

**CITY OF WEST PARK, FLORIDA
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the City, as of September 30, 2020, 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 2, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 2, 2021

**CITY OF WEST PARK, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

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, 2020. 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, 2020, by \$83,495,784 (the "net position"). Of this amount, \$5,606,746 (the "unrestricted net position") may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position decreased by (\$461,192) over the prior year.
- At the close of fiscal year 2020, the City's General Fund reported \$7,387,431 in total fund balance, an increase of \$648,969 over the previous year. Of the total fund balance, \$1,086,470 represents non-spendable assets comprised of property held for resale 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 or cost, whichever was less. The City uses the Broward County Property Appraiser's estimate of the lower of cost or 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 \$60,045 an increase of \$5,630 over 2019. The City's Stormwater Utility Fund had a final fund balance of

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MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

\$853,659, an increase over the prior year of \$102,349. The City's Capital Project's Fund, which was new in FY2019, had a negative fund balance of (\$205,206) which is the amount owed to the General Fund that will be repaid in future years, generally from grant funds. The fund balance increased \$5,987 from the prior year.

- The City had \$79,576 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 \$314,925 is designated for use in the 2021 fiscal year, all of which is earmarked for General Fund operations.
- The City's General Fund Unassigned Fund Balance of \$5,905,960 represents immediately available resources that can be used for any lawful purpose. This is an increase from the fiscal year 2019 amount of \$543,617 or an increase of about 10.1%.
- The City's General Fund Unassigned fund balance represents about 40.2% of the year's total expenditures for that fund, or about 5 months of expenditures, a noticeable increase from the FY2019 amount of 34.4%.
- 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 remains 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 \$127,056, \$82,328 of which is expected to be paid from budgeted resources in FY2021.
- The City's current assets (exclusive of illiquid assets) exceeded its current liabilities by more than 10.2 times.

City Achievements

This year, our highest priority was protecting our employees as we continued to keep our workforce employed doing meaningful work whether in the field, through telework or in physically distanced environments. Unlike some municipalities, we resisted furloughs for employees whose normal job function was impacted (such as parks and recreation employees whose facilities are closed to the public) by having them telework and perform virtual youth programs, while delivering weekly meals to our seniors, thus helping to ensure our public spaces adhere to social distance guidelines.

Since the beginning of Fiscal Year 2019-2020, despite the COVID-19 challenges, we continued to exemplify our high quality standards, respond to our residents' needs and emphasize our valuable unique culture, while exploring development opportunities through fruitful collaborations. We

**CITY OF WEST PARK, FLORIDA
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SEPTEMBER 30, 2020**

accentuated those qualities during this difficult time by: 1) Established the Temporary Rent, Mortgage and Utilities program; 2) Collaborating with Feeding South Florida for free food distribution; 3) Extending the Annual College Scholarship Program; 4) Held the Plaza Mall Development Groundbreaking; and 5) Providing much needed traffic calming at SW 20th Street & SW 57th Avenue, just to name a few.

○ **ESTABLISHED THE TEMPORARY RENT, MORTGAGE & UTILITIES ASSISTANCE PROGRAM:**

This program was established to assist residents experiencing severe financial hardship as a direct result of the COVID-19 pandemic. The program provided financial assistance to residents with verifiable and documented income hardship. Eligible housing units located in the City are assisted with a maximum of \$250.00 for utility payments and a total amount up to \$500.00 for rental assistance or mortgage payments.

○ **COLLABORATED WITH FEEDING SOUTH FLORIDA FOR FREE FRESH FOOD DISTRIBUTION:**

The COVID-19 pandemic made it difficult for many residents to purchase and obtain food on a consistent basis. Through a continued partnership with the Feeding South Florida organization, we distributed free food to residents bi-weekly. Several pallets of food were delivered by Feeding South Florida and distributed by staff and volunteers.

○ **EXTENDED THE ANNUAL COLLEGE SCHOLARSHIP PROGRAM:**

Considering financial challenges nationwide due to the COVID -19 pandemic, the City broadened the annual college scholarship program by issuing twelve scholarship awards to high school senior or college students who reside in West Park. The scholarships are to be used for tuition, fees, books, room and board, or other educational expenses owed to the school.

○ **SMALL BUSINESS GRANT PROGRAM:**

This program was established to provide financial assistance to small businesses and to create an opportunity for small businesses to interact with the City under favorable conditions. To further assist small businesses, the City established a grant program for small businesses within the City experiencing severe financial hardship as a direct result of the COVID -19 pandemic. The grant is for purchase of personal protection equipment, cleaning and disinfectant services.

○ **PLAZA MALL DEVELOPMENT:**

The public-private partnership development includes the construction of a 5,180 square foot retail shopping plaza on a 21,400 square foot vacant lot. The development consists of five individual retail spaces with one 1,900 square foot anchor tenant space located at 5690 Pembroke Road. Construction activities started with groundbreaking on August 13, 2020.

○ **COMPLETED THE SW 20th STREET & SW 57th AVENUE TRAFFIC CALMING IMPROVEMENT:**

This project is the installation of traffic calming devices at the intersection of SW 20th Street and SW 57th Avenue. The improvement included the adjustment to drainage system, installation of traffic calming elements, pavers, asphalt resurfacing, and pavement marking.

**CITY OF WEST PARK, FLORIDA
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SEPTEMBER 30, 2020**

Despite COVID-19 challenges, for the fifth time in a row, the City achieved the highest increase in Net Percentage Change of 9.33% among all cities in the County. The City also achieved positive increase in Percentage Change in Taxable value of 10.19%, a positive increase that has been consistent for the last eight years. Meanwhile, we continued to emphasize the high quality standards that we advocate, such as assisting our residents and 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. 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 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.

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This year, the City was successful in securing grants for a total amount of \$4,250,244.57, thus providing approximately 21.76% of the City's total revenue for the following year. The grants include:

▪ **Florida Department of State:**

This funding is a result of a funding application and presentation to the State of Florida for \$500,000 to develop a cultural facility. The development will include a mini-amphitheater with appurtenances necessary for the theater to function.

▪ **Community Development Block Grant:**

With a total projected revenue of \$199,066, these funds will be used for the Infill Lots Development Program and SW 48th Avenue Roadway Improvement. The City is proposing to invest five (5) vacant lots to be conveyed to the non-profit developer towards the development of affordable single-family homes for low/moderate income families. The city received a \$100,000 grant award from Broward County Community Development Block Grant Program to invest at \$20,000 per lot to the selected non-profit developer to assist with development cost. An additional \$99,066 funding award received from this grant is for conceptual design activities for SW 48th Avenue Roadway Improvement.

▪ **Florida Department of Environmental Protection:**

This funding is a result of lobbying activities in Tallahassee a couple of years ago. This total storm water funding of \$200,000 is scheduled to fund the SW 25th Street Improvement project.

▪ **Transportation Surtax Fund:**

In November 2018, Broward County voters approved a 30-year one percent surtax for transportation. The first distribution of surtax revenues was received by Broward County from the State Department of Revenue in March 2019. Cities were then required to submit funding requests for transportation projects. So far, the City's requests have been considered to receive funding for the following projects:

• **SW 25th Street Complete Street Construction:**

This improvement project will include drainage, traffic calming devices, roadway resurfacing, installation of sidewalk, bike lanes and pavement markings from state Road 7 to SW 40th Avenue. The project will be funded for \$1,638,987.

• **State Road 7 Pedestrian Lighting:**

This is the first phase of design activities needed to install approximately 42 pedestrian streetlights along State Road 7 between County line Road and Pembroke Road. This design phase is scheduled to be funded at \$90,000.

• **SW 48th Avenue Complete Street Improvement:**

This project consists of roadway design activities to upgrade the corridor from County Line Road to Pembroke Road. The adopted improvement will include bike lanes, sidewalk, roadway resurfacing, traffic calming devices and pavement marking. This design phase is scheduled to be funded at \$420,000.

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- **SW 21st Street Complete Street Improvement:**

This adopted improvement corridor includes State Road 7 to SW 40th Avenue. The improvement will include a drainage system upgrade, bike lanes, sidewalk, repairs, traffic calming device, asphalt resurfacing, and pavement marking. This design phase activities is scheduled to be funded at \$240,000.

- **Florida Recreation Development Assistance Program (FRDAP):**

This State funded improvement to Mary Saunders Park of \$50,000 will include the construction of approximately 60,000 square feet of field space for multipurpose athletic use. The athletic use will consist of baseball, softball, soccer and football activities.

- **Children’s Services Council:**

After three consecutive years of meeting and exceeding our funding commitment under the Youth Force Initiative, the City’s funding was increased from \$73,806 per fiscal year to \$303,117 for the year-round Youth Force Program and the Summer MOST Program. Since the program started, over 300 children have been serviced.

- **Florida Department of Elder Affairs:**

This year, in partnership with Florida Department of Elder Affairs and the Area wide Council on Aging of Broward County, members of our Senior Program will benefit greatly from additional resources from the State’s Local Service Program (LSP). The LSP provides funding to expand long-term care alternatives enabling elders to maintain an acceptable quality of life in their own homes and avoid or delay nursing home placement. The LSP provides community based services to preserve elder independence, support caregivers, and target at-risk persons. Our LSP will assist elders to live in the least restrictive environment that meets their needs through the provision of congregate meals, education, recreation, and transportation.

OTHER ACCOMPLISHMENTS INCLUDE:

- 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 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.
- Successfully implemented the following City sponsored events and programs:
 - Mary Kendrick’s Thanksgiving Turkey Giveaway
 - Holiday Toy Giveaway
 - Summer Camp Virtually (Camp Bravery)

**CITY OF WEST PARK, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

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.

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).

**CITY OF WEST PARK, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
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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 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 or 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 \$76,895,757 of net capital assets. Of that amount, \$55,163,855 represents land and other non-depreciable assets and \$21,731,902 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 \$1,086,970 (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 91% of these non-capital and illiquid assets, representing a change from the prior year of 75%.

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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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:

	<u>2020</u>	<u>2019</u>	<u>Percent Change</u>
Assets			
Cash and Equivalents	\$ 7,083,802	\$ 6,128,540	15.6%
Accounts Receivable, Net	605,596	1,109,768	-45.4%
Property Held For Resale	1,086,970	1,060,690	2.5%
Capital Assets, Net of Depreciation	76,895,757	77,866,994	-1.2%
Total Assets	85,672,125	86,165,992	-0.6%
Deferred Outflows of Resources			
Pension	538,798	531,756	1.3%
Liabilities			
Accounts Payable and Other	585,469	782,920	-25.2%
Unearned Revenues	94,970	121,564	-21.9%
Current Portion of Long-term Liabilities	82,328	14,113	483.3%
Non-current portion of long-term liabilities	1,875,378	1,723,724	8.8%
Total Liabilities	2,638,145	2,642,321	-0.2%
Deferred Inflows of Resources			
Pension	76,995	98,451	-21.8%
Net Position			
Investment in Capital Assets, Net	76,895,757	77,866,994	-1.2%
Restricted for:			
Law Enforcement	79,576	81,498	-2.4%
Water Control District	60,045	54,415	10.3%
Stormwater	853,659	728,404	17.2%
Unrestricted	5,606,747	5,225,665	7.3%
Total Net Position	\$ 83,495,784	\$ 83,956,976	-0.5%

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MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

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:

City of West Park's Changes In Net Position

	Governmental Activities		
	<u>2020</u>	<u>2019</u>	<u>Percent Change</u>
Revenues			
Program Revenues			
Charges for Services	\$ 5,402,109	\$ 5,836,498	-7.4%
Operating Grants and Contributions	1,365,278	1,941,253	-29.7%
Capital Grants and Contributions	43,759	267,133	-83.6%
General Revenue			
Taxes	7,314,250	6,939,100	5.4%
Other	1,724,250	1,886,102	-8.6%
Total Revenues	<u>15,849,646</u>	<u>16,870,086</u>	<u>-6.0%</u>
Expenses			
General Government	2,374,033	2,533,309	-6.3%
Public Safety	9,266,800	9,143,582	1.3%
Public Works	3,465,396	3,638,809	-4.8%
Parks and Recreation	1,204,609	1,341,188	-10.2%
Interest on long-term debt	-	4,305	-100.0%
Total Expenses	<u>16,310,838</u>	<u>16,661,193</u>	<u>-2.1%</u>
Change in Net Position	<u>\$ (461,192)</u>	<u>\$ 208,893</u>	<u>-320.8%</u>

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

**CITY OF WEST PARK, FLORIDA
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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. Two-thirds of the City's housing stock was constructed over 50 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 City 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.

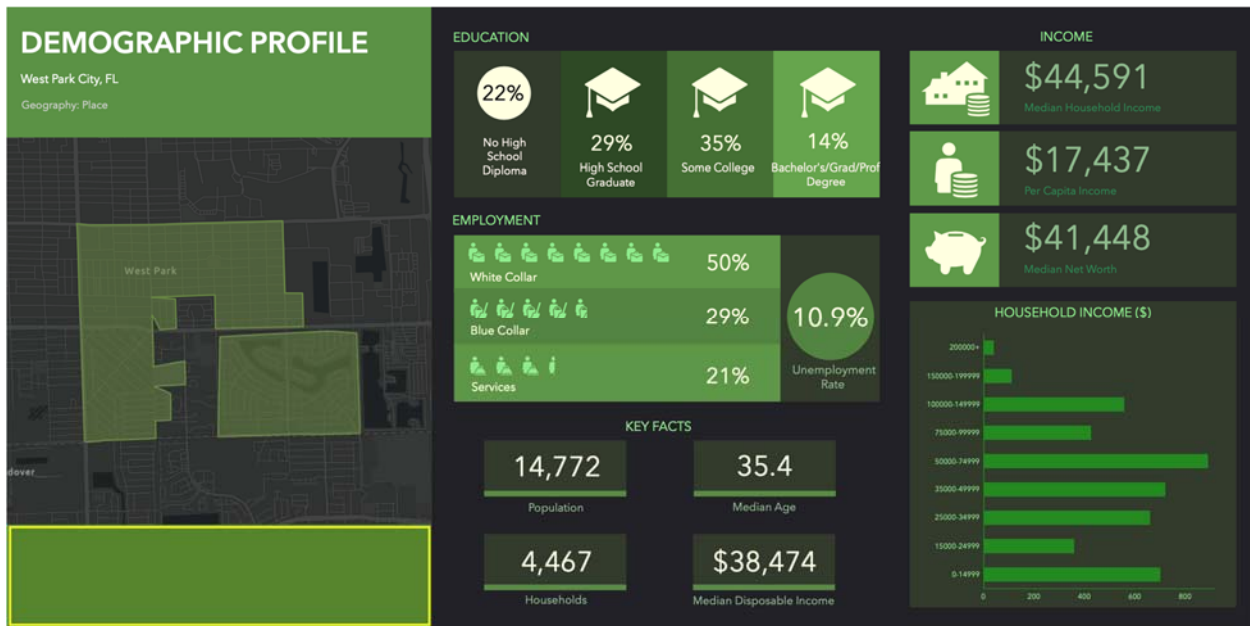
Personnel Costs and Stresses. The cost of attracting and keeping experienced and competent personnel in South Florida continues to be a challenge. The City must compete with the roughly 90 municipalities that exist in Miami-Dade, Broward, and Palm Beach counties. The level and cost of benefits offered to employees 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.

**CITY OF WEST PARK, FLORIDA
MANAGEMENT’S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

Community Profile

Demographic profile. The City is estimated to have a population of 14,772 across 4,467 households, with a median age at 35.4 years. Median household income is estimated to be \$44,591 with a median net worth of \$41,448. 49% of the population has at least some college, with 14% having obtained at least a Bachelor’s degree. The labor force is mostly white collar, but also has 29% of its workforce in blue collar occupations. The unemployment rate is estimated at 10.9%, owing, in part, to the effects of the pandemic.



Population Trends and Key Indicators. The City’s population has grown from 14,065 people in 2010 to its current 14,772 level. The median home value is \$193,536 and, for those with mortgages, the percent of income devoted to a mortgage payment is 18.1%. The typical amount spent on mortgage payments and basic housing expenses is \$6,704. The population has a wealth index that is 45% of the national average and housing is generally affordable for the income present. The City has a diverse population, both in age and race:

**CITY OF WEST PARK, FLORIDA
MANAGEMENT’S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**



POPULATION TRENDS AND KEY INDICATORS

West Park City, FL

14,772	4,467	3.30	35.4	\$44,591	\$193,536	45	124	75
Population	Households	Avg Size Household	Median Age	Median Household Income	Median Home Value	Wealth Index	Housing Affordability	Diversity Index

MORTGAGE INDICATORS



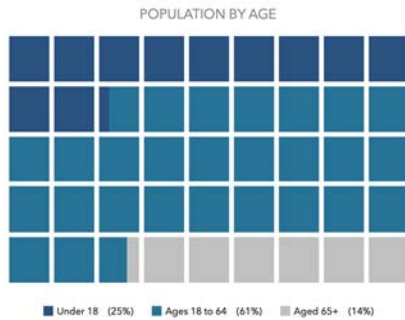
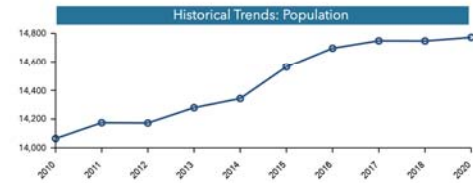
\$6,704

Avg Spent on Mortgage & Basics

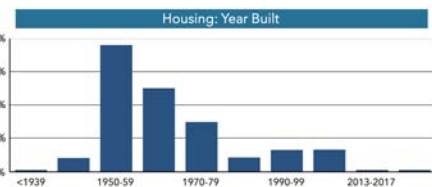
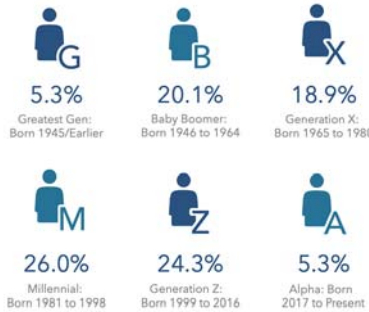


18.1%

Percent of Income for Mortgage



POPULATION BY GENERATION



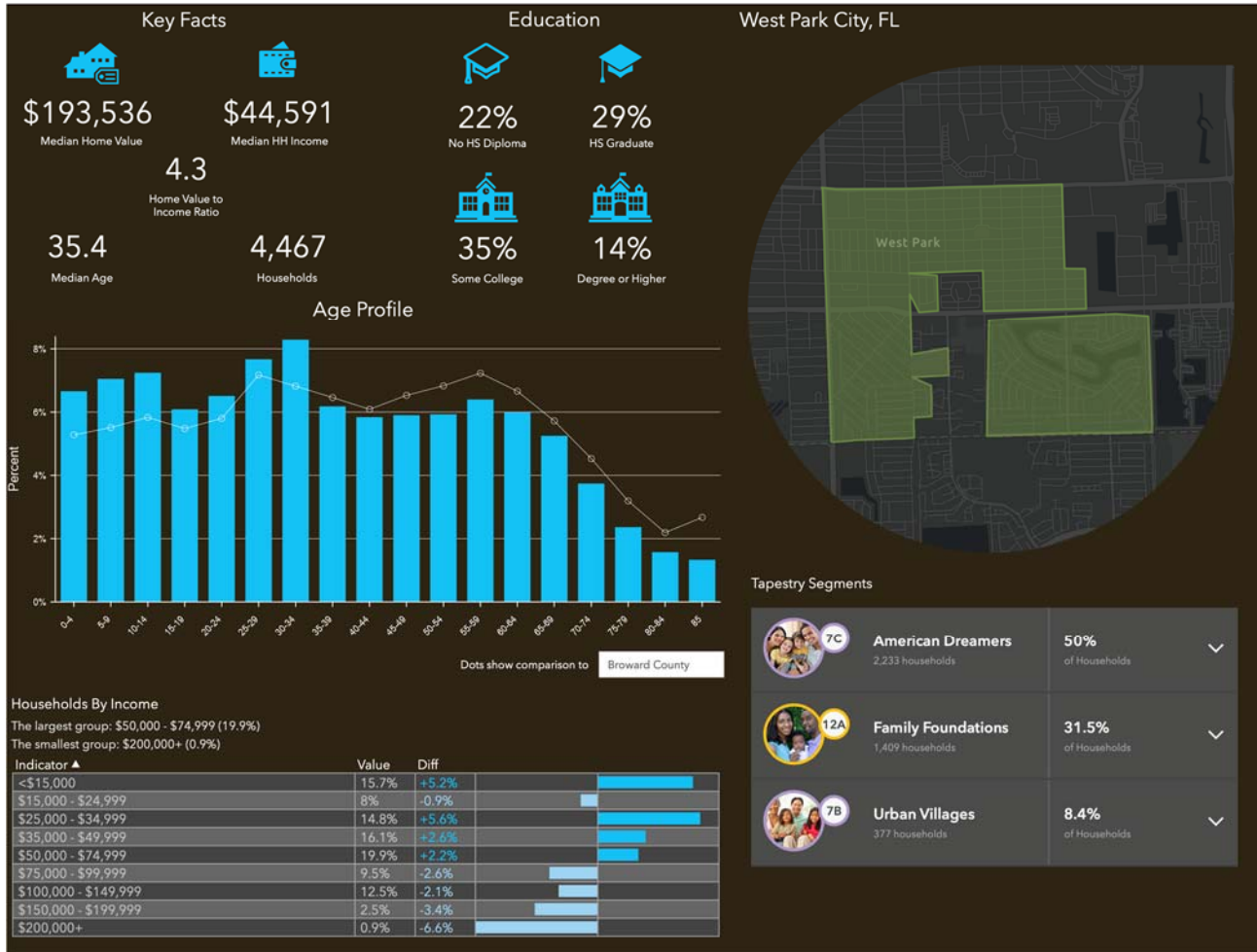
Tapestry Market Segmentation. The City can be segmented into three major categories. The largest group, at 50% are family-centric and diverse. Most are married couples with children of all ages or single parents. Multigenerational homes are common. The average household size is 3.19. Their commute can 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 the 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 31.5% 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 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 8.4% 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

**CITY OF WEST PARK, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

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:



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 \$8,095,929 of which \$5,700,754 is unassigned.

Business Type Funds

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

**CITY OF WEST PARK, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of year-end, the City had \$76,895,757 in capital assets, net of related depreciation. Of that amount, \$55,163,855 was invested in land and work-in-progress and \$21,731,902 was invested in infrastructure, net of depreciation. The City added \$261,511 in new assets but recorded \$1,232,748 in depreciation expense for the year.

Debt

The City had \$127,056 in accrued employee compensated absences; \$144,570 in net other post-employment benefits owed to employees and retirees of the City, and \$1,686,079 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 33023, or by phone at (954) 989-2688.

**CITY OF WEST PARK, FLORIDA
STATEMENT OF NET POSITION
FISCAL YEAR ENDED SEPTEMBER 30, 2020**

	Governmental Activites
<u>ASSETS</u>	
Cash and equity in pooled cash	\$ 6,273,225
Restricted cash	810,577
Accounts receivable, net	605,596
Property held for resale	1,086,970
Capital assets:	
Nondepreciable capital assets	55,163,855
Depreciable capital assets, net	21,731,902
Total assets	85,672,125
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension	538,798
Total deferred outflows of resources	538,798
<u>LIABILITIES</u>	
Liabilities:	
Accounts payable and other liabilities	585,469
Unearned revenues	94,970
Current liabilities:	
Due within one year:	
Compensated absences	82,328
Noncurrent liabilities:	
Due in more than one year:	
Compensated absences	44,728
Net other post employment benefit (OPEB) liability	144,570
Net pension liability	1,686,079
Total liabilities	2,638,144
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension	76,995
Total deferred inflows of resources	76,995
<u>NET POSITION</u>	
Net investment in capital assets	76,895,757
Restricted for:	
Law Enforcement	79,576
Water Control District	60,045
Stormwater	853,659
Unrestricted	5,606,746
Total net position	\$ 83,495,784

See notes to the financial statements.

**CITY OF WEST PARK, FLORIDA
STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED SEPTEMBER 30, 2020**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grant and Contributions	Governmental Activities
Primary government:					
Governmental activities:					
General government	\$ 2,374,033	\$ 146,733	\$ 288,749	\$ -	\$ (1,938,550)
Public safety	9,266,800	3,139,212	429,913	-	(5,697,675)
Public works	3,465,396	2,107,542	240,690	43,759	(1,073,405)
Parks and recreation	1,204,609	8,621	405,926	-	(790,062)
Total Governmental activities	<u>16,310,838</u>	<u>5,402,109</u>	<u>1,365,278</u>	<u>43,759</u>	<u>(9,499,692)</u>
General revenues:					
Property taxes					4,905,503
Franchise taxes and utility taxes					2,189,204
Communications services tax					219,542
Grants and contributions not restricted to specific programs					1,398,361
Unrestricted investment earnings					71,415
Miscellaneous revenues					254,476
Total general revenues and transfers					<u>9,038,500</u>
Change in net position					<u>(461,192)</u>
Net position-beginning					<u>83,956,976</u>
Net position-ending					<u>\$ 83,495,784.49</u>

See notes to the financial statements.

**CITY OF WEST PARK, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

	Major Funds				Total Governmental Funds
	General Fund	Twin Lakes Fund	Stormwater Fund	Capital Projects Fund	
<u>ASSETS</u>					
Cash and equity in pooled cash	\$ 6,273,225	\$ -	\$ -	\$ -	\$ 6,273,225
Restricted cash	82,703	\$ 60,045	\$ 667,829	-	810,577
Accounts receivable, net	411,530	-	194,066	-	605,596
Due from capital projects fund	205,206	-	-	-	205,206
Property held for sale	1,086,970	-	-	-	1,086,970
Total assets	<u>\$ 8,059,634</u>	<u>\$ 60,045</u>	<u>\$ 861,895</u>	<u>\$ -</u>	<u>\$ 8,981,574</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>					
Liabilities:					
Accounts payable and other liabilities	\$ 577,233	\$ -	\$ 8,236	\$ -	\$ 585,469
Due to general fund	-	-	-	205,206	205,206
Unearned revenue	94,970	-	-	-	94,970
Total liabilities	<u>672,203</u>	<u>-</u>	<u>8,236</u>	<u>205,206</u>	<u>885,645</u>
Fund balances					
Nonspendable:					
Property held for sale	1,086,970	-	-	-	1,086,970
Restricted for:					
Law enforcement	79,576	-	-	-	79,576
Water Control District	-	60,045	-	-	60,045
Stormwater	-	-	702,058	-	702,058
Assigned for :					
Subsequent year's expenditures	314,925	-	151,601	-	466,526
Unassigned	5,905,960	-	-	(205,206)	5,700,754
Total fund balances	<u>7,387,431</u>	<u>60,045</u>	<u>853,659</u>	<u>(205,206)</u>	<u>8,095,929</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,059,634</u>	<u>\$ 60,045</u>	<u>\$ 861,895</u>	<u>\$ -</u>	<u>\$ 8,981,574</u>

See notes to the financial statements.

CITY OF WEST PARK, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

Fund balance - governmental funds	\$	8,095,929
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		89,405,059
Accumulated depreciation		(12,509,302)
		76,895,757
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		
Deferred outflows of resources related to the pension are recorded in the statement of net position.		538,798
Deferred inflows of resources related to the pension are recorded in the statement of net position.		(76,995)
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		(127,056)
Net pension liability- Florida Retirement System		(1,686,079)
Net OPEB liability		(144,570)
		(1,957,705)
Net position of government activities	\$	83,495,784

See notes to the financial statements.

CITY OF WEST PARK, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Major Funds				Total Governmental Funds
	General Fund	Twin Lakes Fund	Stormwater Fund	Capital Projects Fund	
Revenues:					
Taxes					
Property taxes	\$ 4,905,503	\$ -	\$ -	\$ -	\$ 4,905,503
Motor fuel taxes	240,690	-	-	-	240,690
Franchise taxes	1,154,756	-	-	-	1,154,756
Utility taxes	1,034,449	-	-	-	1,034,449
Communications services tax	219,542	-	-	-	219,542
Licenses and permits	613,103	-	-	-	613,103
Intergovernmental	2,103,664	-	-	43,759	2,147,423
Charges for services	510,758	-	318,650	-	829,408
Fines and forfeitures	425,757	-	-	-	425,757
Interest Income and related	45,135	-	-	-	45,135
Special assessments	4,168,614	16,495	-	-	4,185,109
Miscellaneous revenues	48,772	-	-	-	48,772
Total revenues	<u>15,470,743</u>	<u>16,495</u>	<u>318,650</u>	<u>43,759</u>	<u>15,849,647</u>
Expenditures:					
Current:					
General government	2,191,014	-	-	113,865	2,304,879
Public safety	9,216,672	-	-	-	9,216,672
Public works	2,186,432	10,865	193,395	16,815	2,407,507
Parks and recreation	1,068,136	-	-	118,285	1,186,421
Capital outlay	13,143	-	-	-	13,143
Total expenditures	<u>14,675,397</u>	<u>10,865</u>	<u>193,395</u>	<u>248,965</u>	<u>15,128,622</u>
Excess (deficiency) of revenues over (under) expenditures	<u>795,346</u>	<u>5,630</u>	<u>125,255</u>	<u>(205,206)</u>	<u>721,025</u>
Other Financing Sources (Uses):					
Transfer in	-	-	-	211,193	211,193
Transfer out	(211,193)	-	-	-	(211,193)
Total other financing sources and uses	<u>(211,193)</u>	<u>-</u>	<u>-</u>	<u>211,193</u>	<u>-</u>
Net change in fund balance	584,153	5,630	125,255	5,987	721,025
Fund balance, beginning	6,803,278	54,415	728,404	(211,193)	7,374,904
Fund balance, ending	<u>\$ 7,387,431</u>	<u>\$ 60,045</u>	<u>\$ 853,659</u>	<u>\$ (205,206)</u>	<u>\$ 8,095,929</u>

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, 2020

Net change in fund balances - total governmental funds	\$	721,025
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>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.</p>		261,511
<p>Depreciation of capital assets is not recognized in the governmental fund financial statements, but is reported as an expense on the statement of activities.</p>		(1,232,749)
<p>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.</p>		7,708
<p>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.</p>		-
<p>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:</p>		
Change in compensated absences		18,373
Change in Net OPEB liability		(20,896)
Change in Net Pension liability and related deferred inflows and outflows		(216,164)
Change in net position of governmental activities	\$	<u>(461,192)</u>

See notes to the financial statements.

CITY OF WEST PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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.

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

CITY OF WEST PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS - Continued
SEPTEMBER 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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.

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

CITY OF WEST PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS - Continued
SEPTEMBER 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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 has been no current year adoption of 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.

6. Receivables and Payables

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

All receivables are shown net of any allowance for uncollectables 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, 2019. 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.

CITY OF WEST PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS - Continued
SEPTEMBER 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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:

<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, 2020, 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. 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.

CITY OF WEST PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS - Continued
SEPTEMBER 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

12. 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.

13. 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.

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.

CITY OF WEST PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS - Continued
SEPTEMBER 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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.

14. 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 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.

CITY OF WEST PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS - Continued
SEPTEMBER 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

15. 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.

16. 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 2, 2021, 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 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.

CITY OF WEST PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS - Continued
SEPTEMBER 30, 2020

NOTE 4. RECEIVABLES

Receivables as of September 30, 2020, including the allowance for uncollectible accounts, are as follows:

	General Fund	Stormwater Fund	Total
Receivables			
Franchise taxes	\$ 126,389	\$ -	\$ 126,389
Utility taxes	82,310	-	82,310
Intergovernmental	200,456	-	200,456
Fire inspections	222,447	-	222,447
Excess bulk waste	178,064	-	178,064
Stormwater	-	194,066	194,066
Gross receivables	809,666	194,066	1,003,732
Less allowance for uncollectables	398,136	-	398,136
Net total receivables	<u>\$ 411,530</u>	<u>\$ 194,066</u>	<u>\$ 605,596</u>

NOTE 5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2020, was as follows:

CAPITAL ASSETS

	Balance September 30, 2019	Increases	Decreases	Balance September 30, 2020
Capital assets, not being depreciated:				
Land and easements	\$ 54,838,969	\$ -	\$ -	\$ 54,838,969
Construction in progress	823,460	223,166	721,740	324,886
Total capital assets, not being depreciated	<u>55,662,429</u>	<u>223,166</u>	<u>721,740</u>	<u>55,163,855</u>
Capital assets, being depreciated:				
Infrastructure	31,156,824	620,001	-	31,776,825
Buildings	344,188	38,345	-	382,533
Improvements other than buildings	702,294	101,739	-	804,033
Furniture and equipment	1,277,813	-	-	1,277,813
Total capital assets, being depreciated	<u>33,481,119</u>	<u>760,085</u>	<u>-</u>	<u>34,241,204</u>
Less accumulated depreciation:				
Infrastructure	9,908,228	1,060,434	-	10,968,662
Buildings	214,275	21,053	-	235,328
Improvements other than buildings	304,296	68,148	-	372,444
Furniture and equipment	849,755	83,113	-	932,868
Total accumulated depreciation	<u>11,276,554</u>	<u>1,232,748</u>	<u>-</u>	<u>12,509,302</u>
Total capital assets, being depreciated, net	<u>22,204,565</u>	<u>(472,663)</u>	<u>-</u>	<u>21,731,902</u>
Governmental activities capital assets, net	<u>\$ 77,866,994</u>	<u>\$ (249,497)</u>	<u>\$ 721,740</u>	<u>\$ 76,895,757</u>

CITY OF WEST PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS - Continued
SEPTEMBER 30, 2020

NOTE 5. CAPITAL ASSETS – Continued

Depreciation expense for the fiscal year ended September 30, 2020, was charged to functions/programs as follows:

General Government	\$	19,218
Public Safety		28,426
Public Works		1,122,914
Parks and Recreation		62,191
		\$ 1,232,749

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 1st of each year and due as of November 1st 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, 2020, was 8.5000

NOTE 7. COMPENSATED ABSENCES

The City’s policy is to permit regular employees to accumulate limited earned and unused vacation pay benefits of vacation time. The liability for accumulated vacation hours is reflected in the statement of net position.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Government Activities					
Compensated Absences	\$ 108,683	\$ 101,353	\$ 82,980	\$ 127,056	\$ 82,328
Total	\$ 108,683	\$ 101,353	\$ 82,980	\$ 127,056	\$ 82,328

CITY OF WEST PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS - Continued
SEPTEMBER 30, 2020

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 2020 total \$135,000 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; however, there is a 5 percent benefit reduction for each year prior to the normal retirement age.

CITY OF WEST PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS - Continued
SEPTEMBER 30, 2020

NOTE 10. FLORIDA RETIREMENT SYSTEM - Continued

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 THE FINANCIAL STATEMENTS - Continued
SEPTEMBER 30, 2020

NOTE 10. FLORIDA RETIREMENT SYSTEM - Continued

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 2020 fiscal year were as follows:

Class	Percent of Gross Salary October 1, 2019 to June 30, 2020		Percent of Gross Salary July 1, 2020 to September 30, 2020	
	Employee	Employer ⁽¹⁾	Employee	Employer ⁽¹⁾
FRS Regular	3%	8%	3%	10%
FRS Senior Management	3%	25%	3%	27%
FRS Elected Officers	3%	49%	3%	40%

⁽¹⁾ Employer rates include .06% for administrative costs of the Investment Plan from October 1, 2019, to September 30, 2020. Employer rates also include a postemployment HIS contribution of 1.66%

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2020, the City reported a liability of \$1,238,357 for its proportionate share of the Plan’s net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The City’s proportionate share of the net pension liability was based on the City’s contributions for the fiscal year ended June 30, 2020, relative to the contributions made during the fiscal year ended June 30, 2020, of all participating members. At June 30, 2021, the City’s proportionate share was .00295%, which represents a .0001% increase to its proportionate share measured as of June 30, 2019.

CITY OF WEST PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS - Continued
SEPTEMBER 30, 2020

NOTE 10. FLORIDA RETIREMENT SYSTEM - Continued

For the fiscal year ended September 30, 2020, the City recognized pension expense of \$258,648 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	\$ 47,027	\$ -
Change of Assumptions	222,444	-
Net difference between projected and actual earnings on FRS pension plan investments	73,161	-
Changes in proportion and differences between City's FRS contributions and proportionate share of FRS contributions	54,063	(28,387)
City's FRS contribution subsequent to measurement date	26,561	-
Total	\$ 423,256	\$ (28,387)

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, 2020. 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
2021	\$ 70,608
2022	109,968
2023	93,472
2024	55,878
2025	12,705
Thereafter	-
Total	\$ 342,631

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

CITY OF WEST PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS - Continued
SEPTEMBER 30, 2020

NOTE 10. FLORIDA RETIREMENT SYSTEM - Continued

Valuation Date	July 1, 2020
Measurement date	June 30, 2020
Inflation	2.40%
Salary increases including inflation	3.25%
Mortality	Generational RP-2000 with Projection Scale BB
Actuarial cost method	Individual Entry Age
Discount rate	6.80%
Long-term expected rate of return, net of investment	6.80%
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, 2020, valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2020.

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⁾	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.20%	2.20%	1.20%
Fixed Income	19.0%	3.00%	2.90%	3.50%
Global equity	54.2%	8%	6.70%	17.10%
Real Estate (property)	10.3%	6.40%	5.80%	11.70%
Private equity	11.1%	10.80%	8.10%	25.70%
Strategic investments	4.4%	5.50%	5.30%	6.90%
Total	<u>100.0%</u>			
Assumed inflation- mean		2.40%		1.70%

⁽¹⁾ As outlined in the Plan's investment policy

CITY OF WEST PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS - Continued
SEPTEMBER 30, 2020

NOTE 10. FLORIDA RETIREMENT SYSTEM - Continued

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:

1% Decrease	Current Discount	1% increase
5.8%	Rate 6.8%	7.8%
\$ 1,962,119	\$ 1,228,757	\$ 616,250

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.

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, 2020, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive 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, 2020, the contribution rate was 1.66% of payroll from October 1, 2018, through September 30, 2020, 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, 2020.

CITY OF WEST PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS - Continued
SEPTEMBER 30, 2020

NOTE 10. FLORIDA RETIREMENT SYSTEM - Continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2020, 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, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The City’s proportionate share of the net pension liability was based on the fiscal year ended June 30, 2020, contributions relative to the fiscal year ended June 30, 2020, contributions of all participating members.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued) – At September 30, 2020, 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, 2020, 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:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 18,706	\$ (353)
Change of Assumptions	49,172	(26,590)
Net difference between projected and actual earnings on HIS pension plan investments	365	-
Changes in proportion and differences between City’s HIS contributions and proportionate share of HIS contributions	73,859	(21,663)
City’s HIS contribution subsequent to measurement date	5,129	-
Total	\$ 147,231	\$ (48,606)

The deferred outflows of resources related to pensions, totaling \$5,129, 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, 2020. 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
2021	\$ 11,430
2022	8,479
2023	2,317
2024	5,380
2025	7,326
Thereafter	6,369
Total	\$ 41,301

CITY OF WEST PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS - Continued
SEPTEMBER 30, 2020

NOTE 10. FLORIDA RETIREMENT SYSTEM - Continued

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

Valuation Date	July 1, 2020
Measurement date	June 30, 2020
Inflation	2.40%
Salary increases including inflation	3.25%
Mortality	Generational PUB-2010 with Projection Scale MP-2018
Actuarial cost method	Individual Entry Age
Discount rate	2.21%
Long-term expected rate of return, net of investment	NA
Municipal bond rate ⁽¹⁾	2.21%
Healthcare Cost Trend Rates	6.50% for fiscal year 2020, 6.25% for fiscal year 2021 and then gradually decreasing to an ultimate trend rate of 4.00%. Changes in assumptions and other inputs include: discount rate changed to 2.75% from 3.83%; premiums updated to current information; updated inflation and healthcare cost trend rates as described above; no changes to benefits
Other Information:	

⁽¹⁾ In general, the discount rate for calculating the total pension liability under GASB67 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, 2020 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 2.21%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage- point lower (1.21%) or 1-percentage-point higher (3.21%) than the current rate:

1% Decrease	Current Discount Rate 2.21%	1% increase
1.21%	3.21%	3.21%
\$ 528,612	\$ 57,295	\$ 398,922

CITY OF WEST PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS - Continued
SEPTEMBER 30, 2020

NOTE 10. FLORIDA RETIREMENT SYSTEM - Continued

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 2020 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Compensation</u>
FRS Regular	8.00%
FRS Senior Management	25.00%
FRS Elected Officers	49.00%

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

CITY OF WEST PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS - Continued
SEPTEMBER 30, 2020

NOTE 10. FLORIDA RETIREMENT SYSTEM - Continued

Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll from October 1, 2019 – September 30, 2020, and by forfeited benefits of Investment Plan members.

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.

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, 2020, 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	24
Total plan members	<u>24</u>

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

	<u>Total OPEB Liability</u>	<u>Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Balance as of September 30, 2019	\$ 165,466	\$ 149,611	\$ 15,855
Changes due to:			
Service Cost	19,022	19,867	(845)
Interest on the Total OPEB Liability	7,066	5,932	1,134
Changes in assumptions and other inputs	(46,984)	(9,944)	(37,040)
Balance as of September 30, 2020	<u>\$ 144,570</u>	<u>\$ 165,466</u>	<u>\$ (20,896)</u>

CITY OF WEST PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS - Continued
SEPTEMBER 30, 2020

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

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

Valuation date	September 30, 2019
Measurement date	September 30, 2019
Actuarial valuation method	Entry age normal
Inflation Rate	2.25%
Discount Rate	2.75%
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	6.50% for fiscal year 2020, 6.25% for fiscal year 2021 and then gradually decreasing to an ultimate trend rate of 4.00%.
Other Information:	Changes in assumptions and other inputs include: discount rate changed to 2.75% from 3.83%; premiums updated to current information; updated inflation and healthcare cost trend rates as described above; no changes to benefits.

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
1.75%	2.75%	3.75%
\$ 171,978	\$ 144,570	\$ 121,114

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
\$ 114,364	\$ 144,570	\$ 185,109

CITY OF WEST PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS - Continued
SEPTEMBER 30, 2020

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 day's notice after 30-day's 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 arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting

CITY OF WEST PARK, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS - Continued
SEPTEMBER 30, 2020

NOTE 14. PRONOUNCEMENTS ISSUED, BUT NOT YET ADOPTED – Continued

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, 2020. Per **GASB 95** this has been postponed for eighteen months.

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 implementation was postponed by GASB as a result of the COVID 19 pandemic. Per **GASB 95** this has been postponed for one year

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, 2020. 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. Per **GASB 95** this has been postponed for one year

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
NOTES TO THE FINANCIAL STATEMENTS - Continued
SEPTEMBER 30, 2020

NOTE 14. PRONOUNCEMENTS ISSUED, BUT NOT YET ADOPTED – Continued

GASB 91- Conduit Debt Obligations The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. 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. Per **GASB 95** this has been postponed for one year.

GASB 93 Replacement of Interbank Offered Rate The objective of implications that result this Statement is to address the accounting and financial reporting implications that result from the replacement of an Interbank offered rate (IBOR). The removal of London Interbank Offered Rate (LIBOR) as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this statement are effective for reporting periods beginning after June 15, 2020. The City's management has not yet determined the effect these statements will have on the City's financial statements. Per **GASB 95** this has been postponed for one year.

GASB 94 Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The requirements of this Statement are effective for fiscal year beginning after June 15, 2022, and all reporting periods thereafter.

GASB 96 Subscription-Based information Technology Arrangements This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

**CITY OF WEST PARK, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL
FISCAL YEAR ENDED SEPTEMBER 30, 2020**

	<u>Budgeted Amounts</u>			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual Amounts	
Revenues				
Taxes				
Property taxes	\$ 4,825,979	\$ 4,903,486	\$ 4,905,503	\$ 2,017
Motor fuel taxes	278,983	245,317	240,690	(4,627)
Franchise taxes	1,100,993	1,144,068	1,386,740	242,672
Utility taxes	1,013,525	1,031,900	1,034,449	2,549
Communications services tax	235,000	221,377	219,542	(1,835)
Licenses and Permits	625,221	505,920	417,105	(88,815)
Intergovernmental	2,097,840	2,064,426	2,105,064	40,638
Charges for Services	578,435	545,181	424,844	(120,337)
Fines and Forfeitures	455,563	415,484	425,757	10,273
Interest Income	75,000	43,697	45,135	1,438
Special Assessments	3,951,632	4,168,614	4,218,242	49,628
Miscellaneous revenues	15,600	26,032	47,672	21,640
Total revenues	<u>15,253,771</u>	<u>15,315,502</u>	<u>15,470,743</u>	<u>155,241</u>
Expenditures				
General Government				
City Commission	121,694	105,000	106,525	(1,525)
City Administrator	390,303	370,000	381,355	(11,355)
Finance and City Clerk	300,443	283,925	288,162	(4,237)
City Attorney	123,500	113,000	122,630	(9,630)
Development Services	331,398	285,000	412,836	(127,836)
Nondepartmental	1,085,492	880,000	840,108	39,892
Total General Government	<u>2,352,830</u>	<u>2,036,925</u>	<u>2,151,616</u>	<u>(114,691)</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>-</u>	<u>167,164</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, 2020**

	Original	Final	Actual Amounts	Variance with Final Budget- Positive (Negative)
Public safety:				
Police	5,221,256	5,165,000	5,180,727	(15,727)
Fire	3,494,194	3,488,396	3,488,396	-
Building	555,544	425,000	445,242	(20,242)
Code Enforcement	218,568	225,000	102,307	122,693
Total public safety	<u>9,489,562</u>	<u>9,303,396</u>	<u>9,216,672</u>	<u>86,724</u>
Public works	2,189,075	2,175,000	2,176,557	(1,557)
Parks and Recreation	1,496,812	1,070,000	1,037,542	32,458
Capital Outlay	48,700	48,700	93,010	(44,310)
Total expenditures	<u>15,576,979</u>	<u>14,634,021</u>	<u>14,675,397</u>	<u>(41,376)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(323,208)</u>	<u>681,481</u>	<u>795,346</u>	<u>113,865</u>
Other financing sources and (uses)				
Operating Transfer Out	-	-	(211,193)	(211,193)
Net change in fund balance	<u>(323,208)</u>	<u>681,481</u>	<u>584,153</u>	<u>\$ (97,328)</u>
Fund balances, beginning	<u>6,803,278</u>	<u>6,803,278</u>	<u>6,803,278</u>	
Fund balances, ending	<u>\$ 6,480,070</u>	<u>\$ 7,484,759</u>	<u>\$ 7,387,431</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, 2020**

	<u>Budgeted Amounts</u>			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual Amounts	
Revenues				
Special Assessments	\$ 16,666	\$ 16,666	\$ 16,495	\$ (171)
Total revenues	<u>16,666</u>	<u>16,666</u>	<u>16,495</u>	<u>(171)</u>
Expenditures				
Public works	16,666	10,865	10,865	-
Total expenditures	<u>16,666</u>	<u>10,865</u>	<u>10,865</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>5,801</u>	<u>5,630</u>	<u>(171)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>5,630</u>	<u>\$ 2,766</u>
Fund balances, beginning	54,415	54,415	54,415	
Fund balances, ending	<u>\$ 54,415</u>	<u>\$ 54,415</u>	<u>\$ 60,045</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, 2020**

	<u>Budgeted Amounts</u>			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual Amounts	
Revenues				
Charges for Services	\$ 309,000	\$ 301,000	\$ 318,650	\$ 17,650
Total revenues	<u>309,000</u>	<u>301,000</u>	<u>318,650</u>	<u>17,650</u>
Expenditures				
Public works	489,715	181,339	193,395	(12,056)
Total expenditures	<u>489,715</u>	<u>181,339</u>	<u>193,395</u>	<u>(12,056)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(180,715)</u>	<u>119,661</u>	<u>125,255</u>	<u>5,594</u>
Other financing sources (uses)				
Use of fund balance	180,715	-	-	-
Total other financing sources (uses)	<u>180,715</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>125,255</u>	<u>\$ 5,594</u>
Fund balances, beginning	728,404	728,404	728,404	
Fund balances, ending	<u>\$ 728,404</u>	<u>\$ 728,404</u>	<u>\$ 853,659</u>	

See notes to Required Supplementary Information – Budgetary Comparison Schedules.

CITY OF WEST PARK, FLORIDA
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM
FISCAL YEAR ENDED SEPTEMBER 30, 2020

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 \$323,747 of its General Fund reserves but ultimately did not need to use any of those reserves, finishing the year with \$795,346 more revenues than expenditures.

BUDGET PERFORMANCE

General Fund

For the year, the City received \$155,241 more revenues than expected from the final amended budget. Most of this (+\$242,672 came from additional franchise taxes, special assessments (+\$49,628), and inter-governmental revenue (+\$40,638). Expenditures were \$41,376 less than the final budget with Code Enforcement and Parks and Recreation savings were realized while development services went beyond what was expected. There were no payments for debt services resulting in a savings of \$167,164. There was a \$211,193 transfer to the Capital Projects Fund due to delays in grant funding for those projects. As noted, the City had anticipated using over \$300 thousand dollars of reserves, but wound up adding to its reserves by \$584 thousand.

Fund Balance Reserves, Used Versus Actual

Revenues Actually Received	\$ 15,470,743	
Expenditures Actually Made	14,675,397	
Transfer Out	(211,193)	
Fund Balance Reserved	\$ 584,153	
 Original Appropriation of Fund Balance		 \$ 323,747

Twin Lakes Special Revenue Fund. This fund realized a positive \$5,630 addition to fund balance, largely due to savings in operations.

Stormwater Special Revenue Fund. This fund added \$125,255 due to increases in charges for services and expenditures being only 60% of revenue. The City had originally planned to increase reserves by \$119,661 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, 2020

Florida Retirement System Pension Plan

	2020	2019	2018	2017	2016	2015
City's proportion of the FRS net pension liability	0.0028%	0.0030%	0.0028%	0.0026%	0.0023%	0.0022%
City's proportionate share of the FRS net pension liability	\$ 1,228,757	\$ 1,018,366	\$ 856,843	\$ 776,149	\$ 593,278	\$ 314,285
City's covered employee payroll	\$ 1,613,970	\$ 1,344,394	\$ 1,208,966	\$ 1,033,932	\$ 866,129	\$ 853,214
City's proportionate share of the FRS net pension liability as a percentage of its covered employee payroll	76.13%	75.75%	70.87%	75.07%	68.50%	36.84%
FRS plan fiduciary net position as a percentage of the total pension liability	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%

Retiree Health Insurance Subsidy Program

	2020	2019	2018	2017	2016	2015
City's proportion of the HIS net pension liability	0.0037%	0.0040%	0.0036%	0.0032%	0.0028%	0.0028%
City's proportionate share of the HIS net pension liability	\$ 457,295	\$ 445,323	\$ 379,888	\$ 339,449	\$ 324,731	\$ 284,444
City's covered employee payroll	\$ 1,613,970	\$ 1,344,394	\$ 1,208,966	\$ 1,033,932	\$ 866,129	\$ 853,214
City's proportionate share of the HIS net pension liability as a percentage of its covered employee payroll	28.33%	33.12%	31.42%	32.83%	37.49%	33.34%
HIS plan fiduciary net position as a percentage of the total pension liability	3.00%	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, 2020**

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.

Florida Retirement System Pension Plan						
	2020	2019	2018	2017	2016	2015
Contractually required FRS contribution	\$ 94,197	\$ 103,118	\$ 48,247	\$ 39,586	\$ 30,299	\$ 58,959
FRS contributions in relation to the contractually required contribution	\$ (94,197)	\$ (103,118)	\$ (48,247)	\$ (39,586)	\$ (30,299)	\$ (58,959)
FRS contribution deficiency (excess)			\$ -	\$ -	\$ -	\$ -
City's covered employee payroll	\$ 1,613,970	\$ 1,344,394	\$ 1,208,966	\$ 1,033,932	\$ 866,129	\$ 853,214
FRS contributions as a percent of covered employee payroll	5.84%	7.67%	3.99%	3.83%	3.50%	6.91%

Retiree Health Insurance Subsidy Program						
	2020	2019	2018	2017	2016	2015
Contractually required FRS contribution	\$ 26,792	\$ 20,068	\$ 12,282	\$ 11,102	\$ 8,993	\$ 11,661
FRS contributions in relation to the contractually required contribution	\$ (26,792)	\$ (20,068)	\$ (12,282)	\$ (11,102)	\$ (8,993)	\$ (11,661)
FRS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered employee payroll	\$ 1,613,970	\$ 1,344,394	\$ 1,208,966	\$ 1,033,932	\$ 866,129	\$ 853,214
FRS contributions as a percent of covered employee payroll	1.66%	1.66%	1.02%	1.07%	1.04%	1.37%

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

(2) Information is only available for the years presented

**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, 2020**

	2020	2019
Total OPEB Liability		
Beginning balance	\$ 165,466	\$ 149,611
Service cost	19,022	19,867
Interest on the Total OPEB Liability	7,066	5,932
Changes in assumptions and other inputs	(46,984)	(9,944)
Ending balance	\$ 144,570	\$ 165,466
 Plan Fiduciary Net Position		
Beginning balance	\$ -	\$ -
Ending balance	\$ -	\$ -
 Net OPEB Liability		
Plan fiduciary net position as a percentage of total OPEB		0.00%
Covered payroll		\$ 1,226,357
Net OPEB liability as a percentage of covered payroll		11.79%

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, 2020, and the related notes to the financial statements, and have issued our report thereon dated June 2, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City’s internal control over financial reporting 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 horizontal line.

Hollywood, Florida
June 2, 2021

**MANAGEMENT LETTER REQUIRED BY CHAPTER 10.550,
RULES OF THE AUDITOR GENERAL**

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, 2020, and have issued our report thereon dated June 2, 2021.

Auditor’s Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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* 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, which are dated June 2, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. 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.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, recommendations are included in the accompanying "Report to Management".

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but 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 Commission and management and is not intended to be and should not be used by anyone other than these specified parties.



S. Davis & Associates, P.A.

Hollywood, Florida
June 2, 2021

**CITY OF WEST PARK, FLORIDA
REPORT TO MANAGEMENT
SEPTEMBER 30, 2020**

I. CURRENT YEAR FINDINGS AND RESPONSES

OTHER MATTERS

2020-01 Law Enforcement Trust Fund (“LETF”) Bank Account and Transfers:

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

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

Reference Number for Prior Years’ Findings: 2019-01 and 2018-05

Management Response

The City will open an account at the Florida PRIME (SBA) to invest these funds. Annually and prior to year end, 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

2019-01 LETF Bank Account Transfers:
Current status: Partially resolved see 2020-01

**INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE
WITH THE REQUIREMENTS OF SECTION 218.415, FLORIDA
STATUTES, REQUIRED BY CHAPTER 10.556, RULES OF THE
AUDITOR GENERAL**

To the Honorable Mayor, City Commissioners
and City Manager
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, 2020. 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, 2020.



Hollywood, Florida
June 2, 2021