
Primary government:					
Governmental activities:					
General government	\$ 2,533,309	\$ 149,441	\$ 216,683	\$ -	\$ (2,167,185)
Public safety	9,143,581	3,744,179	6,000	-	(5,393,403)
Public works	3,638,809	1,927,491	802,588	117,133	(791,597)
Parks and recreation	1,341,188	15,387	915,982	150,000	(259,820)
Interest on long-term debt	4,305	-	-	-	(4,305)
Total Governmental activities	\$ 16,661,192	\$ 5,836,498	\$ 1,941,253	\$ 267,133	\$ (8,616,309)
General revenues:					
Property taxes				\$ 4,524,593.31	
Franchise taxes and utility taxes				2,187,645	
Communications services tax				226,861	
Grants and contributions not restricted to specific programs				1,689,169	
Unrestricted investment earnings				78,390	
Miscellaneous revenues				118,543	
Total general revenues and transfers				<u>8,825,202</u>	
Change in net position				<u>208,893</u>	
Net position-beginning				<u>83,748,083</u>	
Net position-ending				<u>\$ 83,956,976</u>	

See notes to the financial statements.

CITY OF WEST PARK, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

	Major Funds				Total Governmental Funds
	General Fund	Twin Lakes Fund	Stormwater Fund	Capital Projects Fund	
<u>ASSETS</u>					
Cash and equity in pooled cash	\$ 5,443,149	\$ 54,415	\$ 549,479	\$ -	\$ 6,047,043
Restricted Cash	81,498	-	-	-	81,498
Accounts receivable, net	907,928	-	201,840	-	1,109,768
Due from capital projects fund	211,193	-	-	-	211,193
Property held for sale	1,060,690	-	-	-	1,060,690
Total assets	<u>\$ 7,704,458</u>	<u>\$ 54,415</u>	<u>\$ 751,319</u>	<u>\$ -</u>	<u>\$ 8,510,192</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>					
Liabilities:					
Accounts payable and other liabilities	\$ 779,616	\$ -	\$ 3,304	\$ -	\$ 782,920
Dut To General Fund	-	-	-	211,193	211,193
Unearned revenue	121,564	-	-	-	121,564
Total liabilities	<u>901,181</u>	<u>-</u>	<u>3,304</u>	<u>211,193</u>	<u>\$ 1,115,678</u>
Deferred inflows of resources:					
Unavailable revenue			19,611		19,611
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>19,611</u>	<u>-</u>	<u>19,611</u>
Fund balances					
Nonspendable:					
Property held for sale	1,060,690	-	-	-	1,060,690
Restricted for:					
Law enforcement	81,498	-	-	-	81,498
Water Control District	-	54,415	-	-	54,415
Stormwater	-	-	547,689	-	547,689
Assigned for :					
Subsequent year's expenditures	298,747		180,715	-	479,462
Unassigned	5,362,343	-	-	(211,193)	5,151,149
Total fund balances	<u>6,803,277</u>	<u>54,415</u>	<u>728,404</u>	<u>(211,193)</u>	<u>7,374,903</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,704,458</u>	<u>\$ 54,415</u>	<u>\$ 751,319</u>	<u>\$ -</u>	<u>\$ 8,510,191</u>

See notes to the financial statements.

**CITY OF WEST PARK, FLORIDA
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
FISCAL YEAR ENDED SEPTEMBER 30, 2019**

Fund balance - governmental funds	\$	7,374,903
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial assets and, therefore, are not reported as assets in the governmental funds. The statement of net position includes those capital assets, net of any accumulated depreciation, in the assets of the government as a whole:		
Cost of capital assets		89,143,548
Accumulated depreciation		(11,276,554)
		77,866,994
Revenues that do not meet the availability criteria are reported as unavailable revenue in the governmental fund financial statements; these amounts are reported as revenues in the government-wide financial statements		19,611
Deferred outflows of resources related to the pension are recorded in the statement of net position.		531,756
Deferred inflows of resources related to the pension are recorded in the statement of net position.		(98,451)
Liabilities not due and payable from current available resources are not reported as liabilities in the governmental fund financial statements. All liabilities, both current and long-term, are reported in the government-wide financial statements:		
Compensated absences		(108,682)
Net pension liability- Florida Retirement System		(1,463,689)
Net OPEB liability		(165,466)
		(1,737,837)
Net position of government activities	\$	83,956,976

See notes to the financial statements.

CITY OF WEST PARK, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2019

	Major Funds				Total Governmental Funds
	General Fund	Twin Lakes Fund	Stormwater Fund	Capital Projects Fund	
Revenues:					
Taxes					
Property taxes	\$ 4,524,593	\$ -	\$ -	\$ -	\$ 4,524,593
Motor fuel taxes	273,214	-	-	-	273,214
Franchise taxes	1,143,723	-	-	-	1,143,723
Utility taxes	1,043,922	-	-	-	1,043,922
Communications services tax	226,861	-	-	-	226,861
Licenses and permits	621,834	-	-	-	621,834
Intergovernmental	3,182,309	-	-	267,133	3,449,442
Charges for services	553,300	-	358,146	-	911,446
Fines and forfeitures	635,724	-	-	-	635,724
Interest Income and related	78,390	-	-	-	78,390
Special assessments	3,813,402	16,491	-	-	3,829,893
Miscellaneous revenues	131,043	-	-	-	131,043
Total revenues	16,228,316	16,491	358,146	267,133	16,870,085
Expenditures:					
Current:					
General government	2,406,683	-	-	-	2,406,683
Public safety	9,091,200	-	-	-	9,091,200
Public works	2,129,381	13,725	200,741	238,514	2,582,361
Parks and recreation	1,181,519	-	-	-	1,181,519
Capital outlay	603,400	-	96,098	239,812	939,310
Debt service:					-
Principal	162,859	-	-	-	162,859
Interest	4,305	-	-	-	4,305
Total expenditures	15,579,347	13,725	296,839	478,326	16,368,236
 Excess (deficiency) of revenues over (under) expenditures	 648,969	 2,766	 61,307	 (211,193)	 501,849
 Fund balance, beginning	 6,154,309	 51,649	 667,097	 -	 6,873,055
Fund balance, ending	\$ 6,803,278	\$ 54,415	\$ 728,404	\$ (211,193)	\$ 7,374,904

See notes to the financial statements.

CITY OF WEST PARK, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED SEPTEMBER 30, 2019

Net change in fund balances - total governmental funds	\$	501,849
Amounts reported for governmental activities in the statement of activities are different because:		
Capital assets are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of certain of those assets are eliminated and capitalized as capital assets.		939,310
Depreciation of capital assets is not recognized in the governmental fund financial statements, but is reported as an expense on the statement of activities.		(1,089,255)
Revenues previously recognized in the government-wide financial statements have been recognized in the fund financial statement during the current year and therefore need to be removed from the government-wide financial statements.		4,242
Repayment of long-term liabilities are reported as expenditures in the governmental fund, but such repayments reduce liabilities in the statement of net position and are eliminated from the statement of activities.		162,859
Expenses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the fund financial statements. The details of the differences are as follows:		
Change in compensated absences		(3,610)
Change in Net OPEB liability		(15,855)
Change in Net Pension liability and related deferred inflows and outflows		(290,647)
Change in net position of governmental activities	\$	208,893

See notes to the financial statements.

CITY OF WEST PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of West Park, Florida (“the City”), located in Broward County, Florida, is a municipal corporation in the state of Florida. The City, which was incorporated on March 1, 2005, operates under a Commission/Administrator form of government. In addition to the general government function, the City provides its residents and businesses with parks and recreational services. Through contractual arrangements, the City also provides public works, development services (building, planning and zoning, code enforcement) and financial management services. Through inter-local agreements and arrangements, the City also receives Police and Fire/Rescue services from Broward County. Through franchise agreements, a private contractor who pays a franchise fee to the City provides solid waste services. The City sets the rates for solid waste services.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting and reporting policies and practices used by the City are described below.

1. Financial Reporting Entity

The financial statements were prepared in accordance with government accounting standards that establish standards for defining and reporting on the financial reporting entity. The definition of the financial reporting entity is based upon the concept that elected officials are accountable to their constituents for their actions. One of the objectives of financial reporting is to provide users of financial statements with a basis for assessing the accountability of the elected officials. The financial reporting entity consists of the City, organizations for which the City is financially accountable 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 Unit

The Twin Lakes Water Control District (“the District”) provides drainage and waterway management services to select properties located within the City of West Park. Created by Broward County (“the County”) as a special purpose unit of local government, the County transferred control of and responsibility for the District to the City of West Park on October 15, 2007. The District serves 217 properties and levies an annual special assessment to pay for the costs of maintenance within the District. The District is governed by the Board, which is also the City Commission, and is advised by an appointed volunteer group. The City Commission sets the rates and charges to the affected properties and the legal liability for the District remains with the City of West Park. The District is reported within these financial statements as the Twin Lakes Special Revenue Fund.

CITY OF WEST PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

2. 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 City. For the most part, the effect of interfund activity has been removed from these statements. *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 City does not have any business-type activities.

The *Statement of Activities* demonstrates the degree to which the direct expenses of given functions or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges or assessments 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. The City maintains four funds - the General Fund, the Twin Lakes Special Revenue Fund, the Stormwater Fund, and the Capital Projects fund, which is new for this fiscal year.

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The governmental-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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.

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 90 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting, with the exception of debt service payments of principal and interest, these amounts are recorded when due.

CITY OF WEST PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation-Continued

Property taxes, franchise fees, and other taxes, intergovernmental revenues, 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. All other revenue items are considered to be measurable and available only when the City receives cash and are recognized as revenue at that time.

The City reports the following major governmental funds. The City also has elected to consider its Twin Lakes Special Revenue Fund and Capital Project funds as a major funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Twin Lakes Special Revenue Fund* accounts for all financial resources associated with the operations of the Twin Lakes Water Control District, a special purpose unit of local government controlled by the City and shown as a blended component unit within the financial statements. The assessments and other revenues collected are legally restricted and can only be used for costs associated with the activities of the District.

The *Stormwater Special Revenue Fund* accounts for all financial resources associated with the operations of the stormwater operations of the City. The activities within this fund are paid for through user charges levied on improved property within the City. The revenues of this fund are legally restricted and can only be used for costs associated with the construction and maintenance of stormwater systems throughout the City.

The *Capital Projects Fund* accounts for all financial resources associated with the acquisition or construction of major capital assets funded either by grants or borrowings of both and which are not accounted for in either the Twin Lakes fund or Stormwater fund.

4. New Accounting Standards Adopted

There have been no current year adoption on new accounting standards by the City.

5. Cash and Equity in Pooled Cash

The City's cash and cash equivalents include cash on hand and demand deposits. Cash of individual funds, except for those funds or accounts that must be segregated for legal or other reasons, is combined to form a pool of cash. Interest earned as a result of pooling is distributed to the appropriate fund based on the average pooled cash balance of each fund during the period. The balances for "cash" reflected in the financial statements of each individual fund represent that fund's allocated share of the pooled cash account.

CITY OF WEST PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

6. Receivables and Payables

The City has three funds and there was no interfund activity among these three funds during the fiscal year.

All receivables are shown net of any allowance for uncollectibles and are generally recorded as the amounts actually received subsequent to and for the reported fiscal period. No estimates of the amounts owed at fiscal year-end were required.

All payables are recorded at the amounts that were subsequently paid.

7. Property Held For Resale

The City owns several parcels of land that were granted to it by Broward County. These parcels are located throughout the City and will not be used in the normal course of operations. The City maintains the vacant parcels. The City plans to sell the parcels at some point in the future. The amount reflected on the financial statements is the lower of historical value that was booked when the parcels were conveyed to the City or estimated market value of the sum of all the parcels, as determined by the Broward County Property Appraiser's Office as of January 1, 2018. The City has not yet determined when these parcels will be sold, though it is likely to be more than one year from the Financial Statement date.

8. Capital Assets

Capital assets which include property, plant and equipment, and certain infrastructure assets (e.g., utility plant, roads, bridges, sidewalks, and similar items) are reported in the applicable governmental activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost or component of more than \$25,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost, or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the asset constructed when funds are borrowed for projects.

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

CITY OF WEST PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

8. Capital Assets - Continued

<u>Assets</u>	<u>Years</u>
Infrastructure	30-50
Buildings	20-30
Improvements other than buildings	10-30
Furniture and equipment	3-10

9. Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned.

10. Compensated Absences

It is the City's policy to permit employees to accumulate, within certain limits, earned but unused vacation time and sick leave, which will be paid to employees upon separation from City service. All vacation and sick leave pay is accrued when incurred in the government-wide fund financial statements. In the governmental funds, a liability would be recorded only for vacation and sick leave payouts for employee separations that occurred prior to September 30, 2019, and were subsequently paid with current available financial resources. In the entity-wide financial statements, costs for compensated absences are accrued as expenses and further recorded as liabilities. The liability is further distinguished between short-term and long-term portions.

11. Inventories

Inventories of governmental funds are recorded as expenditure when consumed rather than when purchased.

12. Prepaid Amounts

Expenditures for insurance and other administrative expenses extending over more than one accounting period are accounted for as prepaid expenses and allocated between accounting periods.

13. Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized ratably over the life of the Bonds. Bonds payable are reported net of applicable premiums or discounts. Bond issuance costs are expensed when incurred.

CITY OF WEST PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

13. Long-Term Obligations –Cont’d

In the fund financial statements, governmental fund types recognize premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while 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.

14. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

15. Fund Equity/Net Position

The City has adopted a Fund Balance Policy (“Policy”) in order to implement the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The Policy applies only to the General Fund of the City. The Special Revenue Funds will generally reflect only Restricted Fund Balances. Fund Balance shall be composed of restricted, committed, assigned, non-spendable and unassigned amounts. Fund Balance information is used to identify the available resources to provide for emergencies, repay long-term debt, reduce property taxes, add governmental programs, expand existing ones, or enhance the financial position of the City in accordance with policies established by the City Council.

A. Definitions

Non-Spendable Fund Balance - Amounts that are not in a spendable form, such as inventory, or are legally or contractually required to be maintained intact (principal of an endowment fund, for example).

Restricted Fund Balance - Amounts that can be spent only for the specific purposes stipulated by external resource providers such as grantors or enabling legislation. Restrictions may be changed or lifted only with the consent of the resource providers.

Committed Fund Balance - Amounts that can be used only for the specific purposes determined by a formal action of the City Council, the City’s highest level of decision-making authority. Commitments may be changed or lifted only by the City Council taking the same formal action that imposed the constraint originally.

CITY OF WEST PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

15. Fund Equity/Net Position - Continued

Assigned Fund Balance - Amounts that the City intends to use for a specific purpose that are neither considered restricted nor committed. Assignments of fund balance may be made by management based upon the direction of the City Commission annually through the budget process.

Unassigned Fund Balance - Amount of remaining fund balance within the general fund that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

B. Minimum Level of Unassigned Fund Balance

The unassigned fund balance of the General Fund at each fiscal year end shall not be less than 25% of the following year's projected budgeted expenditures. In any fiscal year where the City is unable to maintain this 25% minimum reservation of fund balance as required in this section, the City shall not budget any amounts of unassigned fund balance for the purpose of balancing the budget. Because the City has recently been created and requires a significant use of its taxing powers, the City Manager should strive to maintain at least six months of reserves.

C. Disbursement of Fund Balance Reserves

Disbursements of funds within the fund balance reserves shall be authorized by an ordinance of the City Council and may be approved by inclusion in the approved annual budget and amendments thereto or shall be authorized pursuant to any ordinances or procedures adopted by the City Council (such as the City's procurement code).

D. Annual Review and Determination of Fund Balance Reserve Amounts

Compliance with the provisions of this policy shall be reviewed as a part of the annual budget adoption process and the amounts of restricted, committed, assigned, non-spendable and the minimum level of unassigned fund balance shall be determined during this process.

E. Additional Information Requirements/Responsibilities

It will be the responsibility of the City's Finance Director to keep this policy current.

16. Pension

In the government-wide statement of net position, liabilities are recognized for the City's proportionate share of the net pension liability for the Florida Retirement System pension plan and Retiree Health Insurance Subsidy Program. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of the Florida Retirement System defined benefit pension plan (FRS Pension Plan) and the Retiree Health Insurance Subsidy Program defined benefit pension plan (HIS Program), and

CITY OF WEST PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

16. Pension – cont’d

additions to/deductions from the FRS Pension Plan’s and the HIS Program’s fiduciary net position have been determined on the same basis as they are reported by the FRS Pension Plan and the HIS Program plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

17. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

18. Subsequent Events

Subsequent events are events or transactions that occur after the balance sheet date, but before the financial statements are issued or are available to be issued. Subsequent events should be disclosed in the financial statements if exclusion of such disclosure would cause the financial statements to be misleading.

Management has evaluated subsequent events through June 30, 2020, the date the financial statements were available, and does not believe that there are any other events or transactions that require disclosure. Like other communities and globally, management is currently assessing the impact COVID-19 is having on the City’s day to day operations and will be making decisions on such matters that will be in the best interest of the citizens.

NOTE 2. BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. Budgets are adopted and controlled at the fund level. Annual appropriations that are not encumbered at fiscal year-end lapse. Encumbrances are paid from the fiscal year appropriations for which an expenditure was originally made (the “lapse” period).

While controlled ultimately at the fund level, annual budgets are prepared using fund, department, and object of expenditure levels. The City Administrator may make adjustments within the fund level with the City Council approval, but may not exceed the total amount set at the fund level.

NOTE 3. DEPOSITS

In addition to insurance provided by the Federal Depository Insurance Corporation, all of the City’s deposits are held in qualified public depositories pursuant to State of Florida Statutes, Chapter 280, *Florida Security for Public Deposits Act*. Under the Act, every qualified public depository shall deposit with the Treasurer eligible collateral of the depository to be held subject to his or her order. The Treasurer, by rule, shall establish minimum required collateral pledging levels. The pledging level may range from 25% to 125% of the average monthly balance of public deposits depending upon the depository's financial

CITY OF WEST PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 3. DEPOSITS – Cont’d

condition and establishment period. All collateral must be deposited with an approved financial institution. Any potential losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default. Accordingly, all amounts reported as deposits are insured or collateralized with securities held by the entity or its agent in the entity’s name.

NOTE 4. RECEIVABLES

Receivables as of September 30, 2019, including the allowance for uncollectible accounts, are as follows:

	General Fund	Stormwater Fund	Total
Receivables:			
Franchise taxes	\$ 115,702	\$ -	\$ 115,702
Utility taxes	79,959	-	79,959
Intergovernmental	633,252	-	633,252
Fire inspections	292,632	-	292,632
Excess bulk waste	194,099		194,099
Stormwater	-	201,840	201,840
Other	54,093	-	54,093
Gross receivables	1,369,737	201,840	1,571,577
Less allowance for uncollectibles	461,809	-	461,809
Net total receivables	<u>\$ 907,928</u>	<u>\$ 201,840</u>	<u>\$ 1,109,768</u>

CITY OF WEST PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2019, was as follows:

	Balance September 30, 2018	Increases	Decreases	Balance September 30, 2019
Capital assets not being depreciated				
Land and easements	\$ 54,838,969	\$ -	\$ -	\$ 54,838,969
Work in process	139,921	685,659	2,120	823,460
Total capital assets not being depreciated	<u>54,978,890</u>	<u>685,659</u>	<u>2,120</u>	<u>55,662,429</u>
Capital Assets being depreciated				
Infrastructure	31,156,824	-	-	31,156,824
Buildings	344,188	-	-	344,188
Improvements other than bulidings	480,074	222,220	-	702,294
Equipment	1,246,382	31,431	-	1,277,813
Total Capital assets being depreciated	<u>33,227,469</u>	<u>253,651</u>	<u>-</u>	<u>33,481,120</u>
	-			-
Less: accumulated depreciation for:				
Infrastructure	8,949,747	958,481	-	9,908,228
Buildings	194,341	19,934	-	214,275
Improvements other than bulidings	268,542	35,754	-	304,296
Equipment	774,669	75,086	-	849,755
Total Depreciation	<u>10,187,299</u>	<u>1,089,255</u>	<u>-</u>	<u>11,276,554</u>
Total capital assets being depreciated, net	23,040,170	(835,604)	-	22,204,566
Governmental activities capital assets, net	<u>\$ 78,019,059</u>	<u>\$ (149,945)</u>	<u>\$ 2,120</u>	<u>\$ 77,866,994</u>

Depreciation expense for the fiscal year ended September 30, 2019, was charged to functions/programs as follows:

General Government	\$ 20,809
Public Works	989,121
Public Safety	28,426
Parks and Recreation	50,899
Total Depreciation Expense	<u>\$ 1,089,255</u>

CITY OF WEST PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 6. PROPERTY TAXES

Property values are assessed on a countywide basis by the Broward County Property Appraiser as of January 1st of each year and are due November 1st of each year. The Property Appraiser certifies taxable value of property within the City and the City levies a tax millage rate upon the taxable value, which will provide revenue required for the fiscal year beginning October 1st. Property taxes and some non-ad valorem special assessments levied each November 1st by the City and all other taxing authorities within the County are centrally billed and collected by the County, with remittances to the City of its proportionate share of collected taxes.

Property taxes are levied on October 1 of each year and due as of November 1 of each year. Broward County collects the taxes and remits the funds to the City, less a collection fee. Taxes may be paid upon receipt of such notice by Broward County, with a discount rate of four percent (4%) if paid in November, three percent (3%) if paid in December, two percent (2%) if paid in January, and one percent (1%) if paid in February. Taxes paid during the month of March are without discount, and all unpaid taxes on real and tangible personal property become delinquent and liens are placed on April of the year following the year in which taxes were assessed. Procedures for the collection of delinquent taxes by Broward County are provided for in the laws of Florida. Non Ad Valorem Special Assessments for Solid Waste, Fire Services, and Twin Lakes Water Control District services are levied on benefited properties and collected in the same manner as property taxes.

The millage rate levied by the City for the fiscal year ended September 30, 2019, was 8.6500.

NOTE 7. LONG-TERM LIABILITIES

On April 22, 2015, the City entered into a lease-purchase arrangement with TD Equipment Finance for \$400,000 towards the acquisition of equipment and closing costs. The capital lease was for 5 years maturing on October 1, 2019, and carried a fixed interest rate of 1.82%. The loan was repaid in full by the end of the fiscal year.

In consideration of the execution of the lease agreement, the City deposited \$400,000 with an escrow agent which was classified as restricted assets in the financial statements. The equipment was purchased at a cost of \$285,695. The remaining balance was to be used for additional equipment that the City ultimately did need to acquire. Near fiscal year end, the balance of the loan was paid off and the remaining proceeds transferred to the City's unrestricted cash.

Changes in long-term liability activity for the fiscal year ended September 30, 2019, were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
TD Equipment Finance Loan	\$ 80,696	\$ -	\$ 80,696	\$ -	\$ -
Compensated absences	105,072	98,180	94,569	108,683	14,113
Total	\$ 185,768	\$ 98,180	\$ 175,265	\$ 108,683	\$ 14,113

CITY OF WEST PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 8. OPERATING LEASE (LESSOR)

The City has a lease agreement, expiring September 30, 2021, with Interstate Pembroke LLC., for 7,800 square feet of office space for City Hall. The lease requires payments of \$135,000 annually, increased by 3% each October 1st. The annual lease payments for fiscal year 201 total \$185,000 which has been budgeted. The lease is inclusive of all common area maintenance. The lease requires the City to annually appropriate funds for the lease. Should the City not appropriate funds for the lease, an early termination fee designed to recover the unamortized cost of improvements made by the owner of the property will be required. The fee can be as much as \$350,000, declining annually to \$44,862.

NOTE 9. INTERLOCAL AGREEMENT

The City entered into an inter-local agreement in 2011 with Broward County that allows the City to operate McTyre Park for a period of 10 years with options to renew the agreement every 10 years. The State of Florida owns the property upon which the park is located. In turn, the State of Florida leases the property to the School Board of Miami-Dade County. The School Board of Miami-Dade County utilizes the property for a radio and television transmission tower. Under the terms of the agreement, the City must maintain the property during the term of the agreement and Broward County must pay the City \$12,000 annually to assist with the maintenance of the park.

NOTE 10. FLORIDA RETIREMENT SYSTEM

General Information – The City participates in the statewide Florida Retirement System (“FRS”). All of the City’s full-time employees and elected officials who are employed by the City for at least 6 consecutive months are eligible to enroll as members of the FRS. All rates, benefits and amendments are established by the State of Florida through its legislative body. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services (DMS), Division of Retirement, Bureau of Research and Member Communications, P.O. Box 9000, Tallahassee, Florida, 32315-9000; phone 850-488-5706; website (www.dms.myflorida.com).

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

- Regular Class – Member of the FRS who do not qualify for membership in another class.
- Senior Management Service Class – Members in senior management level positions.
- Elected Officers’ Class (EOC) – Members who are the elected officers of cities and special districts that choose to place their elected officials in this class.

Beginning July 1, 2001, through June 30, 2011, the FRS Pension Plan provided for vesting of benefits after six years of creditable service for members initially enrolled during this period.

Members not actively working in a position covered by the FRS on July 1, 2001, must return to covered employment for up to one work year to be eligible to vest with less service than was required under the law in effect before July 1, 2001. Members initially enrolled on or after July 1, 2011, vest after eight years of creditable service. Members are eligible for normal retirement when they have met the requirements listed below. Early retirement may be taken any time after vesting within 20 years of normal retirement age;

CITY OF WEST PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 10. FLORIDA RETIREMENT SYSTEM – (cont'd)

however, there is a 5 percent benefit reduction for each year prior to the normal retirement age.

Regular Class, Senior Management Service Class, and Elected Officers' Class Members – For members initially enrolled in the FRS before July 1, 2011, six or more years of creditable service and age 62, or the age after completing six years of creditable service if after age 62. Thirty years of creditable service regardless of age before age 62.

For members initially enrolled in the FRS on or after July 1, 2011, eight or more years of creditable service and age 65, or the age after completing eight years of creditable service if after age 65. Thirty-three years of creditable service regardless of age before age 65.

The DROP is available under the FRS Pension Plan when the member first reaches eligibility for normal retirement. The DROP allows a member to retire while continuing employment for up to 60 months. While in the DROP, the member's retirement benefits accumulate in the FRS Trust Fund increased by a cost-of-living adjustment (COLA) each July and earn monthly interest equivalent to an annual rate of 1.3%. DROP participants with an effective DROP begin date before July 1, 2011, earn monthly interest equivalent to an annual rate of 6.5%. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Basis of Accounting – The FRS fiduciary financial statements are prepared using the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Member contributions are recognized in the period of time for which the contributions are assessed. Employer contributions are recognized when due in the period in which employee services are performed and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Benefits Provided – Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation (AFC). For members initially enrolled before July 1, 2011, the AFC is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the AFC is the average of the eight highest fiscal years' earnings.

The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

If the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 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 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

CITY OF WEST PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 10. FLORIDA RETIREMENT SYSTEM – (cont’d)

The following chart shows the percentage value for each year of service credit earned:

Class, Initial Enrollment, and Retirement Age/Years of Service	% Value
Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 years of service	1.68
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 years of service	1.68
Senior Management Service Class	2.00
Elected Officers' Class	3.00

Contributions – The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2019 fiscal year were as follows:

Class	Percent of Gross Salary October 1, 2018, to June 30, 2019		Percent of Gross Salary July 1, 2019, to September 30, 2019	
	Employee	Employer ⁽¹⁾	Employee	Employer ⁽¹⁾
FRS Regular	3%	8%	3%	8%
FRS Senior Management	3%	24%	3%	25%
FRS Elected Officers	3%	49%	3%	49%

⁽¹⁾ Employer rates include .06% for administrative costs of the Investment Plan from October 1, 2018, to September 30, 2019. Employer rates also include a postemployment HIS contribution of 1.6%

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2019, the City reported a liability of \$1,018,366 for its proportionate share of the Plan’s net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The City’s proportionate share of the net pension liability was based on the City’s contributions for the fiscal year ended June 30, 2019, relative to the contributions made during the fiscal year ended June 30, 2019, of all participating members. At June 30, 2019, the City’s proportionate share was .00295%, which represents a .0001% increase to its proportionate share measured as of June 30, 2018.

CITY OF WEST PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 10. FLORIDA RETIREMENT SYSTEM – (cont’d)

For the fiscal year ended September 30, 2019, the City recognized pension expense of \$295,756 related to the Pension Plan. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
	\$	\$
Differences between expected and actual experience	60,402	(632)
Change of Assumptions	261,560	-
Net difference between projected and actual earnings on FRS pension plan investments	-	(56,341)
Changes in proportion and differences between City's FRS contributions and proportionate share of FRS contributions	83,822	(4,417)
City's FRS contribution subsequent to measurement date	21,960	-
Total	\$ 427,744	\$ (61,390)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued) – The deferred outflows of resources related to pensions, totaling \$21,960, resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	Amount
2020	\$ 96,101
2021	56,910
2022	86,181
2023	68,433
2024	25,971
Thereafter	10,799
Total	\$ 344,395

CITY OF WEST PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 10. FLORIDA RETIREMENT SYSTEM – (cont'd)

Actuarial Assumptions – The total pension liability in the July 1, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	July 1, 2019
Measurement date	June 30, 2019
Inflation	2.60%
Salary increases including inflation	3.25%
Mortality	Generational RP-2000 with Projection Scale BB
Actuarial cost method	Individual Entry Age
Discount rate	6.90%
Long-term expected rate of return, net of investment	6.90%
Municipal bond rate ⁽¹⁾	NA

⁽¹⁾The 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 calculating the total pension liability is equal to the long-term expected rate of return

The actuarial assumptions used in the July 1, 2019, valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

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 annual rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation ⁽¹⁾	Arithmetic Return	Annual (Geometric)	Standard Deviation
Cash	1%	3.30%	3.30%	1.20%
Fixed Income	18%	4.10%	4.10%	3.50%
Global equity	54%	8%	6.80%	16.50%
Real Estate (property)	10%	6.70%	6.10%	11.70%
Private equity	11%	11.20%	8.40%	25.80%
Strategic investments	6%	5.90%	5.70%	6.70%
Total	100%			
Assumed inflation- mean		2.60%		1.70%

⁽¹⁾ As outlined in the P lan's investment policy

CITY OF WEST PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 10. FLORIDA RETIREMENT SYSTEM – (cont’d)

Sensitivity of the City’s Proportionate Share of the Net Position Liability to Changes in the Discount Rate
 – The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 6.9%, 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 1-percentage- point lower (5.9%) or 1-percentage-point higher (7.9%) than the current rate:

Current		
1% Decrease	Discount Rate	1% Increase
5.9%	6.9%	7.9%
\$ 6,597,369.00	\$ 5,855,320.00	\$ 5,235,582.00

Pension Plan Fiduciary Net Position – Detailed information about the Plan’s fiduciary net position is available in the FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

CITY OF WEST PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 10. FLORIDA RETIREMENT SYSTEM – (cont’d)

Retiree Health Insurance Subsidy Program

Plan Description – The Retiree Health Insurance Subsidy Program (HIS Program)) 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 Florida Legislature establishes and amends the contribution requirements and benefit terms of the HIS Program. 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 Department of Management Services, Division of Retirement.

Benefits Provided – For the fiscal year ended September 30, 2019, 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 a HIS Program benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions – The HIS Program 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, 2019, the contribution rate was 1.66% of payroll from October 1, 2018, through September 30, 2019, pursuant to section 112.363, Florida Statutes. The City contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Program contributions are deposited in a separate trust fund from which payments are authorized. HIS Program benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The City’s contributions to the HIS Program totaled \$12,282 for the fiscal year ended September 30, 2019.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2019, the City reported a net pension liability of \$379,888 for its proportionate share of the HIS Program’s net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The City’s proportionate share of the net pension liability was based on the fiscal year ended June 30, 2019, contributions relative to the fiscal year ended June 30, 2019, contributions of all participating members.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued) – At June 30, 2019, the City’s proportionate share was .0036%, which represents a .0004% increase to its proportionate share measured as of June 30, 2018.

For the fiscal year ended September 30, 2019, the City recognized a pension expense of \$44,432 related to the HIS Program. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF WEST PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 10. FLORIDA RETIREMENT SYSTEM – (cont’d)

Retiree Health Insurance Subsidy Program – (cont’d)

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,409	\$ (545)
Change of Assumptions	51,654	(36,397)
Net difference between projected and actual earnings on HIS pension plan investments	287	-
Changes in proportion and differences between City's HIS contributions and proportionate share of HIS contributions	95,693	(117)
City's HIS contribution subsequent to measurement date	5,020	-
Total	<u>\$ 158,063</u>	<u>\$ (37,059)</u>

The deferred outflows of resources related to pensions, totaling \$4,849, resulting from City contributions to the HIS Program subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	Amount
2020	\$ 8,659
2021	6,930
2022	3,793
2023	(2,755)
2024	500
Thereafter	<u>3,190</u>
Total	<u>\$ 20,318</u>

CITY OF WEST PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 10. FLORIDA RETIREMENT SYSTEM – (cont’d)

Retiree Health Insurance Subsidy Program -Continued

Actuarial Assumptions – The total pension liability in the July 1, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	October 1, 2018
Measurement date	September 30, 2017
Actuarial valuation method	Entry age normal
Inflation Rate	2.50%
Discount Rate	3.50%
Salary increases	3.00%
Retirement Age	Employees were assumed to retire at age 65.
Mortality	RP-2000 Generational Combined Healthy Participant mortality tables, projected from the year 2000 using Projection Scale AA.
Healthcare Cost Trend Rates	7.00% for fiscal year 2019, 6.50% for fiscal year 2019 and then gradually decreasing to an ultimate trend rate of 4.25%.
Other Information:	Changes in assumptions and other inputs include the change in the discount rate from 3.10% as of the beginning of the measurement period to 3.50% as of September 30, 2018.

⁽¹⁾ In general, the discount rate for calculating the total pension liability under GASB 67 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 plan sponsor.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 6.9%, 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 1-percentage- point lower (5.9%) or 1-percentage-point higher (7.9%) than the current rate:

Current		
1% Decrease	Discount Rate	1% Increase
5.9%	6.9%	7.9%
\$ 6,597,369.00	\$ 5,855,320.00	\$ 5,235,582.00

CITY OF WEST PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 10. FLORIDA RETIREMENT SYSTEM – (cont’d)

Pension Plan Fiduciary Net Position – Detailed information about the HIS Plan’s fiduciary net position is available in the FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

FRS – Defined Contribution Pension Plan

The City contributes to the FRS Investment Plan (Investment Plan), a defined contribution pension plan, for its eligible employees and elected officials electing to participate in the Investment Plan. The Investment Plan is administered by the SBA, and is reported in the SBA’s annual financial statements and in the State of Florida Comprehensive Annual Financial Report. Service retirement benefits are based upon the value of the member’s account upon retirement.

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, Elected Local Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices.

Allocations to the investment member’s accounts during the 2019 fiscal year were as follows:

Class	Percent of Gross Compensation
FRS Regular	8.47%
FRS Senior Management	25.41%
FRS Elected Officers	48.82%

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 FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS 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. Costs of administering the Investment Plan, including the FRS Financial

Guidance Program, are funded through an employer contribution of 0.06 percent of payroll from October 1, 2018 – September 30, 2019, and by forfeited benefits of Investment Plan members.

CITY OF WEST PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 10. FLORIDA RETIREMENT SYSTEM – (cont’d)

FRS – Defined Contribution Pension Plan– Cont’d

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 FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The City’s Investment Plan pension expense totaled \$62,658 for the fiscal year ended September 30, 2019.

NOTE 11. OTHER POST EMPLOYMENT BENEFITS (“OPEB”)

Plan Description – Pursuant to Section 112.081, Florida Statutes, the City is required to permit eligible retirees and their eligible dependents to participate in the City’s health insurance program at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. These retirees pay 100% of the blended rate for active and retired employees. Because the blended rate is greater than that of a plan including active employees only and less than that of a plan including retirees only, the amount the City expends for active employees includes an implicit subsidy for participating retirees and dependents.

At September 30, 2019, the following employees were covered by benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	-
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	26
Total plan members	<u>26</u>

Changes in Net OPEB Liability – Sources of changes in the net OPEB liability were as follows:

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balance as of September 30, 2018	\$ 149,611	\$ 134,611	\$ 15,000
Changes due to:			
Service Cost	19,867	21,200	(1,333)
Interest on the Total OPEB Liability	5,932	4,840	1,092
Changes in assumptions and other inputs	(9,944)	(11,368)	12,424
Balance as of September 30, 2019	<u>\$ 165,466</u>	<u>\$ 149,283</u>	<u>\$ 27,183</u>

CITY OF WEST PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 11. OTHER POST EMPLOYMENT BENEFITS (“OPEB”) (cont’d)

Actuarial Methods and Assumptions – Significant actuarial assumptions used to calculate the total OPEB liability were as follows:

Valuation date	October 1, 2018
Measurement date	September 30, 2017
Actuarial valuation method	Entry age normal
Inflation Rate	2.50%
Discount Rate	3.50%
Salary increases	3.00%
Retirement Age	Employees were assumed to retire at age 65.
Mortality	RP-2000 Generational Combined Healthy Participant mortality tables, projected from the year 2000 using Projection Scale AA.
Healthcare Cost Trend Rates	7.00% for fiscal year 2019, 6.50% for fiscal year 2019 and then gradually decreasing to an ultimate trend rate of 4.25%.
Other Information:	Changes in assumptions and other inputs include the change in the discount rate from 3.10% as of the beginning of the measurement period to 3.50% as of September 30, 2018.

Sensitivity of the Net OPEB Liability to changes in the discount rate – The following presents the net OPEB liability of the City, as well as what the City’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50%) or 1-percentage-point higher (4.50%) than the current discount rate:

Current		
1% Decrease	Discount Rate	1% Increase
2.83%	3.83%	4.83%
\$ 197,707.00	\$ 165,466.00	\$ 138,806.00

Sensitivity of the Net OPEB Liability using alternative healthcare cost trend rates – The following presents the net OPEB liability of the City, as well as what the City’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage- point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Healthcare Cost		
1% Decrease	Trend Assumption	1% Increase
\$ 131,746.00	\$ 165,466.00	\$ 210,702.00

CITY OF WEST PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 12. CONTINGENCIES

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, and natural disasters for which the City carries pooled insurance provided by the Florida League of Cities. At and subsequent to fiscal year end, the City was not aware of any claims or risks that would have exposed the City to any liability.

The City is involved in various litigation matters incidental to its operations. Although the outcome of these matters is not presently determinable, it is the opinion of the City Attorney that resolution of these matters will not have a material adverse effect on the financial condition of the City.

NOTE 13. INTERLOCAL AGREEMENT - BROWARD SHERIFF'S OFFICE

Effective October 1, 2007, the City entered in an agreement with the Sheriff of Broward County, Florida ("BSO") whereby the BSO would provide the City with daily law enforcement, fire protection, fire prevention and emergency medical services. The agreement is based on the premise that BSO will provide services and staffing as a whole to a geographic area ("District") that includes the City and the Town of Pembroke Park ("Town"). This arrangement enables such services and staffing to be more effectively and efficiently provided. BSO and the Town have a separate agreement. The agreement originally required the City to pay BSO \$284,722 and \$174,665 per month for Law Enforcement and Fire Rescue Services respectively, and included a provision calling for annual increases based on a percentage of BSO's budgeted costs of providing services to the District as a whole. In the original agreement the City's percentage was 60% of the budgeted costs of the District. Effective fiscal year 2011, the City and BSO amended the agreement to provide that the City's percentage of BSO's budgeted costs of providing services to the District as a whole used to determine annual increases would be 50% going forward. The agreement between the City and BSO is for seven years with one additional three-year option and then one additional five year option. In 2014 the City and BSO agreed the term of the agreement would be extended on a month to month basis to allow for negotiations on a new agreement. Cancellation of the agreement needs to be in writing and provide for 75 calendar days notice after 30-days notice of an uncured default.

NOTE 14. PRONOUNCEMENTS ISSUED, BUT NOT YET ADOPTED

GASB Statement No. 83 - *Certain Asset Retirement Obligations.* This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged. . This was implementation was postponed by GASB as a result of the COVID 19 pandemic.

GASB Statement No. 84 - *Fiduciary Activities.* The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit

CITY OF WEST PARK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 14. PRONOUNCEMENTS ISSUED, BUT NOT YET ADOPTED – Cont’d

arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. This was implementation was postponed by GASB as a result of the COVID 19 pandemic.

GASB Statement No. 87 – Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities. For reporting periods beginning after December 15, 2019.

GASB Statement No. 88 - Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements The objective of this Statement is to improve consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged. This Statement applies to notes to financial statements of all periods presented. If application for prior periods presented is not practicable, the reason for not applying this Statement to prior periods presented should be disclosed. This was implementation was postponed by GASB as a result of the COVID 19 pandemic.

GASB 89 - Accounting for Interest Cost Incurred before the End of a Construction Period - The objectives of this Statement are (a) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (b) to simplify accounting for certain interest costs. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. Changes adopted to conform to the provisions of this Statement should be applied prospectively. For construction-in-progress, interest cost incurred after the beginning of the first reporting period to which this Statement is applied should not be capitalized.

GASB 90 - Majority Equity Interests an amendment of GASB Statements No. 14 and No. 61- The primary objectives of this Statement are to improve consistency in the measurement and comparability of the financial statement presentation of majority equity interests in legally separate organizations and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. Except as discussed in paragraph 11, in the period this Statement is first applied, changes adopted to conform to the provisions of this Statement should be applied retroactively by restating financial statements, if practicable, for all periods presented. If restatement for prior periods is not practicable, the cumulative effect, if any, of applying this Statement should be reported as a restatement of beginning net position (or fund balance or fund net position, as applicable) for the earliest period restated. Also, the reason for not restating prior periods presented should be disclosed. In the first period that this Statement is applied, the notes to financial statements should disclose the nature of the restatement and its effect. The City’s management has not yet determined the effect these statements will have on the City’s financial statements.

**CITY OF WEST PARK, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL
FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	<u>Budgeted Amounts</u>			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual Amounts	
Revenues				
Taxes				
Property taxes	\$ 4,449,967	\$ 4,525,347	\$ 4,524,593	\$ (754)
Motor fuel taxes	277,547	271,550	273,214	1,664
Franchise taxes	1,077,485	1,133,128	1,143,723	10,595
Utility taxes	991,750	1,023,875	1,043,922	20,047
Communications services tax	244,398	226,043	226,861	818
Licenses and Permits	598,171	533,943	621,834	87,891
Intergovernmental	2,297,906	2,543,171	3,182,309	639,138
Charges for Services	506,241	467,886	553,300	85,414
Fines and Forfeitures	384,300	576,644	635,724	59,080
interest Income	22,000	60,391	78,390	17,999
Special Assessments	3,870,584	3,853,659	3,813,402	(40,257)
Miscellaneous revenues	10,400	52,803	131,043	78,240
Total revenues	<u>14,730,749</u>	<u>15,268,440</u>	<u>16,228,316</u>	<u>959,876</u>
Expenditures				
General Government				
City Commission	116,163	116,663	113,158	3,505
City Administrator	365,140	345,000	387,447	(42,447)
Finance and City Clerk	284,548	280,805	306,561	(25,756)
City Attorney	122,500	122,500	129,003	(6,503)
Development Services	327,765	346,638	475,083	(128,445)
Nondepartmental	998,110	918,569	901,819	16,750
Total General Government	<u>2,214,226</u>	<u>2,130,175</u>	<u>2,313,071</u>	<u>(182,896)</u>
Debt service:				
Principal	80,696	162,859	162,859	-
Interest	3,886	4,305	4,305	-
Total debt service	<u>84,582</u>	<u>167,164</u>	<u>167,164</u>	<u>-</u>

See notes to Required Supplementary Information – Budgetary Comparison Schedules.

**CITY OF WEST PARK, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL
FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	<u>Budgeted Amounts</u>			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual Amounts	
Public safety:				
Police	4,934,130	4,860,000	4,955,864	(95,864)
Fire	3,540,355	3,540,741	3,623,323	(82,582)
Building	540,451	530,000	512,013	17,987
Code Enforcement	211,180	201,000	93,612	107,388
Total public safety	<u>9,226,116</u>	<u>9,131,741</u>	<u>9,184,812</u>	<u>(53,071)</u>
Public works	2,107,058	2,217,292	2,129,381	87,911
Parks and Recreation	1,610,453	1,170,739	1,181,519	(10,780)
Capital Outlay	117,915	603,400	603,400	-
Total expenditures	<u>15,360,350</u>	<u>15,420,511</u>	<u>15,579,347</u>	<u>(158,836)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(629,601)</u>	<u>(152,071)</u>	<u>648,969</u>	<u>801,040</u>
Other financing sources (uses)				
Use of fund balance	629,601	152,071	-	152,071
Total other financing sources (uses)	<u>629,601</u>	<u>152,071</u>	<u>-</u>	<u>152,071</u>
Net change in fund balance	<u>0</u>	<u>0</u>	<u>648,969</u>	<u>648,969</u>
Fund balances, beginning	<u>6,154,309</u>	<u>6,154,309</u>	<u>6,154,309</u>	
Fund balances, ending	<u>6,154,309</u>	<u>6,154,309</u>	<u>6,803,278</u>	

See notes to Required Supplementary Information – Budgetary Comparison Schedules.

**CITY OF WEST PARK, FLORIDA
TWIN LAKES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL
FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	<u>Budgeted Amounts</u>			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual Amounts	
Revenues				
Special Assessments	16,666	16,666	16,491	(175)
Total revenues	<u>16,666</u>	<u>16,666</u>	<u>16,491</u>	<u>(175)</u>
Expenditures				
Public works	16,666	16,666	13,725	2,941
Total expenditures	<u>16,666</u>	<u>16,666</u>	<u>13,725</u>	<u>2,941</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>2,766</u>	<u>2,766</u>
Net change in fund balance	<u>0</u>	<u>0</u>	<u>2,766</u>	<u>2,766</u>
Fund balances, beginning	<u>51,649</u>	<u>6,154,309</u>	<u>51,649</u>	
Fund balances, ending	<u>51,649</u>	<u>6,154,309</u>	<u>54,415</u>	

See notes to Required Supplementary Information – Budgetary Comparison Schedules.

**CITY OF WEST PARK, FLORIDA
 STORMWATER SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCES - BUDGET AND ACTUAL
 FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	<u>Budgeted Amounts</u>			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual Amounts	
Revenues				
Charges for Services	309,000	309,000	358,146	49,146
Total revenues	<u>309,000</u>	<u>309,000</u>	<u>358,146</u>	<u>49,146</u>
Expenditures				
Public works	489,715	489,715	296,839	192,876
Total expenditures	<u>489,715</u>	<u>489,715</u>	<u>296,839</u>	<u>192,876</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(180,715)</u>	<u>(180,715)</u>	<u>61,307</u>	<u>242,022</u>
Other financing sources (uses)				
Use of fund balance	165,655	165,655	-	165,655
Total other financing sources (uses)	<u>165,655</u>	<u>165,655</u>	<u>-</u>	<u>165,655</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>61,307</u>	<u>76,367</u>
Fund balances, beginning	<u>667,097</u>	<u>667,097</u>	<u>667,097</u>	
Fund balances, ending	<u>667,097</u>	<u>667,097</u>	<u>728,404</u>	

See notes to Required Supplementary Information – Budgetary Comparison Schedules.

CITY OF WEST PARK, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION –
BUDGETARY COMPARISON SCHEDULES
FISCAL YEAR ENDED SEPTEMBER 30, 2019

NOTE 1 – BUDGETS AND BUDGETARY ACCOUNTING

The City of West Park (“the City”) prepares an annual operating budget for both the General Fund and the Special Revenue Funds that are reflected in these financial statements. The City’s budgeting process is based on estimates of revenues and expenditures and requires that all budgets be approved by the City of West Park Commissioners (“the Commissioners” or “the Commission”) after a public hearing is held. Subsequent amendments to the budget, if any, are approved by the Commission.

Budgets are prepared on the same basis of accounting as required for Governmental Fund types. Expenditures may exceed the approved budget amounts for individual categories if the total does not exceed the overall approved budget within a fund. Any remaining balances remain with the City each year.

The Original budgets were balanced when adopted and the Commission adopted an amendment after year-end. To balance the General Fund budget, the City originally appropriated \$629,601 of its General Fund reserves but ultimately did not need to use any of those reserves, finishing the year with \$648,969 more revenues than expenditures.

Budget Performance

General Fund. For the year, the City received \$959,876 more revenues than expected from the final amended budget. Most of this (+\$639,138 came from additional intergovernmental revenue, charges for services (+\$87,891), and fines and forfeitures (+\$59,080). Expenditures were \$158,836 more than the final budget with police red light cameras and fire EMS unit debt service accounting for most of the variance. Code enforcement savings were realized while development services went beyond what was expected. As noted, the City had anticipated using over \$600 thousand dollars of reserves, but wound up adding to its reserves by \$648,969.

Fund Balance Reserves, Used Versus Actual

Revenues Actually Received	\$16,228,316
Expenditures Actually Made	<u>15,579,347</u>
Fund Balance Reserved	<u>648,969</u>
 Original Appropriation of Fund Balance	 629,601

Twin Lakes Special Revenue Fund. This fund realized a positive \$2,766 addition to fund balance, largely due to savings in operations.

Stormwater Special Revenue Fund. This fund added \$61,307 to its reserves by collecting on outstanding receivables and on savings in payroll and expected repairs and maintenance. The City had originally planned to use \$165,655 of its reserves in this fund for capital outlay.

CITY OF WEST PARK, FLORIDA
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM
FISCAL YEAR ENDED SEPTEMBER 30, 2019

Florida Retirement System Pension Plan

	2019	2018	2017	2016	2015
City's proportion of the FRS net pension liability	0.0030%	0.0028%	0.0026%	0.0023%	0.0022%
City's proportionate share of the FRS net pension liability	\$ 1,018,366	\$ 856,843	\$ 776,149	\$ 593,278	\$ 314,285
City's covered employee payroll	\$ 1,208,966	\$ 708,563	\$ 662,726	\$ 538,273	\$ 532,709
City's proportionate share of the FRS net pension liability as a percentage of its covered employee payroll	84.23%	120.93%	117.11%	110.22%	59.00%
FRS plan fiduciary net position as a percentage of the total pension liability	82.61%	84.26%	83.89%	84.88%	92.00%

Retiree Health Insurance Subsidy Program

	2019	2018	2017	2016	2015
City's proportion of the HIS net pension liability	0.0040%	0.0036%	0.0032%	0.0028%	0.0028%
City's proportionate share of the HIS net pension liability	\$ 445,323	\$ 379,888	\$ 339,449	\$ 324,731	\$ 284,444
City's covered employee payroll	\$ 1,208,966	\$ 708,563	\$ 662,726	\$ 538,273	\$ 532,709
City's proportionate share of the HIS net pension liability as a percentage of its covered employee payroll	36.84%	53.61%	51.22%	60.33%	53.40%
HIS plan fiduciary net position as a percentage of the total pension liability	2.63%	2.15%	1.64%	0.97%	0.50%

(1) The amounts presented for each year were determined as of the measurement date, June 30.

(2) Information is only available for the years presented

**CITY OF WEST PARK, FLORIDA
SCHEDULE OF PENSION CONTRIBUTION
FLORIDA RETIREMENT SYSTEM
FISCAL YEAR ENDED SEPTEMBER 30, 2019**

Florida Retirement System Pension Plan

	2019	2018	2017	2016	2015
Contractually required FRS contribution	\$ 103,118	\$ 48,247	\$ 39,586	\$ 30,299	\$ 58,959
FRS contributions in relation to the contractually required contribution	\$ (103,118)	\$ (48,247)	\$ (39,586)	\$ (30,299)	\$ (58,959)
FRS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered employee payroll	\$ 1,208,966	\$ 739,805	\$ 668,719	\$ 541,770	\$ 535,851
FRS contributions as a percent of covered employee payroll	8.53%	6.52%	5.92%	5.59%	11.00%

Retiree Health Insurance Subsidy Program

	2019	2018	2017	2016	2015
Contractually required FRS contribution	\$ 20,068	\$ 12,282	\$ 11,102	\$ 8,993	\$ 11,661
FRS contributions in relation to the contractually required contribution	\$ (20,068)	\$ (12,282)	\$ (11,102)	\$ (8,993)	\$ (11,661)
FRS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered employee payroll	\$ 1,208,966	\$ 739,805	\$ 668,719	\$ 541,770	\$ 535,851
FRS contributions as a percent of covered employee payroll	1.66%	1.66%	1.66%	1.66%	2.18%

(1) The amounts presented for each fiscal year were determined as of September 30

(2) Information is only available for the years presented

A publicly available financial statement for the Plan can be obtained from the Florida department of Management Services (DMS). Division of Retirement, Bureau of Research and member Communications, P.O. Box 9000, Tallahassee, Florida, 32315-9000: phone 850-488-5706: website (www.dms.myflorida.com) which includes additional financial reporting requirements, including the annual money-weighted rate of return on pension plan investments.

**CITY OF WEST PARK, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S NET OPEB LIABILITY
AND RELATED RATIOS
FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	<u>2019</u>
Total OPEB Liability	
Beginning balance	\$ 149,611
Service cost	19,867
Interest on the Total OPEB Liability	5,932
Changes in assumptions and other inputs	(9,944)
Ending balance	<u>\$ 165,466</u>
 Plan Fiduciary Net Position	
Beginning balance	<u>\$ -</u>
Ending balance	<u><u>\$ -</u></u>
 Net OPEB Liability	
 Plan fiduciary net position as a percentage of total OPEB	 0.00%
 Covered payroll	 \$1,229,671
 Net OPEB liability as a percentage of covered payroll	 13.46%

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

To the Honorable Mayor, City Commissioners
and City Manager
City of West Park, Florida

We have audited, in accordance with the 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 and each major fund of City of West Park, Florida (the “City”), as of and for the year ended September 30, 2019, and the related notes to the financial statements, and have issued our report thereon dated June 30, 2020.

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 to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no

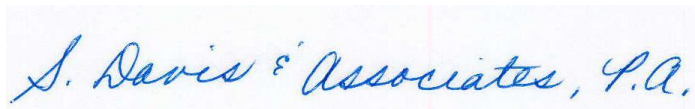
instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters involving internal control over financial reporting and compliance that we have reported to management of the City in a separate letter, "Report to Management".

The City's responses to the findings identified in our audit are described in the accompanying Management Letter. We did not audit the City's responses and, accordingly, we express no opinion on them.

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 City'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.

A handwritten signature in blue ink that reads "S. Davis & Associates, P.A." The signature is written in a cursive style and is positioned above a light blue horizontal line.

Hollywood, Florida
June 30, 2020

To the Honorable Mayor, City Commissioners
and City Manager
City of West Park, Florida

Report on the Financial Statements

We have audited the financial statements of the City of West Park, Florida (the “City”) as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated June 30, 2020.

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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

Other Reports and Schedule

We have issued our Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor’s Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant’s Report 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 June 30, 2020, 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. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report and the current status is described in the accompanying “Report to Management”.

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 the management letter, unless disclosed in the notes to the financial statements. The name or official title and legal authority of the primary government and component units are disclosed in the notes 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.

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, 2019, 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, 2019. In connection with our audit, we determined that these two reports were in agreement.

Special District Component Units

Section 10.554(1)(i)5.d., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that there were no special district component units associated with the City of West Park that was required to provide information for reporting in accordance with Section 218.39(3)(b), Florida Statutes.

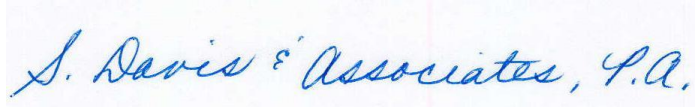
Other Matters

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, recommendations are included in the accompanying "Report to Management".

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 which 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, Members of the City and management and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in blue ink that reads "S. Davis & Associates, P.A." The signature is written in a cursive style and is centered on a light blue horizontal line.

Hollywood, Florida
June 30, 2020

**CITY OF WEST PARK, FLORIDA
REPORT TO MANAGEMENT
SEPTEMBER 30, 2019**

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

2019—01 LETF Bank account and transfers:

Observation: Approximately \$192,000 over the past 2 years has been paid by the operating account for left expenditure and cash has not been transferred from left bank account to operating account.

Recommendation: The City's General Fund should be reimbursed current and longstanding funds due from the LETF fund.

Reference Number for Prior Year Finding: 2018-05

Management Response

The City will open an account at the Florida PRIME (SBA) to invest these funds. Annually and prior to yearend, the funds advanced by the General Fund will be moved from the investment account to the General Fund operating account. The City expects to establish this account by fiscal year end and this finding is not expected to be repeated

II. PRIOR YEAR FINDINGS

2018-01 -Internal Controls over disbursements:

Current Status: Matter resolved

2018-02, 2018-03, 2018-04 Building permits fees

Current status: Matter resolved

2018-05 LETF Bank account transfer:

Current status: Partially resolved see 2019-01

2018-06 Statute Compliance:

Current Status: Matter resolved

III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Unless otherwise required to be reported in the auditor's report on compliance and internal controls, the management letter shall include, but not be limited to the following:

1. A statement as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

CITY OF WEST PARK, FLORIDA
REPORT TO MANAGEMENT
SEPTEMBER 30, 2019

There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2018, except as noted above.

2. Any recommendations to improve the local governmental entity's financial management.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2019, except as noted above.

3. Noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than Material but which warrants the attention of those charged with governance.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the fiscal year ended September 30, 2019, except as noted above.

4. The name or official title and legal authority of the City are disclosed in the notes to the financial statements.
5. The financial report filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes agrees with the September 30, 2019 financial audit report.
6. The City has not met one or more of the financial emergency conditions described in Section 218.503(1), Florida Statutes.
7. We applied financial condition assessment procedures and no deteriorating financial conditions were noted as of September 30, 2019. It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

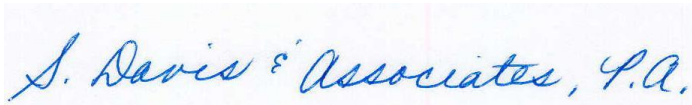
INDEPENDENT ACCOUNTANT'S REPORT

To the Honorable Mayor
and Members of the City Commission
City of West Park, Florida

We have examined the City of West Park, Florida's (the "City") compliance with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2019. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2019.



S. Davis & Associates, P.A.

Hollywood, Florida
June 30, 2020